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RAPTOR INVESTMENTS INC
Form 10KSB
May 15, 2003

ANNUAL REPORT 12/31/02

[OBJECT OMITTED]
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF

1934 For the fiscal year ended
December 31, 2002.

OR
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

COMMISSION FILE NUMBER 0-23026

RAPTOR INVESTMENTS, INC.

(Exact name of registrant as specified in its charter)

Florida	22-3261564
----- (State or other jurisdiction of incorporation or organization)	----- (I.R.S. Employer Identification No.)
105 NW 13th Street Pompano Beach, Florida	33069
----- (Address of principal executive offices)	----- (Zip Code)

Registrant's telephone number including area code: (954) 346-5799

SECURITIES REGISTERED PURSUANT TO SECTION 12 (B) OF THE ACT: NONE

SECURITIES REGISTERED PURSUANT TO SECTION 12 (G) OF THE ACT:

COMMON STOCK
(Title of Class)

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. Yes X No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is contained in this Form, and no disclosure will be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendments to this Form 10-KSB. Yes X No

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The issuer's revenues for the fiscal year ended December 31, 2002 were \$ 5,129,759.

As of December 31, 2002, there were 48,887,681 shares of Common Stock outstanding. Based on the average high and low bid prices of the Common Stock on December 31, 2002, the approximate aggregate market value of Common Stock held by non-affiliates was \$ 467,102.(1)

DOCUMENTS INCORPORATED BY REFERENCE

Certain exhibits are incorporated by reference to the Registrant's Registration Statement on Form SB-2 and the amendments thereto, and the Registrant's Annual Reports on Form 10-KSB for the fiscal years ended December 31, 1995, December 31, 1996, December 31, 1997, December 31, 1998, December 31, 1999, December 31, 2000 and December 31, 2001 as listed in response to Item 13(a) (2).

Transitional Small Business Disclosure Format (check one): Yes No X

(1) The aggregate dollar value of the voting stock set forth equals the number of shares of the Company's Common Stock outstanding, reduced by the amount of Common Stock held by officers, directors and shareholders owning in excess of 10% of the Company's Common Stock, multiplied by the average of the high and low bid prices for the Company's Common Stock on December 31, 2002. The information provided shall in no way be construed as an admission that any officer, director or 10% stockholder in the Company may or may not be deemed an affiliate of the Company, or that he/it is the beneficial owner of the shares reported as being held by him/it, and any such inference is hereby disclaimed. The information provided herein is included solely for record keeping purposes of the Securities and Exchange Commission.

PART I

ITEM 1. BUSINESS

FORWARD LOOKING STATEMENTS

When used in this Annual Report, the words or phrases will likely result, are expected to, will continue, is anticipated, estimate, projected, intends to or similar expressions are intended to identify forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties, including but not limited to the Company's history of losses and cash flow deficit; lack of liquidity; volatility of market price of common stock and warrants; possible adverse effect of penny stock rules and liquidity of the Company's securities; dividend policy; and control by directors and executive officers, that could cause the Company's actual results to differ materially from historical earnings and those presently anticipated or projected. Such factors, which are discussed in Risk Factors, Business and Management's Discussion and Analysis of Financial Condition and Results of Operations and the notes to consolidated financial statements, could affect the Company's financial performance and could cause the Company's actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods expressed in the Annual Report. As a result, potential investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date made. See Risk Factors Business and Management's Discussion and Analysis of Financial Condition and Results of Operations.

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GENERAL

For a discussion of certain factors, which should be considered in evaluating the Company and its business, see Risk Factors.

Raptor Investments, Inc., formerly Paramark Enterprises, Inc., (the Company), a Florida corporation, was originally formed in December 1985, under the name T.J. Cinnamons, Inc., as a franchiser of specialty retail bakeries. Previous management acquired the Company from its founders in 1992, sold the retail bakeries and franchise system in 1996 to Triarc Restaurant Group, and subsequently developed the Company into a wholesale manufacturer and distributor of specialty bakery products. The majority of the wholesale bakery operations were sold to Rich Products Manufacturing Group in December 2000 with the remaining assets sold to Brooks Street Companies, Inc. in October 2000. In August 2001, the Company completed the sale of 500,000 shares of the Company's common stock in a privately negotiated transaction for a purchase price of \$30,000. The shares were sold to a group of investors. Pursuant to the transaction, the former officers and directors resigned and were replaced by the investors. In December 2001, the Company entered into agreements to acquire LBI Properties, Inc., a development stage real estate holding company, and LBI E Web Communities, Inc., an internet-related holding company. The acquisition of these companies was closed on January 7, 2002. These companies were held by the current management prior to their acquisition by the Company. In October 2001 the Company changed its name to Raptor Investments, Inc. and changed its trading symbol to RAPT. The Company's Common Stock is publicly traded on the OTC Bulletin Board under the symbol RAPT.

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Triarc Restaurant Group Transactions. In 1996, the Company sold the T.J. Cinnamons trade name and other intellectual property to Triarc Restaurant Group (Triarc) in consideration for (i) a purchase price of \$3,540,000, (ii) additional contingent payments of up to \$5.5 million, and (iii) a 99 year royalty free license agreement to sell T.J. Cinnamons branded products through wholesale channels of distribution.

In 1998, the Company restructured its agreements with Triarc whereby the Company terminated the 1996 purchase and license agreements with Triarc in consideration for payments aggregating \$4 million of which \$3 million was paid at closing and \$1 million was tendered in the form of a non interest bearing promissory note payable over a period of 24 months.

Rich Products Transaction. In December 2000, the Company entered into an asset purchase agreement with Rich Products Manufacturing Corporation (Rich Products) through which the Company sold to Rich Products a majority of the assets comprising its bakery operations in El Cajon, California. The Rich Products agreement provided for a purchase price aggregating \$2,182,750 inclusive of a payment for inventory. The aggregate purchase price will be paid as follows: \$193,950 on October 16, 2000, \$1,000,000 on December 15, 2000, and \$1,000,000 payable in semiannual installments over a period of four (4) years. Rich Products is also assuming approximately \$285,000 in equipment lease related debt.

Brooks Street Transaction. In October 2000, the Company also entered into an asset purchase and sale agreement with Brooks Street Companies, Inc. (Brooks Street), pursuant to which the Company sold the remainder of its bakery operations to Brooks Street. The Brooks Street agreement provided for a purchase

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price in the form of the assumption by Brooks Street of approximately \$70,000 in equipment lease related debt, the purchase of inventory by Brooks Street in the amount of \$12,500 and the agreement by Brooks Street to make royalty payments to the Company, over a period of four (4) years, equal to 5% of net sales of pull-apart cakes to existing customers of the Company plus 1 1/2% of net sales of pull-apart cakes to new customers of Brooks Street.

The foregoing summaries of the Rich Products Agreement and the Brooks Street Agreement are only a brief description of the agreements and are qualified in their entirety by the detailed provisions of the agreements which were filed as exhibits to the Company's Current Report on Form 8-K filed on October 18, 2000, and are incorporated herein by reference.

