

NEW ENVIRONMENTAL TECHNOLOGIES CORP  
Form 10KSB  
February 27, 2002

U. S. Securities and Exchange Commission  
Washington, D. C. 20549

FORM 10-KSB

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2001  
-----

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 002-76219NY  
-----

NEW ENVIRONMENTAL TECHNOLOGIES CORPORATION  
-----

(Name of Small Business Issuer in its Charter)

NEVADA  
-----

87-0564472  
-----

(State or Other Jurisdiction or  
incorporation or organization)

(I.R.S. Employer I.D. No.)

9005 Cobble Canyon Lane  
Sandy, Utah 84093  
-----

(Address of Principal Executive Offices)

Issuer's Telephone Number: (801) 942-0555

Securities Registered under Section 12(b) of the Exchange Act: None.

Securities Registered under Section 12(g) of the Exchange Act: None.

Check whether the Issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

(1) Yes No X (2) Yes X No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [ ]

State Issuer's revenues for its most recent fiscal year: December 31, 2001, -\$0-.

For the Exhibit Index, see Part III, Item 13.

State the aggregate market value of the common voting stock held by non-affiliates computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified

Edgar Filing: NEW ENVIRONMENTAL TECHNOLOGIES CORP - Form 10KSB

date within the past 60 days.

February 6, 2002 - \$497.43. There are approximately 497,431 shares of common voting stock of the Registrant held by non-affiliates. During the past five years, there has been no "public market" for shares of common stock of the Registrant, so the Registrant has arbitrarily valued these shares on the basis of par value per share.

(ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Not Applicable.

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

State the number of shares outstanding of each of the Issuer's classes of common equity, as of the latest practicable date:

February 15, 2002

2,620,326

-----

DOCUMENTS INCORPORATED BY REFERENCE

-----

A description of "Documents Incorporated by Reference" is contained in Part III, Item 13.

Transitional Small Business Issuer Format Yes X No \_\_\_

PART I

Item 1. Description of Business.

-----

Business Development.

-----

Corporate Developments.

-----

New Environmental Technologies Corporation (the "Company") was organized under the laws of the State of Nevada on January 7, 1982, under the name "All Things, Inc." The Company was formed for the purpose of engaging in all lawful businesses. The Company's initial authorized capital consisted of 100,000,000 shares of \$0.0001 par value common voting stock.

On March 21, 1985, the Company's name was changed to "New Environmental Technologies Corporation."

Effective November 11, 1995, and in accordance with the Nevada Revised Statutes, the Board of Directors of the Company, with the written consent of President and Director, unanimously resolved to reverse split the outstanding shares of its common stock on a basis of 250 for one while retaining its authorized capital, with appropriate adjustments in the stated capital and capital surplus accounts of the Company. All computations hereinafter take into account this reverse split.

Copies of the initial Articles of Incorporation of the Company and the foregoing Certificates of Amendment to the Articles of Incorporation are

## Edgar Filing: NEW ENVIRONMENTAL TECHNOLOGIES CORP - Form 10KSB

attached hereto and incorporated herein by reference. See Part III, Item 13.

### Public Offering.

-----

The Company conducted a public offering of shares of its common stock pursuant to an S-18 Registration Statement which was filed with the Securities and Exchange Commission on or about March 2, 1982. By this reference, the Company's Registration Statement on Form S-18 is incorporated herein. See Part III, Item 13.

### Sales of Unregistered Securities During the Past Five Years.

-----

Name	Date Acquired	Number of Shares	Aggregate Consideration(1)
----	-----	-----	-----
Steve Howell	8/2/95	30,000	Services
Angie C. Howell	8/2/95	30,000	Services
Michael C. Brown	10/4/95	25,000	Services
Corie Merrell	10/4/95	120,000	Services
Dan and Connie Ross	10/4/95	25,000	Services
Lois Fallentine	10/4/95	25,000	Services
Chiricahua Company(2)	10/4/95	2,002,895	Services
Leonard W. Burningham, Esq.	11/6/96	120,000	Services

(1) Valued at par value or \$0.001 per share.

(2) Chiricahua Company is wholly-owned by David C. Merrell, President and a director of the Company.

### Business.

-----

The Company has had no material business operations since 1989. The Company may begin the search for the acquisition of assets, property or business that may benefit the Company and its stockholders once the Board of Directors sets guidelines of industries in which the Company may have an interest.

The Company is unable to predict the time as to when and if it may actually participate in any specific business endeavor, and will be unable to do so until it determines the particular industries of interest to the Company.

### Effect of Existing or Probable Governmental Regulations on Business.

-----

The integrated disclosure system for small business issuers adopted by the Securities and Exchange Commission in Release No. 34-30968 and effective as of August 13, 1992, substantially modified the information and financial requirements of a "Small Business Issuer," defined to be an issuer that has revenues of less than \$25,000,000; is a U.S. or Canadian issuer; is not an investment company; and if a majority-owned subsidiary, the parent is also a small business issuer; provided, however, an entity is not a small business issuer if it has a public float (the aggregate market

Edgar Filing: NEW ENVIRONMENTAL TECHNOLOGIES CORP - Form 10KSB

value of the issuer's outstanding securities held by non-affiliates) of \$25,000,000 or more. The Company is deemed to be a "small business issuer."

The Securities and Exchange Commission, state securities commissions and the North American Securities Administrators Association, Inc. ("NASAA") have expressed an interest in adopting policies that will streamline the registration process and make it easier for a small business issuer to have access to the public capital markets.

Number of Employees.  
-----

None.

Item 2. Description of Property.  
-----

The Company has no property or assets; its principal executive office address and telephone number are the business office address and telephone number of David C. Merrell, the Company's President, which are provided at no cost. See Part I, Item 1.

Item 3. Legal Proceedings.  
-----

The Company is not the subject of any pending legal proceedings; and to the knowledge of management, no proceedings are presently contemplated against the Company by any federal, state or local governmental agency.

Further, to the knowledge of management, no director or executive officer is party to any action in which any has an interest adverse to the Company.

Item 4. Submission of Matters to a Vote of Security Holders.  
-----

No matter was submitted to a vote of the Company's security holders during the fourth quarter of the period covered by this report or during the previous two calendar years.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters.  
-----

Market Information.  
-----

There has never been any "established trading market" for shares of common stock of the Company. The Company intends to submit for listing on the OTC Bulletin Board of the National Association of Securities Dealers, Inc. ("NASD"); however, management does not expect any established trading market to develop unless and until it has operations. In any event, no assurance can be given that any market for the Company's common stock will develop or be maintained. If a public market ever develops in the future, the sale of "unregistered" and "restricted" shares of common stock pursuant to Rule 144 of the Securities and Exchange Commission by members of management or others may have a substantial adverse impact on any such market; and all of these persons have satisfied the "holding period" under Rule 144. See the heading "Sales of Unregistered Securities During the Past Five Years," of Part I, Item 1.

Edgar Filing: NEW ENVIRONMENTAL TECHNOLOGIES CORP - Form 10KSB

-----  
Holders.

-----  
The number of record holders of the Company's common stock as of the calendar year ended December 31, 2001 was approximately 859; these numbers do not include an indeterminate number of stockholders whose shares are held by brokers in street name. As of February 15, 2002 there were approximately 859 stockholders.

-----  
Dividends.

-----  
There are no present material restrictions that limit the ability of the Company to pay dividends on common stock or that are likely to do so in the future. The Company has not paid any dividends with respect to its common stock, and does not intend to pay dividends in the foreseeable future.

-----  
Item 6. Management's Discussion and Analysis or Plan of Operation.

-----  
Plan of Operation.

-----  
The Company has not engaged in any material operations during the year end December 31, 2001 or since 1989.

The Company's plan of operation for the next 12 months is to:(i) consider guidelines of industries in which the Company may have an interest; (ii) adopt a business plan regarding engaging in business in any selected industry; and (iii) to commence such operations through funding and/or the acquisition of a "going concern" engaged in any industry selected.

The Company's only foreseeable cash requirements during the next 12 months will relate to maintaining the Company in good standing in the State of Nevada. Management does not anticipate that the Company will have to raise additional funds during the next 12 months.

-----  
Results of Operations.

-----  
The Company discontinued its active operations in 1989. It received no revenues and had losses in the following calendar years ended December 31, 2000 and 2001 of (\$9,011) and (\$19,461), respectively.

-----  
Liquidity.