The Lovito Transaction. In August 2001, the Company completed the sale of 500,000 shares of the Company's common stock in a privately negotiated transaction for a purchase price of \$30,000 to investors, Paul, Matthew and Marc Lovito (the "Lovitos"). Pursuant to the Agreement, on September 22, 2001, the Company's current officers and directors, Charles Loccisano, Alan Gottlich, Philip Friedman and Paul Begun, resigned and were replaced by the Lovitos on the board. In addition, on September 26, 2001, Paul Lovito became the Chairman, President and Chief Executive Officer replacing Alan Gottlich and Charles Loccisano. Marc Lovito became Vice President and Secretary replacing Alan Gottlich, and Matthew Lovito became the Company's Treasurer and Chief Financial Officer replacing Alan Gottlich. The purchase price is being held in an escrow account, with Alan S. Gottlich and Charles Loccisano acting as trustees and signatories, with such funds to be released to the Company upon satisfaction of the escrow obligations, which include the satisfaction of the Company's outstanding obligations and the completion of the stock repurchase (described below), if required. The Agreement also provides that within 12 months after the completion of the stock sale transaction, the Lovitos shall cause the Company to make an offer to all holders of the outstanding shares of the Company's common stock to repurchase their shares at a price of \$0.20 per share through a tender offer provided the market bid price of the Company's common stock is not greater than \$0.20 per share for any consecutive 30-day period during the one-year period following the closing of the previously described stock sale transaction.

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As a result, no assurance can be given that the repurchase will be commenced or that the repurchase will occur on the terms described herein. If the foregoing offer to shareholders is required and the Lovitos do not fulfill their obligations in connection therewith, the Agreement provides that the Lovitos shall take all actions necessary to add four new members to the Board selected by Messrs. Loccisano and Gottlich. The Agreement also provides that each of Messrs. Loccisano and Gottlich has the right to require the Lovitos to purchase or the Company to repurchase up to one-half of their Paramark shares (the "Loccisano/Gottlich Sale Offer") on the 60th day after the earlier of: (i) the completion of a 30 consecutive trading day period where the Company's common stock had a bid price of \$0.20 per share or higher during the one year period following the consummation of the Stock Sale Transaction; or (ii) the completion of the Company's repurchase, described above. The purchase price paid by the Company or the Lovitos for the Loccisano and Gottlich shares will be \$0.20 per share. At August 20, 2001, Messrs. Gottlich and Loccisano beneficially owned 1,431,924 and 187,339 shares, respectively, of the Company's common stock. The proposed payments to Messrs. Gottlich and Loccisano upon the sale of their shares are subject to a guarantee agreement entered into between the Lovitos and Messrs. Gottlich and Loccisano. Under the terms of the Lovito Guarantee

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Agreement, the Lovitos, jointly and severally, guarantee the fulfillment of the obligations defined in the Lovito Guarantee. Under the terms of the Agreement, Messrs. Gottlich and Loccisano agreed not to tender any shares during the Company's repurchase, if commenced. In addition, under the terms of the agreement, Messrs. Gottlich and Loccisano agreed not to tender any shares during the Company's repurchase, if commenced or otherwise sell their shares except pursuant to the Loccisano/Gottlich Sale Offer for a specified period. In consideration of this restriction, the Lovitos agreed to pay Messrs. Loccisano and Gottlich an aggregate fee of \$66,000 payable in 12 monthly installments. The Agreement provides for the establishment of an escrow account which shall be used to fund certain expenses of the Company existing prior to the stock sale transaction including, amounts due to Messrs Loccisano and Gottlich pursuant to their employment agreements, director and officer insurance premiums and outstanding trade obligations and legal fees of the Company and Messrs. Loccisano and Gottlich resulting from the Pensabene litigation. The obligations of the Company under the Agreement are also secured by an Agreement between the Lovitos and Messrs. Loccisano and Gottlich which provides that Messrs. Loccisano and Gottlich may designate four new board members if the Lovitos fail to fulfill their obligations under the Agreement and the Lovitos agree to take all corporate action necessary to add such individuals to the board. As part of these transactions, the Lovitos agreed to enter into consulting agreements with each of Messrs. Gottlich and Loccisano which require Messrs. Loccisano and Gottlich to consult with the Lovitos on the operations of a public company and related matters in exchange for the payment of \$24,000 payable in 12 equal monthly installments. Pursuant to the terms of the Agreement, the Lovitos also agreed to take action to cause the Company to register the Loccisano and Gottlich shares for resale pursuant to the applicable requirements of the SEC. The Agreement also provides that the Company's obligations to Messrs. Loccisano and Gottlich pursuant to their employment agreements shall be secured by the assignment of payments from the Rich Products Asset Purchase Agreement. As a result of the Company entering into the above-described Agreement, the Board of Directors unanimously approved the termination of the proposed Plan of Liquidation previously approved by stockholders at the Company's Annual Meeting held on December 15, 2000, effective upon the consummation of the share purchase transaction.

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Plan of Liquidation. The Company's shareholders approved a plan of liquidation on December 15, 2000 pursuant to which the Company would distribute all remaining net proceeds from the Rich Products transaction and the Brooks Street transaction to its shareholders over a period of four (4) years . As a result of the Company entering into the above-described Agreement with the Lovitos (See "Lovito Transaction"), the Board of Directors unanimously approved the termination of the proposed Plan of Liquidation previously approved by stockholders at the Company's Annual Meeting held on December 15, 2000, effective upon the consummation of the share purchase transaction.

LBI Properties, Inc. Transaction. In December 2001, the Company entered into an Acquisition Agreement with LBI Properties, Inc., a Florida corporation, and the shareholders of LBI Properties. The shareholders of LBI Properties include the Company's Chairman, President and CEO Paul F. Lovito, Jr., the Company's CFO and Treasurer Matthew J. Lovito and the Company's Vice President and Director Marc A. Lovito, officers and directors of the Company. Pursuant to the Acquisition Agreement, the Company effected the stock exchange at the rate of 1:5. The Company acquired all of the issued and outstanding shares of the Common Stock of LBI Properties in exchange for the issuance of 19,974,298 shares of the Common Stock of the Company to be delivered to the LBI Properties shareholders on a pro-rata basis. This acquisition closed on January 7, 2002. LBI Properties is an

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early stage real estate holding company. LBI Properties currently owns a residential lot in Cape Coral, Florida, and has identified two additional residential lots that it intends to acquire in the near future. In addition to the foregoing, LBI Properties is seeking acquisitions in the following areas: income producing commercial and residential properties, residential development projects, leisure and destination properties, and real estate service operations.

LBI E Web Communities, Inc. Transaction. In December 2001, the Company entered into a Stock Acquisition Agreement with the Company's Chairman, President and CEO Paul F. Lovito, Jr., the Company's CFO and Treasurer Matthew J. Lovito, Company's Vice President and Director Marc A. Lovito, Darrin Lovito and LBI Capital Partners, L.P., a limited partnership in which the Company's Chairman, President and CEO is a general partner, as shareholders of LBI E Web Communities, Inc., a Florida corporation. Pursuant to the Stock Agreement, the Company effected the stock exchange at the rate of 1:3. The Company acquired all of the issued and outstanding shares of the Common Stock of LBI E Web in exchange for the issuance of 19,800,000 shares of the Common Stock of the Company to be delivered to the LBI E Web shareholders on a pro-rata basis. This acquisition closed on January 7, 2002. LBI E Web is an Internet related holding company that currently owns the following five domain names: FinanceItOnTheWeb.com (a financial services directory site), Brassbulls.com (a public relations and financial information site), MyEnumber.com (an online address book and one stop Rolodex), Homewaiter.com (a food delivery and information site), and Mimesaro.com (a Spanish food delivery and information site). Brassbulls.com and MyEnumber.com websites are in the final phases of construction while the development of the other listed websites will commence shortly. LBI E Web plans to create a network of self-developed websites covering a diverse universe of subjects.

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Raptor Merger Transaction. In December 2001., current management and the majority shareholders approved and effected a corporate reorganization, the principal feature of which was to transfer the Company's legal domicile from Delaware to Florida pursuant to an Agreement and Plan of Merger between the Company and its wholly-owned subsidiary, Raptor Investments, Inc., a Florida corporation, wherein the Florida corporation was the surviving corporation.

The J&B Wholesale Produce, Inc. transaction. Effective July 2, 2002 Raptor acquired 100% of the issued and outstanding stock of J&B Wholesale Produce, Inc., from Gennaro Mugnano, in exchange for \$2,325,000., as described in the 8-K document filed with the SEC on July 2, 2002. Raptor and J&B borrowed \$2,825,000. from Gelpid Associates, LLC, a Florida Limited Liability Company, in order to complete the acquisition. A true and correct copy of the Stock Purchase Agreement is included in the 8-K filing and is incorporated herein by reference. The loan to Raptor by Gelpid Associates LLC was personally guaranteed by the President of Raptor, Mr. Paul Lovito. J&B is engaged in the wholesale produce industry. Pursuant to the Stock Purchase Agreement, Raptor acquired 1000 shares of J&B common Stock, par value \$0.01, and J&B became a wholly-owned subsidiary of Raptor. J&B was incorporated in Florida as a for-profit corporation on May 16, 1994. The loan from Gelpid Associates is evidenced by a note, which has a term of three years and bears interest at the rate of LIBOR plus ten percent per annum. The minimum monthly payment due under the note is accrued interest only. There is no prepayment penalty under the note. The note is secured by the machinery, equipment, furniture, fixtures, inventory, accounts receivable, works in progress, motor vehicles, and computer hardware and software of J&B. Raptor has received an additional loan commitment from Gelpid in the amount of \$800,000. With which Raptor intends to (1) close on the purchase of the cold storage warehouse housing J&B located in Pompano Beach, Florida in the amount of

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approximately \$400,000., and (2) utilize approximately \$400,000. to expand J&B into a retail seller of fruits, vegetables, dairy products and prepared foods.

The foregoing summaries of the Lovitos Agreement, the LBI Properties, Inc. Agreement, the LBI E Web Agreement, the J&B Wholesale Produce, Inc. agreement and the Raptor Merger are only a brief description of the agreements and are qualified in their entirety by the detailed provisions of the agreements which were filed as exhibits to the Company's Current Report on Form 8-K filed on August 23, 2001 (Lovitos Transaction), Schedule 14C filed on December 3, 2001 (Raptor Merger) and Form 8-K filed on January 7, 2002 (LBI Properties, Inc. and LBI E Web Communities, Inc. Transaction) and the Form 8-K filed on July 2, 2003 (J&B transaction) are incorporated herein by reference.

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Risk Factors

In addition to the other information in this report, the following information should be considered carefully by investors in evaluating the Company and its business.

(a) History of Operating Losses; Operating Cash Flow Deficit. The Company has had net operating losses since 1988. For the fiscal year ended December 31, 2002, the Company's net operating loss on a going concern basis was \$1,305,618. There can be no assurance that the Company will achieve profitable operations and a positive cash flow. See Management's Discussion and Analysis of Financial Conditions and Results of Operations.

(b) Lack of Liquidity; Volatility of Market Price of Common Stock. The Common Stock of the Company was delisted from the Nasdaq SmallCap Market on January 7, 1998 and is presently quoted and traded on the OTC Bulletin Board. As a result, the purchaser of the Company's securities may find it more difficult to dispose of, or to obtain accurate quotations as to the market value of the Common Stock. Consequently, there can be no assurance that an active and liquid market for the Common Stock or the uniform quotation of prices for the Common Stock can be sustained. The market price for the Company's Common Stock may also be significantly affected by such factors as the introduction of new products by the Company or its competitors. Additionally, in recent years, the stock market has experienced a high level of price and volume volatility, and market prices for many companies, particularly small and emerging growth companies, the securities of which trade in the over-the-counter market, have experienced wide price fluctuations not necessarily related to the operating performance of such companies. The market price and liquidity of the Company's Common Stock may also be significantly affected by the general business condition of the Company.

As a result of the delisting of the Company's securities from the Nasdaq SmallCap Market, sales of the Company's securities are within the scope of Securities and Exchange Commission rules that imposes additional sales practice requirements on broker-dealers who sell such securities to persons other than their established customers and accredited investors (generally institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouses). For transactions covered by that rule, the broker-dealer must make a special suitability determination with respect to each purchaser, and receive the purchaser's written agreement to the transaction prior to the sale. Consequently, the rule may affect the ability of broker-dealers to sell the Company's securities and also may affect the ability of current shareholders to sell their securities in the secondary market. There can be no assurance that trading of the Company's securities will not be adversely affected by the

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Company's failure to comply with these or other regulations that could adversely effect the market for such securities.

(c) Effect of Penny Stock Rules on Liquidity for the Company's Securities. The Securities and Exchange Commission (the Commission) regulations define a penny stock to be an equity security not registered on a national securities exchange, or for which quotation information is disseminated on the Nasdaq SmallCap Market that has a market price (as therein defined) of less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exemptions. For any transaction involving a penny stock, unless exempt, the rules require delivery, prior to a transaction in a penny stock, of a disclosure schedule prepared by the Commission relating to the penny stock market. Disclosure is also required to be made about commissions payable to both the broker-dealer and the registered representative and current quotations for the securities. Finally, monthly statements are required to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

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The foregoing required penny stock restrictions apply to the Company's securities if such securities continue to be listed on the OTC Bulletin Board, and have certain price and volume information provided on a current and continuing basis or meet certain minimum net tangible assets or average return criteria. In any event, even if the Company's securities were exempt from such restrictions, the Company would remain subject to Section 15(b)(6) of the Securities Exchange Act of 1934, as amended, which gives the Commission the authority to prohibit any person that is engaged in unlawful conduct while participating in a distribution of a penny stock from associating with a broker-dealer or participating in a distribution of a penny stock, if the Commission finds that such a restriction would be in the public interest. Since the Company's securities are subject to the rules on penny stocks, the market liquidity for the Company's securities could be materially and adversely affected. Any disruption in the liquid market of the Company's Common Stock could limit the Company's access to the equity markets in the future, and could have a materially adverse effect on the Company's business, financial conditions and results of operations.

(d) Dividend Policy. To date, the Company has not paid any dividends on its Common Stock. The Board of Directors does not anticipate declaring any cash dividends on its Common Stock in the foreseeable future. Future dividends, if any, will be dependent upon the results of operations and financial condition of the Company, tax considerations, industry standards, economic conditions, general business practices and other factors. The company has an obligation to pay dividends on its preferred stock, Class A, as noted below. In June 2002, the Company issued 15 shares of its Preferred Stock, Class A in exchange for \$90,000. Each share of Preferred Stock, Class A bears an annual dividend of \$12,000., payable quarterly, and is convertible into so many shares of the Common stock of the company as equal one half of one percent of the total issued and outstanding common stock at the time of conversion, however no share of Preferred Stock shall convert into more than 375,000 common shares.

The management of the company will not pay a dividend on the common stock until and unless the dividends payable on the preferred stock are current.

(e) Control by Directors and Executive Officers. The directors, executive officers and their affiliates own approximately 69% of the Company's outstanding Common Stock and, therefore, are in a position to elect all of the Company's directors who, in turn, elect all of the Company's executive officers. Members of management, if acting in concert, will have sufficient voting power to control the outcome of all corporate matters submitted to the vote of

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shareholders, including the election of directors, changes in the size and composition of the Board of Directors, mergers, tender offers, and open-market purchase programs that could give shareholders of the Company the opportunity to realize a premium over the then-prevailing market price for their shares. In addition, the concentration of ownership in several members of management could have the effect of delaying or preventing a change in control of the Company and may effect the market price of the Company's common stock.