-----  
At December 31, 2001, the Company had no cash. Expenses have been paid by an \$18,992 loan by a principal stockholder, David C. Merrell, the Company's President.

-----  
Item 7. Financial Statements.

-----  
For the periods ended December 31, 2001 and 2000

Independent Auditors' Report

Balance Sheet

Statements of Operations

Edgar Filing: NEW ENVIRONMENTAL TECHNOLOGIES CORP - Form 10KSB

Statements of Stockholders' Equity (Deficit)

Statements of Cash Flows

Notes to the Financial Statements

NEW ENVIRONMENTAL TECHNOLOGIES CORPORATION  
(A Development Stage Company)

FINANCIAL STATEMENTS

December 31, 2001

CONTENTS

Independent Auditors' Report . . . . .	3
Balance Sheet. . . . .	4
Statements of Operations . . . . .	5
Statements of Stockholders' Equity (Deficit) . . . . .	6
Statements of Cash Flows . . . . .	9
Notes to the Financial Statements . . . . .	10

INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
New Environmental Technologies Corporation  
(A Development Stage Company)  
Salt Lake City, Utah

We have audited the accompanying balance sheet of New Environmental Technologies Corporation (a development stage company) as of December 31, 2001 and the related statements of operations, stockholders' equity (deficit) and cash flows for the years ended December 31, 2001 and 2000 and from inception on January 7, 1982 through December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

## Edgar Filing: NEW ENVIRONMENTAL TECHNOLOGIES CORP - Form 10KSB

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Environmental Technologies Corporation (a development stage company) as of December 31, 2001 and the results of its operations and its cash flows for the years ended December 31, 2001 and 2000 and from inception on January 7, 1982 through December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 4 to the financial statements, the Company is a development stage company with no significant operating revenues to date which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 4. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/HJ & Associates, LLC  
HJ & Associates, LLC  
Salt Lake City, Utah  
February 1, 2002

### NEW ENVIRONMENTAL TECHNOLOGIES CORPORATION (A Development Stage Company) Balance Sheet

#### ASSETS

December 31,  
2001

#### CURRENT ASSETS

Cash	\$	-
TOTAL ASSETS	\$	-

#### LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

#### CURRENT LIABILITIES

Accounts payable	\$	34,591
Accounts payable - related party (Note 2)		18,992
Accrued interest payable - related party		2,308
Total Liabilities		55,891

#### STOCKHOLDERS' EQUITY (DEFICIT)

Common stock authorized 100,000,000 shares at \$0.001 par value; 2,620,326 shares issued and outstanding		2,620
Additional paid-in capital		150,692
Deficit accumulated during the development stage		(209,203)
Total Stockholders' Equity (Deficit)		(55,891)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$	-

NEW ENVIRONMENTAL TECHNOLOGIES CORPORATION  
(A Development Stage Company)  
Statements of Operations

	For the Years Ended December 31,		From Inception on January 7, 1982 Through December 31,
	2001	2000	2001
REVENUES	\$ -	\$ -	\$ -
EXPENSES	19,461	9,011	208,203
NET LOSS	\$ (19,461)	\$ (9,011)	\$ (208,203)
BASIC AND DILUTED LOSS PER SHARE	\$(0.01)	\$(0.00)	
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	2,620,326	2,620,326	

NEW ENVIRONMENTAL TECHNOLOGIES CORPORATION  
(A Development Stage Company)  
Statements of Stockholders' Equity (Deficit)

	Common Stock Shares	Stock Amount	Additional Paid-in Capital	Deficit Accumulated During the Development Stage
Balance, January 7, 1982	-	\$ -	\$ -	\$ -
Common stock issued for cash at \$7.50 per share	6,000	6	45,000	-
Common stock issued for cash at \$0.39 per share	168,503	169	65,819	-
Net loss from inception on January 7, 1982 through December 31, 1982	-	-	-	(39,597)
Balance, December 31, 1982	174,503	175	110,819	(39,597)
Net loss for the year ended December 31, 1983	-	-	-	(71,397)
Balance, December 31, 1983	174,503	175	110,819	(110,994)
Common stock issued for cash at \$25.00 per share	57	-	1,425	-



Edgar Filing: NEW ENVIRONMENTAL TECHNOLOGIES CORP - Form 10KSB

Common stock issued for cash at \$25.00 per share	3	-	75	-
Common stock issued for cash at \$0.25 per share	1,580,000	1,580	38,373	-
Net loss for the year ended December 31, 1984	-	-	-	-
Balance, December 31, 1984	1,754,563	1,755	150,692	(110,994)
Retired common stock,	(1,296,132)	(1,297)	-	-
Net loss for the year ended December 31, 1985	-	-	-	-
Balance, December 31, 1985	458,431	458	150,692	(110,994)
Net loss for the year ended December 31, 1986	-	-	-	-
Balance, December 31, 1986	458,431	458	150,692	(110,994)

The accompanying notes are an integral part of these financial statements.

6

NEW ENVIRONMENTAL TECHNOLOGIES CORPORATION  
(A Development Stage Company)  
Statements of Stockholders' Equity (Deficit)

	Common Shares	Stock Amount	Additional Paid-in Capital	Deficit Accumulated During the Development Stage
Balance, December 31, 1986	458,431	458	150,692	(110,994)
Net loss for the year ended December 31, 1987	-	-	-	-
Balance, December 31, 1987	458,431	458	150,692	(110,994)
Net loss for the year ended December 31, 1988	-	-	-	-
Balance, December 31, 1988	458,431	458	150,692	(110,994)
Net loss for the year ended December 31, 1989	-	-	-	-
Balance, December 31, 1989	458,431	458	150,692	(110,994)
Net loss for the year ended December 31, 1990	-	-	-	-
Balance, December 31, 1990	458,431	458	150,692	(110,994)
Net loss for the year ended				

Edgar Filing: NEW ENVIRONMENTAL TECHNOLOGIES CORP - Form 10KSB

December 31, 1991	-	-	-	-
Balance, December 31, 1991	458,431	458	150,692	(110,994)
Net loss for the year ended December 31, 1992	-	-	-	-
Balance, December 31, 1992	458,431	458	150,692	(110,994)
Net loss for the year ended December 31, 1993	-	-	-	-
Balance, December 31, 1993	458,431	458	150,692	(110,994)
Canceled common stock	(316,000)	(316)	-	-
Net loss for the year ended December 31, 1994	-	-	-	(6,656)
Balance, December 31, 1994	142,431	142	150,692	(117,650)

The accompanying notes are an integral part of these financial statements.

7

NEW ENVIRONMENTAL TECHNOLOGIES CORPORATION  
(A Development Stage Company)  
Statements of Stockholders' Equity (Deficit)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Deficit Accumulated During the Development Stage
Balance, December 31, 1994	142,431	142	150,692	(117,650)
Common stock issued for services at \$0.001 per share	2,357,895	2,358	-	-
Net loss for the year ended December 31, 1995	-	-	-	(49,097)
Balance, December 31, 1995	2,500,326	2,500	150,692	(166,747)
Common stock issued for services at \$0.001 per share	120,000	120	-	-
Net loss for the year ended December 31, 1996	-	-	-	(1,681)
Balance, December 31, 1996	2,620,326	2,620	150,692	(168,428)
Net loss for the year ended December 31, 1997	-	-	-	(3,517)
Balance, December 31, 1997	2,620,326	2,620	150,692	(171,945)
Net loss for the year ended				

Edgar Filing: NEW ENVIRONMENTAL TECHNOLOGIES CORP - Form 10KSB

December 31, 1998	-	-	-	(2,479)
Balance, December 31, 1998	2,620,326	\$ 2,620	\$ 150,692	\$(174,424)
Net loss for the year ended December 31, 1999	-	-	-	(6,307)
Balance, December 31, 1999	2,620,326	\$ 2,620	\$ 150,692	\$(180,731)
Net loss for the year ended December 31, 2000	-	-	-	(9,011)
Balance, December 31, 2000	2,620,326	\$ 2,620	\$ 150,692	\$(189,742)
Net loss for the year ended December 31, 2001	-	-	-	(19,461)
Balance, December 31, 2001	2,620,326	\$ 2,620	\$ 150,692	\$(209,203)

The accompanying notes are an integral part of these financial statements.