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ITEM 2. PROPERTIES

The corporate offices of Raptor Investments, Inc. are in Pompano Beach, Florida, and consist of approximately 2000 square feet of office space located within the cold storage facility of J&B Wholesale Produce, Inc. The office space is currently provided by J&B at a cost of \$6,500 on a month to month basis.

ITEM 3. LEGAL PROCEEDINGS

In November 1998, the Company filed a civil action against Sweet Goods LLC, Gary Kleinman and Robert Statman (the Defendants) in the Superior Court of New Jersey. The claim is for the collection of invoices aggregating approximately \$115,000 representing the value of certain baked goods delivered to the Defendants. On July 12, 2000 the Company obtained a judgment against Sweet Goods LLC, Gary Kleinman and Robert Statman. The Company is currently pursuing collection activities against the Defendants, however one of the defendants Gary Kleinman has filed a voluntary petition for bankruptcy.

In 2000, the Company received discrimination and wrongful termination claims brought by two separate employees (Vargas and DeSantiago) employed at the Company's bakery facility in El Cajon, California. These claims are currently pending in the California Department of Fair Employment and Housing. The Company has fully responded to all requests for information and has formally denied liability. The investigation regarding these claims is currently pending.

In January 2001, the Company and certain of its officers were named as a defendant in a civil action filed by Pensabene International, Inc. (the Plaintiff) in the Superior Court for the State of California. The claim is for damages for misappropriation of trade secrets, trade libel, breach of confidentiality, breach of fiduciary duty, tortuous interference with economic relations, breach of contract, common law palming off, unfair business practices and a violation of state antitrust laws. This action arose resulted from the Company's employment of Kandy Konn, a former employee and consultant of the Plaintiff. On February 8, 2002 the Company and certain of its officers received a jury verdict in favor of all defendants on all claims. However, subsequent to the jury verdict a dispute arose between the Company and its insurers concerning the payment of legal fees relating to the successful defense of the action. Insurers have paid \$682,000. in legal fees, there remains due and payable \$468,000. The company and the insurers have entered into a tentative settlement on the balance but said settlement has not yet been paid.

In May of 2002, the Company (through LBI Group, Inc.) was named as a Defendant in a Civil Action brought by John Lary in the Circuit Court of Madison County, Alabama. The suit alleged a violation under the Telephone Consumer Protection Act of 1991, in that the Company, in concert with other individuals and corporations, is alleged to have delivered an unsolicited facsimile communication to one person. The management of the Company deems the amount in controversy to be not material to the business of the Company.

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The Company has received certain written claims brought by Alan Gottlich and Charles Loccisano related to the "Lovito Transaction" which is fully described above. These claims include (a) breach of a tender offer obligation; (b) breach of an obligation to purchase and register Company shares belonging to the claimants; (c) breach of obligations to pay certain transactional and consulting fees; (d) breach of obligation to pay certain insurance premiums; and (e) breach of contractual restrictions on the dilution of the claimant's shares owned. The Company is in settlement negotiations concerning these alleged claims. The material impact of these claims on the Company are unknown at this time.

In addition, the Company from time to time has been involved in routine litigation, including litigation with various vendors and creditors. None of these litigation matters in which the Company has been involved is material to its financial condition or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDERS MATTERS

The Company's Common Stock is currently traded on the OTC Bulletin Board (OTC) under the symbol RAPT. Prior to November 1, 2001, the Company's Common Stock was traded on the OTC Bulletin Board (OTC) under the symbol TJCI.

The following table sets forth, for the periods indicated, the range of high and low bid prices of the Common Stock as reported by OTC Bulletin Board for the twelve months ended December 31, 2001 and December 31, 2002. These prices reflect inter-dealer prices and do not include retail mark-ups, markdowns or commissions, and do not necessarily represent actual transactions.

	High	Low

Quarters Ending:		

March 31, 2001	\$.10	\$.035
June 30, 200112	.03
September 30, 200115	.09
December 31, 200112	.07
Quarters Ending:		

March 31, 2002	\$.29	\$.02
June 30, 200233	.06
September 30, 200224	.01
December 31, 200205	.01

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The Company has not paid any dividends in the past. Declaration of dividends in the future will remain within the discretion of the Company's Board of

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Directors. Future dividends, if any, will be dependent upon the results of operations and financial condition of the Company, tax considerations, industry standards, economic conditions, general business practices, the position of the company as regards its obligations to the preferred shareholders, and other factors.

SALES OF UNREGISTERED SECURITIES

The following sales of unregistered securities occurred during the Company's fiscal years ended December 31, 1999, 2000, 2001, and 2002:

1. In 1999, the Company authorized the issuance of 19,500 shares of the Company's Common Stock to Gelt Financial Corporation. These shares were issued without an underwriter or placement agent in consideration for providing the Company with a working capital line of credit. The exemption from registration for the issuance was claimed pursuant to Section 4(2) of the Securities Act of 1933, as amended, in reliance upon the fact that such sale did not involve a public offering.

2. In 2000, the Company authorized the issuance of 50,000 shares of the Company's Common Stock to Charles Loccisano, the Company's Chairman and Chief Executive Officer. These shares were issued without an underwriter or placement agent in consideration for providing the Company with a loan in the amount of \$150,000. The exemption from registration for the issuance was claimed pursuant to Section 4(2) of the Securities Act of 1933, as amended, in reliance upon the fact that such sale did not involve a public offering.

3. In 2000, the Company authorized the issuance of 150,000 shares of the Company's Common Stock to Charles Loccisano, the Company's Chairman and Chief Executive Officer. These shares were issued without an underwriter or placement agent in consideration for providing the Company with a working line of credit in the amount of \$150,000. The exemption from registration for the issuance was claimed pursuant to Section 4(2) of the Securities Act of 1933, as amended, in reliance upon the fact that such sale did not involve a public offering.

4. In 2000, the Company authorized the issuance of 20,000 shares of the Company's Common Stock to Gelt Financial Corporation. These shares were issued without an underwriter or placement agent in consideration for providing the Company with a working capital line of credit. The exemption from registration for the issuance was claimed pursuant to Section 4(2) of the Securities Act of 1933, as amended, in reliance upon the fact that such sale did not involve a public offering.

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5. In 2001, the Company sold 500,000 shares of the Company's Common Stock to Paul Lovito, Matthew Lovito and Marc Lovito for a total of \$30,000. These shares were sold without an underwriter or placement agent. The exemption from registration for the issuance was claimed pursuant to Section 4(2) of the Securities Act of 1933, as amended, in reliance upon the fact that such sale did not involve a public offering.

6. In June 2002, the Company issued 15 shares of its Preferred Stock, Class A in exchange for \$90,000. Each share of Preferred Stock, Class A bears an annual dividend of \$12,000., payable quarterly, and is convertible into so many shares of the Common stock of the company as equal one half of one percent of the total issued and outstanding common stock at the time of conversion, however no share of Preferred Stock shall convert into more than 375,000 common shares.

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ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the financial statements and notes thereto appearing elsewhere in this report. Except for historical information contained herein, certain statements herein are forward-looking statements that are made pursuant to the safe harbor provisions of the private securities litigation reform act of 1995.

Forward-looking statements involve estimates of the Company's financial position, business strategy and other plans and objectives future operations. Although the Company believes that these expectations are reasonable, there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected effects on its business or operations.

PLAN OF OPERATION

The Company's primary operations are centered in the J&B Wholesale Produce, Inc. wholly-owned subsidiary. J&B is a regional provider of produce to restaurants in Miami-Dade, Broward, Palm Beach, Martin and Monroe counties in southeast Florida. Management expects 2003 gross sales in the J&B unit of \$12 million.