8

NEW ENVIRONMENTAL TECHNOLOGIES CORPORATION  
(A Development Stage Company)  
Statements of Cash Flows

	For the Years Ended December 31,		From Inception on January 7, 1982 Through December 31,
	2001	2000	2001
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Net loss	\$ (19,461)	\$ (9,011)	\$ (209,203)
Adjustments to reconcile net (loss) to net cash used by operating activities:			
Common stock issued for services	-	-	2,538
Changes in operating assets and liabilities:			
Accounts payable	19,451	8,963	55,892
Net Cash (Used) by Operating Activities	(10)	(48)	(150,763)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
	-	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Issuance of common stock	-	-	150,773
Net Cash Provided by Financing Activities	-	-	150,773
NET INCREASE (DECREASE) IN CASH	(10)	(48)	-
CASH AT BEGINNING OF PERIOD	10	58	-

Edgar Filing: NEW ENVIRONMENTAL TECHNOLOGIES CORP - Form 10KSB

CASH AT END OF PERIOD	\$	-	\$	10	\$	-
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION						
Interest paid	\$	-	\$	-	\$	-
Income taxes paid	\$	-	\$	-	\$	-
SCHEDULE OF NON CASH FINANCING ACTIVITIES						
Stock issued for services	\$	-	\$	-	\$	2,538

The accompanying notes are an integral part of these financial statement.

9

NEW ENVIRONMENTAL TECHNOLOGIES CORPORATION  
(A Development Stage Company)  
Notes to the Financial Statements  
December 31, 2001 and 2000

NOTE 1 - ORGANIZATION

The financial statements presented are those of New Environmental Technologies Corporation (the Company). The Company was incorporated as All Things, Inc. under the laws of the State of Nevada on January 7, 1982. On March 21, 1985, the Company changed its name to New Environmental Technologies Corporation. The Company was organized for the purpose of engaging in any activity or business not in conflict with the laws of the State of Nevada or of the United States of America, and without limiting the generality of the foregoing, specifically:

- a. To have and to exercise all the powers now or hereafter conferred by the laws of the State of Nevada upon corporations organized pursuant to the laws under which the corporation is organized and any and all acts amendatory thereof and supplemental thereto.
- b. To discount and negotiate promissory notes, drafts, bills of exchange and other evidence of debts, and to collect for others money due them on notes, checks, drafts, bills of exchange, commercial paper and other evidence of indebtedness.
- c. To purchase or otherwise acquire, own, hold, lease, sell, exchange, assign, transfer, mortgage, pledge, or otherwise dispose of, to guaranty, to invest, trade and deal in and with personal property of every class and description.
- d. To enter into any kind of contract agreement or profit sharing plan with its officers or employees that the Company may deem advantageous or expedient or otherwise to reward or pay such persons for their services as the directors may deem fit.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Method

The Company's financial statements are prepared using the accrual method of accounting. The Company has elected a December 31 year end.

b. Basic Loss Per Share

Loss per share has been calculated based on the weighted average number

# Edgar Filing: NEW ENVIRONMENTAL TECHNOLOGIES CORP - Form 10KSB

of shares of common stock outstanding during the period.

	For the Years Ended	
	December 31,	
	2001	2000
Loss per share:		
Numerator - net loss	(19,461)	(9,011)
Denominator - weighted average number of shares outstanding	2,620,326	2,620,326
Loss per share	\$ (0.01)	\$ (0.00)

10

NEW ENVIRONMENTAL TECHNOLOGIES CORPORATION  
(A Development Stage Company)  
Notes to the Financial Statements  
December 31, 2001 and 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Provision for Taxes

At December 31, 2001, the Company has net operating loss carryforwards of approximately \$97,000 that may be offset against future taxable income through 2020. No tax benefit has been reported in the financial statements, because the Company is uncertain if the net operating loss tax benefit will expire unused. Accordingly, the potential tax benefits are offset by a valuation account of the same amount.

The income tax benefit differs from the amount computed at federal statutory rates of approximately 38% as follows:

	For the Years Ended	
	December 31,	
	2001	2000
Income tax benefit at statutory rate	\$ 7,426	\$ 3,424
Change in valuation allowance	(7,426)	(3,424)
	\$ -	\$ -

Deferred tax assets (liabilities) are comprised of the following:

	For the Years Ended	
	December 31,	
	2001	2000
Income tax benefit at statutory rate	\$ 37,426	\$ 30,000
Change in valuation allowance	(37,426)	(30,000)
	\$ -	\$ -

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carryforwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carryforwards may be limited as to use in future years.

d. Related Party Transactions

A related party has loaned the Company \$18,992 for operating working capital. This amount bears interest at 8%, is secure and due upon demand.