The company continues, on a limited basis, to pursue a variety of long-term consulting contracts from publicly traded and privately held companies. The Company plans to provide consultation in various areas including: mergers and acquisitions; venture capital; public relations; restructuring and financing. The Company plans to market its services to publicly traded and privately held companies through referrals and advertising in various business publications.

In addition to its consulting services, the Company plans to develop the Company into a holding company through the acquisition of various business operations.

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In December 2001, the Company entered into an agreement to acquire LBI Properties, Inc. LBI Properties is an early stage real estate holding company. LBI Properties currently owns a residential lot in Cape Coral, Florida, and has identified two additional residential lots that it intends to acquire in the near future. In addition to the foregoing, LBI Properties is seeking acquisitions in the following areas: income producing commercial and residential properties, residential development projects, leisure and destination properties, and real estate service operations. The Company plans to fund the acquisition of real estate through mortgage financing, seller financing and the issuance of its stock.

In addition to the agreement to acquire LBI Properties, the Company entered into an agreement in December 2001 to acquire LBI E Web Communities, Inc. LBI E Web is an Internet related holding company that currently owns the following five domain names: FinanceItOnTheWeb.com (a financial services directory site), Brassbulls.com (a public relations and financial information site), MyEnumber.com (an online address book and one stop Rolodex), Homewaiter.com (a food delivery and information site), and Mimesaro.com (a Spanish food delivery and information site). Brassbulls.com is operational. The other websites are in the final phases of construction while the development of the other listed websites will commence shortly. LBI E Web plans to create a network of self-developed websites covering a diverse universe of subjects. The development

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of these websites is currently being funded by the Company's Chairman, President and CEO until such time as the Company is able to secure adequate capital.

RESULTS OF OPERATIONS.

From inception to December 2000, the Company was engaged in the wholesale bakery business. In December 2000, the Company entered into an asset purchase agreement with Rich Products Manufacturing Corporation (Rich Products) through which the Company sold to Rich Products a majority of the assets comprising its bakery operations in El Cajon, California. The Rich Products agreement provided for a purchase price aggregating \$2,182,750 inclusive of a payment for inventory. The aggregate purchase price will be paid as follows: \$193,950 on October 16, 2000, \$1,000,000 on December 15, 2000, and \$1,000,000 payable in semiannual installments over a period of four (4) years. Rich Products is also assuming approximately \$285,000 in equipment lease related debt.

Since December 2000, the Company has been "unwinding" the previous operations, defending any outstanding litigation and resolving any outstanding debts.

Revenues for the fiscal year ended December 31, 2002 were \$ 5,076,789, from \$71,348. in revenues for 2001. This increase in revenues was a result of the Acquisition of J&B Wholesale Produce, Inc.

Our operating loss was \$ 1,305,618 in 2002.

The Company's increase in revenues and reduction in net loss are a direct result of its acquisition of J&B.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2002, the Company had a stockholder's deficit of \$ 8,963,072. As of December 2002 the Company also incurred losses of \$ 1,395,618. The Company plans to decrease this deficit and reduce losses by continuing to grow its wholesale Produce business in the J&B subsidiary, and in retaining business consulting clients in the private and public sector. In addition, the Company plans to seek the acquisition of income producing assets in exchange for its securities.

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ITEM 7. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See Item 13(a) (1) in Part IV.

ITEM 8. CHANGES IN AND DISAGREEMENTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On March 4, 2002 the Company dismissed Amper, Politziner & Mattia ("AP&M") as its independent auditors. Such dismissal was approved by the Company's Board of Directors. AP&M's report upon the Company's financial statements for its fiscal years ended December 31, 2000 and 1999 did not contain an adverse opinion or a disclaimer of opinion, nor was such report qualified or modified as to audit scope or accounting principles. The report was prepared assuming that the Company will continue as a going concern. During the Company's fiscal years ended December 31, 2000 and 1999 to the date of AP&M's dismissal (the "Interim Period"): (i) there were no disagreements (of the nature contemplated by Item 304 (a) (1) (iv) of Regulation S-K ("Disagreements") between the Company and AP & M; and (ii) there were no reportable events of the nature contemplated by Item 304(a) (2) (i) - (ii) of Regulation S-K.

On March 6, 2002 the Company engaged Weinberg & Co. ("WC") as its independent

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public accountants for the Company's fiscal year ended December 31, 2001. During the Company's three fiscal years ended December 31, 2002, the Interim Period and the Second Interim Period, the Company did not consult with WC with respect to any of the matters contemplated by Item 304 (a) (2) (i) - (ii) of Regulation S-K.

PART III

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

The Company's executive officers and directors are as follows:

Name	Age	Position with the Company	Director Since
Paul F. Lovito Jr.	34	Chairman, President ,Chief Executive Officer and Director	2001
Matthew J. Lovito	30	Chief Financial Officer, Treasurer and Director	2001
Marc A. Lovito	27	Vice President and Director	2001
Don A. Paradiso, Esq.	45	Director	2003

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Paul F. Lovito Jr. has been the Chairman, President, Chief Executive Officer and Director of the Company since September 2001. Mr. Lovito has been President and Chairman of LBI Group, Inc., a business consulting company, since June 1994. Mr. Lovito is Chairman and Chief Executive Officer of LBI Properties, Inc., a development stage real estate holding company, a position he has held since February 1998. He also serves as Chairman of LBI E Web Communities, Inc., an internet holding company, a position he had held since June 2000. Mr. Lovito has been the Chairman and President of LBI Asset Management, LP, a Delaware partnership, which provides management, services to the related companies, a position he had held since July 1998. Mr. Lovito is also the general partner in LBI Capital Partners, LP, a hedge fund, a position he has held since July 1998. All of the foregoing entities are located in Coral Springs, Florida.

Matthew J. Lovito has been the Chief Financial Officer, Treasurer and Director of the Company since September 2001. He has been a Vice President with LBI Group, Inc. since June 1994. In addition, Mr. Lovito is a Vice President of LBI Properties, Inc. and LBI E Web Communities, Inc., positions he has held since February 1998 and June 2000. Mr. Lovito is also a partner in LBI Asset Management LP and LBI Capital Partners LP, positions he has held since July 1998.

Marc A. Lovito has been a Vice President and Director of the Company since September 2001. He has been a Vice President with LBI Group, Inc., since June 1994. Mr. Lovito is President of LBI Properties, Inc., a position he has held

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since February 1998, and Vice President of LBI E Web Communities, Inc. Mr. Lovito is also a partner in LBI Asset Management LP and LBI Capital Partners LP, positions he has held since July 1998.

Don A. Paradiso was elected as a Director of the company in 2003. Mr. Paradiso has been a member of the State Bar of New York since 1983 and of Florida since 1993. Mr. Paradiso was Special Assistant United States Attorney for the Eastern District of New York from 1983 until 1987. From 1987 until 1989, he was counsel to Xerox Corporation. From 1989 until 1991, he was counsel to Globe Security Systems. From 1992 until 1994, Mr. Paradiso was counsel to the National Workers Compensation Insurance Reinsurance Pools. In 1994 he founded the law firm of Don A. Paradiso, P.A. and is actively engaged in the practice of law in Pompano Beach, Florida. Mr. Paradiso received a B.A. from Wake Forest University in 1979 and a J.D. from Pepperdine University School of Law in 1982.

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SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act (Section 16(a)) requires the Company's directors, executive officers, and persons who own more than 10% of a registered class of the company's equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of the Company. Officers, directors and greater than 10% stockholders are required by the SEC regulation to furnish the Company with copies of all Section 16(a) forms they file.