11

NEW ENVIRONMENTAL TECHNOLOGIES CORPORATION  
(A Development Stage Company)  
Notes to the Financial Statements  
December 31, 2001 and 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

f. Change in Accounting Principles

During the years ended December 31, 2001, and 2000, the Company adopted the provisions of FASB Statement No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities (a replacement of FASB Statement No. 125)," FASB Statement No. 141, "Business Combinations," FASB Statement No. 142, "Goodwill and Other Intangible Assets," FASB Statement No. 143, "Accounting for Asset Retirement Obligations," FASB Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," and FIN 44 "Accounting for Certain Transactions Involving Stock Compensation (an interpretation of APB Opinion No. 25)." The effect of these adopted provisions on the Company's financial statements was no significant.

NOTE 3 - STOCK SPLITS

On August 10, 1984, the Company authorized a 1-for-10 stock split of common stock.

On July 16, 1984, the Company authorized a 1-for-10 stock split of legend stock.

On September 21, 1984, the Company authorized a 1-for-60 stock split of legend stock.

On January 11, 1985, the Company authorized a 1-for-60 stock split of legend stock.

On January 22, 1985, the Company authorized a 60-for-1 stock split of legend stock.

On August 27, 1985, the Company authorized a 1-for-250 stock split of all stock.

The financial statements reflect these stock splits on a retroactive basis.

NOTE 4 - GOING CONCERN

The Company's financial statements are prepared using generally accepted accounting principles applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, the Company does not have significant cash or other material assets, nor does it have an established source of operating revenues sufficient to cover its operating costs and to allow it to continue as a going concern. It is the intent of the Company to seek a merger with an existing, operating company. In the interim, shareholders of the Company have committed to meeting its minimal operating expenses.

12

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

No independent accountant of the Company has resigned, declined to stand for re-election or was dismissed during the Company's two most recent fiscal years or any interim period. Due to the Company's lack of significant business operations since approximately 1989, present management deemed it to be in the best interests of the Company to appoint a new independent accountant to audit its financial statements. Accordingly, the Board of Directors unanimously resolved to retain the services of HJ & Associates, LLC, Certified Public Accountants.

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act.

Identification of Directors and Executive Officers.

The following table sets forth the names and the nature of all positions and offices held by all directors and executive officers of the Company for the calendar years ending December 31, 2001 and 2000, and to the date hereof, and the period or periods during which each such director or executive officer served in his or her respective positions.

Name	Positions Held	Date of Election or Designation	Date of Termination Resignation
Corie Merrell	Director	1/95	*
	Secretary/ Treasurer	1/95	*
David C. Merrell	President	8/94	*
	Director		
	Secretary/ Treasurer	8/94	1/95
John H. Albright	Director	1/82	8/94
	President	1/82	8/94
Generoso Panaro	Director	1/82	8/94
	Secretary/	1/82	8/94

Edgar Filing: NEW ENVIRONMENTAL TECHNOLOGIES CORP - Form 10KSB

Treasurer

1/82

8/94

- \* These persons presently serve in the capacities indicated opposite their respective names.

Term of Office.

-----

The term of office of the current directors shall continue until the annual meeting of stockholders, which has been scheduled by the Board of Directors to be held in May of each year. The annual meeting of the Board of Directors immediately follows the annual meeting of stockholders, at which officers for the coming year are elected.

Business Experience.

-----

David C. Merrell, Director and President. Since 1989, he has been the owner of DCM Finance, a Salt Lake City based finance company which makes and brokers real estate loans. Mr. Merrell received his Bachelor of Science degree in Economics from the University of Utah in 1981.

Corie Merrell, Director and Secretary/Treasurer. Since 1989, she has been part owner of DCM Finance and is currently a part time student at Westminster College majoring in Psychology.

Family Relationships.

-----

David C. Merrell and Corie Merrell are husband and wife.

Involvement in Certain Legal Proceedings.

-----

Except as indicated below and to the knowledge of management, during the past five years, no present or former director, person nominated to become a director, executive officer, promoter or control person of the Company:

- (1) Was a general partner or executive officer of any business by or against which any bankruptcy petition was filed, whether at the time of such filing or two years prior thereto;
- (2) Was convicted in a criminal proceeding or named the subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);
- (3) Was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from or otherwise limiting, the following activities:
  - (i) Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance



Edgar Filing: NEW ENVIRONMENTAL TECHNOLOGIES CORP - Form 10KSB

company, or engaging in or continuing any conduct or practice in connection with such activity;

(ii) Engaging in any type of business practice; or

(iii) Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of federal or state securities laws or federal commodities laws;

(4) Was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any federal or state authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described above under this Item, or to be associated with persons engaged in any such activity;

(5) Was found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission to have violated any federal or state securities law, and the judgment in such civil action or finding by the Securities and Exchange Commission has not been subsequently reversed, suspended, or vacated; or

(6) Was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated.

Compliance with Section 16(a) of the Exchange Act.  
-----

No securities of the Company are registered pursuant to Section 12(g) of the Securities Exchange Act of 1934, and the Company files reports under Section 15(d) of the Securities Exchange Act of 1934; accordingly, directors, executive officers and 10 percent stockholders are not required to make filings under Section 16 of the Securities Exchange Act of 1934.

Item 10. Executive Compensation.  
-----

Cash Compensation.  
-----

The following table sets forth the aggregate compensation paid by the Company for services rendered during the periods indicated:

SUMMARY COMPENSATION TABLE

(a)	Annual Compensation		(d)	(e)	Long Term Compensation		(h)	(i)
	(b)	(c)			Awards	Payouts		
Name and principal position	Years or periods Ended	\$ Salary	\$ Bonus	other Annual Compensation	restricted Stock awards\$	option/ SAR's #	LTIP Payouts\$	all other Compensation\$
Corie Merrell	12/31/01	0	0	0	0	0	0	0

Edgar Filing: NEW ENVIRONMENTAL TECHNOLOGIES CORP - Form 10KSB

Sec/Tres	12/31/00	0	0	0	0	0	0	0
Director	12/31/99	0	0	0	0	0	0	0
David C.	12/31/01	0	0	0	0	0	0	0
Merrell	12/31/00	0	0	0	0	0	0	0
President	12/31/99	0	0	0	0	0	0	0
Director								

No cash compensation, deferred compensation or long-term incentive plan awards were issued or granted to the Company's management during the calendar years ending December 31, 2001, 2000 and 1999, or the period ending on the date of this report. Further, no member of the Company's management has been granted any option or stock appreciation right; accordingly, no tables relating to such items have been included within this Item.

Compensation of Directors.

There are no standard arrangements pursuant to which the Company's directors are compensated for any services provided as director. No additional amounts are payable to the Company's directors for committee participation or special assignments.

There are no arrangements pursuant to which any of the Company's directors was compensated during the Company's last completed calendar year or the previous two calendar years for any service provided as director. See the Summary Compensation Table of this Item.

Termination of Employment and Change of Control Arrangement.

There are no compensatory plans or arrangements, including payments to be received from the Company, with respect to any person named in the Summary Compensation Table set out above which would in any way result in payments to any such person because of his or her resignation, retirement or other termination of such person's employment with the Company or its subsidiaries, or any change in control of the Company, or a change in the person's responsibilities following a change in control of the Company.

Item 11. Security Ownership of Certain Beneficial Owners and Management.

Security Ownership of Certain Beneficial Owners.

The following table sets forth the shareholdings of those persons who own more than five percent of the Company's common stock as of December 31, 2001 and 2000, and to the date hereof:

Name and Address	Number and Percentage of Shares Beneficially Owned	
	12/31/00	12/31/01 and Currently
Chiricahua Company* 9005 Cobble Lane Sandy, Utah 84093	2,002,895 76.4%	2,002,895 76.4%
TOTALS	2,002,895 76.4%	2,002,895 76.4%

Edgar Filing: NEW ENVIRONMENTAL TECHNOLOGIES CORP - Form 10KSB

\* David C. Merrell is the sole owner of Chiricahua Company, and is deemed to be the beneficial owner of these shares.

Security Ownership of Management.