To the Company's knowledge, based solely on a review of the copies of such reports furnished to the Company and representations that no other reports were required, during the fiscal year ended December 31, 2002, all Section 16(a) filing requirements applicable to its officers, directors and greater than 10% beneficial owners were complied with.

ITEM 10. EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE

The following table sets forth the total annual compensation paid or accrued by the Company for services in all capacities for the Chief Executive Officer and each other officer who made in excess of \$100,000 (salary plus bonuses) (the Named Officers) for the fiscal years ended December 31, 2002, 2001 and 2000. No other executive officers of the Company who were serving as such at the end of such fiscal years received salary and bonus in excess of \$100,000.

Long Term Compensation Awards

Name and Principal Position	Year	Annual Compensation		Other Annual Comp. (1)	Securities Underlying Options
		Salary	Bonus		
Paul Lovito, Chairman, President and Chief Executive Officer	2002	\$36,350.	\$0	\$0	-0-
Matthew Lovito,	2002	\$32,200.	\$0	\$0	-0-

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Chief Financial Officer
and Treasurer

Marc Lovito, Vice President	2002	\$32,200.	\$0	\$0	-0-
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STOCK OPTION GRANTS IN LAST FISCAL YEAR

The company granted 2,500,000 options to purchase one share per option of the company's common stock at the exercise price of \$0.10 per share to Mr. Jose Caraballo on February 14, 2002. The options were granted pursuant to a consulting services agreement between Mr. Caraballo and the company dated February 14, 2002.

TERMINATION OF EMPLOYMENT AGREEMENTS

In October 1997, the Company entered into an employment agreement with Charles Loccisano, the Company's Former Chairman, Chief Executive Officer and Director, which employment agreements current term expires on October 1, 2003, and requires severance payments in the event of termination without cause equal to two times Mr. Loccisano's base salary plus one-half of the aggregate bonuses paid over the previous three fiscal years. In September 2000, the Board of Directors approved the termination of Mr. Loccisano's Employment Agreement as of January 31, 2001 upon terms providing Mr. Loccisano compensation equal to one-half the contractual obligations under the employment agreement, or \$276,622 (the contractual obligation in the employment agreement is \$553,244) to be paid in equal quarterly installments over a period of four years. These payments will be paid out of the proceeds received from the Rich Products Transaction.

In October 1997, the Company also entered into an employment agreement with Alan Gottlich, the Company's Former President, Chief Financial Officer and Director, which employment agreements current term expires on October 1, 2003, and requires severance payments in the event of termination without cause equal to two times Mr. Gottlich's base salary plus one-half of the aggregate bonuses paid over the previous three fiscal years. In September 2000, the Board of Directors approved the termination of Mr. Gottlich's Employment Agreement as of January 31, 2001 upon terms providing Mr. Gottlich compensation equal to one-half the contractual obligations under the employment agreement, or \$188,224 (the contractual obligation in the employment agreement is \$376,447) to be paid in equal quarterly installments over a period of four years. These payments will be paid out of the proceeds received from the Rich Products Transaction.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information, as of December 31, 2002 as to the beneficial ownership of Common Stock (including shares which may be acquired within sixty days pursuant to stock options) of each director of the Company and the executive officers of the Company listed in the Summary Compensation Table below, all directors and executive officers as a group and persons known by the Company to beneficially own more than 5% of the Common Stock. Except as set forth below, no person beneficially owns more than 5% of the Common Stock.

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Name and Address of Beneficial Owner (1)	Number of Shares of Common Stock Beneficially Owned (2)	Percent Beneficially Owned
Paul Lovito (1)	27,959,600	63.71%
LBI Capital Partners, LP	7,900,000	18.00%
LBI Holdings, Inc.	3,420,000	7.79%
Matthew Lovito (2)	2,780,000	6.33%
Marc Lovito (3)	2,578,000	5.87%
Darrin Lovito	2,402,000	5.47%
 All directors and executive officers as a group	 33,317,600	 75.92%

- (1) Includes 23,600 shares held by Mr. Lovito's daughter, 6,000 shares held by a partnership in which Mr. Lovito is a general partner with sole voting and dispositive power over the Raptor shares, 3,420,000 shares held by LBI Holdings, Inc., a corporation wholly owned by Mr. Lovito, and 7,900,000 shares held by LBI Capital Partners, LP, a limited partnership in which Mr. Lovito is a general partner with sole voting and dispositive power over the Raptor shares. Mr. Lovito expressly disclaims beneficial ownership of shares held by his brothers.
- (2) Mr. Lovito expressly disclaims beneficial ownership of shares held by his brothers.
- (3) Mr. Lovito expressly disclaims beneficial ownership of shares held by his brothers.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

POLICY FOR RELATED PARTY TRANSACTIONS

The Company believes that all transactions with officers, directors, or affiliates to date are on terms no less favorable than those available from unaffiliated third parties.

In August 2000, Charles Loccisano, the Company's Former Chairman and Chief Executive Officer, provided the Company with a loan of \$150,000. The loan provided for a term of one year and provided for interest in the amount of 5% per annum. The Company granted Mr. Loccisano 50,000 unregistered shares of common stock as additional consideration for providing this loan. This loan was repaid in full out of the proceeds of a loan with Gelt Financial Corporation in September 2000.

In September 2000, Charles Loccisano, the Company's Former Chairman and Chief Executive Officer, provided the Company with a credit line in the amount of \$150,000. The credit line provided for a term of one year and provided for interest in the amount of 5% per annum. The Company granted Mr. Loccisano 150,000 unregistered shares of common stock as additional consideration for providing this loan. The terms of this credit line provide that the balance of this loan (\$75,000 as of September 31, 2000) will be repaid in full out of the proceeds of the Rich Products Transaction. This loan has been repaid in full from the proceeds of the Rich Products Transaction.

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CONSULTING AGREEMENTS ARISING OUT OF THE RICH PRODUCTS TRANSACTION

Pursuant to the terms of the Rich Products Asset Purchase Agreement, Charles N. Loccisano, the Former Chairman, Chief Executive Officer and Director of the Company, entered into a consulting agreement with Rich Products requiring Mr. Loccisano to be available to render consulting services as needed by Rich Products for a period of four (4) years following the Closing. The compensation to Mr. Loccisano pursuant to this agreement is \$50,000 per annum for a period of four (4) years.

Pursuant to the terms of the Rich Products Asset Purchase Agreement, Alan S. Gottlich, the Former President, Chief Financial Officer and Director of the Company, entered into a consulting agreement with Rich Products requiring Mr. Gottlich to be available to render consulting services as needed by Rich Products for a period of four (4) years following the Closing. The compensation to Mr. Gottlich pursuant to this agreement is \$30,000 per annum for a period of four (4) years.

TERMINATION OF EMPLOYMENT AGREEMENTS

Prior to, and unrelated to the Transactions, the Company entered into an employment agreement with Charles Loccisano, the Company's Former Chairman, Chief Executive Officer and Director dated October 1, 1997, which employment agreements current term expires on October 1, 2003, and requires severance payments in the event of termination without cause equal to two times Mr. Loccisano's base salary plus one-half of the aggregate bonuses paid over the previous three fiscal years. In September 2000, the Board of Directors approved the termination of Mr. Loccisano's Employment Agreement as of January 31, 2001 upon terms providing Mr. Loccisano compensation equal to one-half the contractual obligations under the employment agreement, or \$276,622 (the contractual obligation in the employment agreement is \$553,244) to be paid in equal quarterly installments over a period of four years. These payments will be paid out of the proceeds received from the Rich Products Transaction.

Prior to, and unrelated to the Transactions, the Company also entered into an employment agreement with Alan Gottlich, the Company's Former President, Chief Financial Officer and Director dated October 1, 1997, which employment agreements current term expires on October 1, 2003, and requires severance payments in the event of termination without cause equal to two times Mr. Gottlich's base salary plus one-half of the aggregate bonuses paid over the previous three fiscal years. In September 2000, the Board of Directors approved the termination of Mr. Gottlich's Employment Agreement as of January 31, 2001 upon terms providing Mr. Gottlich compensation equal to one-half the contractual obligations under the employment agreement, or \$188,224 (the contractual obligation in the employment agreement is \$376,447) to be paid in equal quarterly installments over a period of four years. These payments will be paid out of the proceeds received from the Rich Products Transaction.

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THE LOVITO TRANSACTION

In August 2001, the Company completed the sale of 500,000 shares of the Company's common stock in a privately negotiated transaction for a purchase price of \$30,000 to investors, Paul, Matthew and Marc Lovito (the "Lovitos"). Pursuant to the Agreement, on September 22, 2001, the Company's current officers and directors, Charles Loccisano, Alan Gottlich, Philip Friedman and Paul Begun, resigned and were replaced by the Lovitos on the board. In addition, on September 26, 2001, Paul Lovito became the Chairman, President and Chief Executive Officer replacing Alan Gottlich and Charles Loccisano. Marc Lovito

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became Vice President and Secretary replacing Alan Gottlich, and Matthew Lovito became the Company's Treasurer and Chief Financial Officer replacing Alan Gottlich. The purchase price is being held in an escrow account, with Alan S.Gottlich and Charles Loccisano acting as trustees and signatories, with such funds to be released to the Company upon satisfaction of the escrow obligations, which include the satisfaction of the Company's outstanding obligations and the completion of the stock repurchase (described below), if required. The Agreement also provides that within 12 months after the completion of the stock sale transaction, the Lovitos shall cause the Company to make an offer to all holders of the outstanding shares of the Company's common stock to repurchase their shares at a price of \$0.20 per share through a tender offer provided the market bid price of the Company's common stock is not greater than \$0.20 per share for any consecutive 30 day period during the one year period following the closing of the previously described stock sale transaction. As a result, no assurance can be given that the repurchase will be commenced or that the repurchase will occur on the terms described herein. If the foregoing offer to shareholders is required and the Lovitos do not fulfill their obligations in connection therewith, the Agreement provides that the Lovitos shall take all actions necessary to add four new members to the Board selected by Messrs. Loccisano and Gottlich. The Agreement also provides that each of Messrs. Loccisano and Gottlich has the right to require the Lovitos to purchase or the Company to repurchase up to one-half of their Paramark shares (the "Loccisano/Gottlich Sale Offer") on the 60th day after the earlier of: (i) the completion of a 30 consecutive trading day period where the Company's common stock had a bid price of \$0.20 per share or higher during the one year period following the consummation of the Stock Sale Transaction; or (ii) the completion of the Company's repurchase, described above. The purchase price paid by the Company or the Lovitos for the Loccisano and Gottlich shares will be \$0.20 per share. At August 20, 2001, Messrs. Gottlich and Loccisano beneficially owned 1,431,924 and 187,339 shares, respectively, of the Company's common stock. The proposed payments to Messrs. Gottlich and Loccisano upon the sale of their shares are subject to a guarantee agreement entered into between the Lovitos and Messrs. Gottlich and Loccisano. Under the terms of the Lovito Guarantee Agreement, the Lovitos, jointly and severally, guarantee the fulfillment of the obligations defined in the Lovito Guarantee. Under the terms of the Agreement, Messrs. Gottlich and Loccisano agreed not to tender any shares during the Company's repurchase, if commenced. In addition, under the terms of the agreement, Messrs. Gottlich and Loccisano agreed not to tender any shares during the Company's repurchase, if commenced or otherwise sell their shares except pursuant to the Loccisano/Gottlich Sale Offer for a specified period. In consideration of this restriction, the Lovitos agreed to pay Messrs. Loccisano and Gottlich an aggregate fee of \$66,000 payable in 12 monthly installments. The Agreement provides for the establishment of an escrow account which shall be used to fund certain expenses of the Company existing prior to the stock sale transaction including, amounts due to Messrs Loccisano and Gottlich pursuant to their employment agreements, director and officer insurance premiums and outstanding trade obligations and legal fees of the Company and Messrs. Loccisano and Gottlich resulting from the Pensabene litigation. The obligations of the Company under the Agreement are also secured by an Agreement between the Lovitos and Messrs. Loccisano and Gottlich which provides that Messrs. Loccisano and

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Gottlich may designate four new board members if the Lovitos fail to fulfill their obligations under the Agreement and the Lovitos agree to take all corporate action necessary to add such individuals to the board. As part of these transactions, the Lovitos agreed to enter into consulting agreements with each of Messrs. Gottlich and Loccisano which require Messrs. Loccisano and Gottlich to consult with the Lovitos on the operations of a public company and

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related matters in exchange for the payment of \$24,000 payable in 12 equal monthly installments. Pursuant to the terms of the Agreement, the Lovitos also agreed to take action to cause the Company to register the Loccisano and Gottlich shares for resale pursuant to the applicable requirements of the SEC. The Agreement also provides that the Company's obligations to Messrs. Loccisano and Gottlich pursuant to their employment agreements shall be secured by the assignment of payments from the Rich Products Asset Purchase Agreement. As a result of the Company entering into the above-described Agreement, the Board of Directors unanimously approved the termination of the proposed Plan of Liquidation previously approved by stockholders at the Company's Annual Meeting held on December 15, 2000, effective upon the consummation of the share purchase transaction.

LBI PROPERTIES, INC. TRANSACTION

In December 2001, the Company entered into an Acquisition Agreement with LBI Properties, Inc., a Florida corporation, and the shareholders of LBI Properties. The shareholders of LBI Properties include the Company's Chairman, President and CEO Paul F. Lovito, Jr., the Company's CFO and Treasurer Matthew J. Lovito and the Company's Vice President and Director Marc A. Lovito, officers and directors of the Company. Pursuant to the Acquisition Agreement, the Company effected the stock exchange at the rate of 1:5. The Company acquired all of the issued and outstanding shares of the Common Stock of LBI Properties in exchange for the issuance of 19,974,298 shares of the Common Stock of the Company to be delivered to the LBI Properties shareholders on a pro-rata basis. This acquisition closed on January 7, 2002.

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LBI E WEB COMMUNITIES, INC. TRANSACTION

In December 2001, the Company entered into a Stock Acquisition Agreement with the Company's Chairman, President and CEO Paul F. Lovito, Jr., the Company's CFO and Treasurer Matthew J. Lovito, Company's Vice President and Director Marc A. Lovito, Darrin Lovito and LBI Capital Partners, L.P., a limited partnership in which the Company's Chairman, President and CEO is a general partner, as shareholders of LBI E Web Communities, Inc., a Florida corporation. Pursuant to the Stock Agreement, the Company effected the stock exchange at the rate of 1:3. The Company acquired all of the issued and outstanding shares of the Common Stock of LBI E Web in exchange for the issuance of 19,800,000 shares of the Common Stock of the Company to be delivered to the LBI E Web shareholders on a pro-rata basis. This acquisition closed on January 7, 2002.

PART IV

ITEM 13. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

RAPTOR INVESTMENTS, INC.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2002

RAPTOR INVESTMENTS, INC.
AND SUBSIDIARIES

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of:
Raptor Investments, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheet of Raptor Investments, Inc. and subsidiaries as of December 31, 2002 and the related statements of operations, changes in stockholders' equity (deficiency) and cash flows for the two years ended December 31, 2002 (consolidated) and 2001 (combined). 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 audits 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.