The following table sets forth the share holdings of the Company's directors and executive officers as of December 31, 2000 and 2001, and to the date hereof:

Name and Address	Number and Percentage of Shares Beneficially Owned			
	12/31/00		12/31/01 and currently	
David C. Merrell* 9005 Cobble Lane Sandy, Utah 84093	2,002,895	76.4%	2,002,895	76.4%
Corie Merrell 9005 Cobble Lane Sandy, Utah 84093	120,000	4.6%	120,000	4.6%
TOTALS	2,122,895	81%	2,122,895	81%

\* David C. Merrell is the sole owner of Chiricahua Company, and is deemed to be the beneficial owner of these shares.

Changes in Control.

To the knowledge of management, there are no present arrangements or pledges of the Company's securities which may result in a change in its control.

Item 12. Certain Relationships and Related Transactions.

Transactions with Management and Others.

Except as indicated under the heading "Sales of Unregistered Securities During the Past Five Years," of Item 1, Part 1, there were no material transactions, or series of similar transactions, during the Company's last three calendar years, or any currently proposed transactions, or series of similar transactions, to which the Company or any of its subsidiaries was or is to be a party, in which the amount involved exceeded \$60,000 and in which any director, executive officer or any security holder who is known to the Company to own of record or beneficially more than five percent of any class of the Company's common stock, or any member of the immediate family of any of the foregoing persons, had an interest.

Certain Business Relationships.

Except as indicated under the heading "Sales of Unregistered Securities During the Past Five Years," of Item 1, Part 1, there were no material transactions, or series of similar transactions, during the Company's last three calendar years, or any currently proposed transactions, or series of similar transactions, to which it or any of its subsidiaries

Edgar Filing: NEW ENVIRONMENTAL TECHNOLOGIES CORP - Form 10KSB

was or is to be a party, in which the amount involved exceeded \$60,000 and in which any director, executive officer or any security holder who is known to the Company to own of record or beneficially more than five percent of any class of its common stock, or any member of the immediate family of any of the foregoing persons, had an interest.

Indebtedness of Management.  
-----

Except as indicated under the heading "Sales of Unregistered Securities During the Past Five Years," of Item 1, Part 1, there were no material transactions, or series of similar transactions, during the Company's last three calendar years, or any currently proposed transactions, or series of similar transactions, to which it or any of its subsidiaries was or is to be a party, in which the amount involved exceeded \$60,000 and in which any director, executive officer or any security holder who is known to the Company to own of record or beneficially more than five percent of any class of its common stock, or any member of the immediate family of any of the foregoing persons, had an interest.

Transactions with Promoters.  
-----

Except as indicated under the heading "Sales of Unregistered Securities During the Past Five Years," of Item 1, Part 1, there were no material transactions, or series of similar transactions, during the Company's last three calendar years, or any currently proposed transactions, or series of similar transactions, to which it or any of its subsidiaries was or is to be a party, in which the amount involved exceeded \$60,000 and in which any promoter or founder or any member of the immediate family of any of the foregoing persons, had an interest.

Item 13. Exhibits and Reports on Form 8-K.  
-----

Reports on Form 8-K.  
-----

None.

Exhibits* Number -----	Exhibit Number -----
(i)	
None.	
(ii)	Where Incorporated In This Report -----
Number -----	

Registration Statement on Form S-18\*

Part I

\* A summary of any Exhibit is modified in its entirety by reference to the actual Exhibit.

\*\* These documents and related exhibits have previously been filed with the Securities and Exchange Commission and are incorporated herein by this reference.

SIGNATURES

Edgar Filing: NEW ENVIRONMENTAL TECHNOLOGIES CORP - Form 10KSB

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

NEW ENVIRONMENTAL TECHNOLOGIES CORPORATION

Date: 2/26/02

By/s/David C. Merrell  
David C. Merrell, President and  
Director

Date: 2/26/02

By/s/Corie Merrell  
Corie Merrell, Secretary/Treasurer and  
Director

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

NEW ENVIRONMENTAL TECHNOLOGIES CORPORATION

Date: 2/26/02

By/s/David C. Merrell  
David C. Merrell, President and  
Director

Date: 2/26/02

By/s/Corie Merrell  
Corie Merrell, Secretary/Treasurer and  
Director