In our opinion, the financial statements referred to above present fairly in all material respects, the consolidated financial position of Raptor Investments, Inc. and subsidiaries as of December 31, 2002 and the results of their operations and their cash flows for the two years ended December 31, 2002 (consolidated) and 2001 (combined), in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 15 to the financial statements, the Company has a net loss of \$1,305,618, a negative cash flow from operations of \$301,707, a working capital deficiency of \$204,442 and a stockholders' deficiency of \$746,419. These factors raise substantial doubt about its ability to continue as a going concern. Management's plans concerning this matter are also described in Note 15. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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WEINBERG & COMPANY, P.A.

Boca Raton, Florida
April 11, 2003

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RAPTOR INVESTMENTS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2002

ASSETS

CURRENT ASSETS

Cash	\$	9
Restricted cash		355
Investments, net		1
Accounts receivable, net		951
Inventories		138
Due from shareholder		16
Other current assets		13

Total Current Assets	1,486
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PROPERTY AND EQUIPMENT, NET	1,125
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OTHER ASSETS

Deposits	2
Goodwill	1,111
Option to purchase building	500

Total Other Assets	1,613
--------------------	-------

TOTAL ASSETS	\$ 4,225
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LIABILITIES AND STOCKHOLDERS' DEFICIENCY

CURRENT LIABILITIES

Cash overdraft	\$	27
Accounts payable		1,342
Accrued interest		54
Loans payable - related parties		150
Capital leases - current portion		116

Total Current Liabilities	1,690
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LONG-TERM LIABILITIES

Line of credit	2,825
Capital leases - non-current	456

Total Long-Term Liabilities	3,281
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TOTAL LIABILITIES	4,971
<hr/>	
COMMITMENTS AND CONTINGENCIES	
STOCKHOLDERS' DEFICIENCY	
Preferred stock, \$.01 par value, 5,000,000 shares authorized	
Series A Preferred stock, 15 shares authorized, 15 shares	
issued and outstanding	
Common stock, \$.01 par value, 100,000,000 shares	
authorized, 48,887,681 shares issued and outstanding	488
Additional paid-in capital	9,542
Subscription receivable	(178)
Other comprehensive loss	(6)
Note receivable - stockholder	(1,580)
Treasury stock	(49)
Accumulated deficit	(8,963)
<hr/>	
Total Stockholders' Deficiency	(746)
<hr/>	
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	\$ 4,225
<hr/>	
	=====

See accompanying notes to consolidated financial statements.

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RAPTOR INVESTMENTS, INC. AND SUBSIDIARIES
STATEMENTS OF OPERATIONS

	For the Year Ended December 31, 2002 (Consolidated)
	<hr/>
REVENUE	
Sales	\$ 5,076,759
Consulting income	53,000
Interest	-
Royalty	-
<hr/>	
Total Revenue	5,129,759
<hr/>	
COST OF GOODS SOLD	3,931,640
<hr/>	
GROSS PROFIT	1,198,119
<hr/>	
OPERATING EXPENSES	
Selling expense	269,723
Professional fees	942,705
Other general and administrative	1,160,278
<hr/>	
Total Operating Expenses	2,372,706
<hr/>	
LOSS FROM OPERATIONS	(1,174,587)

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OTHER INCOME (EXPENSE)		
Loss on settlement of note receivable		(13,901)
Interest expense		(261,034)
Interest income		143,904

Total Other Income (Expense)		(131,031)

NET LOSS	\$	(1,305,618)
		=====
LOSS PER SHARE		
Net loss		
Preferred stock dividends		90,000

NET LOSS AVAILABLE TO COMMON SHAREHOLDERS	\$	(1,395,618)
		=====
LOSS PER SHARE - BASIC AND DILUTED	\$	(0.03)
		=====
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED		47,328,777
		=====

See accompanying notes to consolidated financial statements.

3

RAPTOR INVESTMENTS, INC. AND SUBSIDIARIES
 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)
 FOR THE YEARS ENDED DECEMBER 31, 2002 (CONSOLIDATED) AND 2001 (COMBINED)

	Shares	Preferred Stock Amount	Sha
	-----	-----	-----
Balance January 1, 2001	-	\$ -	-
Issuance of common stock for cash	-	-	-
Issuance of common stock for cash	-	-	-
Cash received on note receivable, net of interest income	-	-	-
Net loss, 2001	-	-	-
Balance, December 31, 2001	-	-	-
Issuance of common stock for services	-	-	-
Issuance of preferred stock for cash	15	1	1
Issuance of options for services	-	-	-

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Exercise of options	-	-
Cash received on note receivable, net of interest income	-	-
Other comprehensive loss	-	-
Net loss, 2002	-	-
Total comprehensive loss	-	-
	-----	-----
BALANCE, DECEMBER 31, 2002	15	\$ 1
	=====	=====

	Subscription Receivable	Additional Paid Capital
	-----	-----
Balance January 1, 2001	\$ (185,200)	8,77
Issuance of common stock for cash	-	2
Issuance of common stock for cash	-	(1
Cash received on note receivable, net of interest income	-	
Net loss, 2001	-	
	-----	-----
Balance, December 31, 2001	(185,200)	8,78
Issuance of common stock for services	-	18
Issuance of preferred stock for cash	-	8
Issuance of options for services	-	36
Exercise of options	6,500	12
Cash received on note receivable, net of interest income	-	
Other comprehensive loss	-	
Net loss, 2002	-	
Total comprehensive loss	-	
	-----	-----
BALANCE, DECEMBER 31, 2002	\$ (178,700)	\$ 9,54
	=====	=====

See accompanying notes to consolidated financial statements.

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	Shares	Treasury Sto
	-----	-----
Balance January 1, 2001	3,040,800	
Issuance of common stock for cash	-	
Issuance of common stock for cash	-	
Cash received on note receivable, net of interest income	-	
Net loss, 2001	-	

Balance, December 31, 2001	3,040,800	
Issuance of common stock for services	-	
Issuance of preferred stock for cash	-	
Issuance of options for services	-	
Exercise of options	-	
Cash received on note receivable, net of interest income	-	
Other comprehensive loss	-	
Net loss, 2002	-	
Total comprehensive loss	-	

BALANCE, DECEMBER 31, 2002	3,040,800	
	=====	

	Other Comprehensive Loss	Accumul Defic
	-----	-----
Balance January 1, 2001	-	\$ (7,048
Issuance of common stock for cash	-	
Issuance of common stock for cash	-	
Cash received on note receivable, net of interest income	-	
Net loss, 2001	-	(609
	-----	-----

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Balance, December 31, 2001	-	(7,657)
Issuance of common stock for services	-	
Issuance of preferred stock for cash	-	
Issuance of options for services	-	
Exercise of options	-	
Cash received on note receivable, net of interest income	-	
Other comprehensive loss	(6,885)	
Net loss, 2002	-	(1,305,
Total comprehensive loss	-	
	-----	-----
BALANCE, DECEMBER 31, 2002	\$ (6,885)	\$ (8,963
	=====	=====

See accompanying notes to consolidated financial statements.

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RAPTOR INVESTMENTS, INC. AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS

For the Year
December 31,
(Consolidated)

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Loss		\$ (1,3
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Allowance for doubtful accounts		
Depreciation		
Common stock and options issued for services		5
Interest income accrued		(1
Contract receivable settlement		
(Increase) decrease in:		
Accounts receivable		(3
Inventories		(
Royalty receivable		
Other current assets		
Increase (decrease) in:		
Accounts payable		7
Accrued interest expense		
Cash overdraft		

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Net Cash Used In Operating Activities	(3)
<hr/>	
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities	
Purchase of property and equipment	
Restricted cash	(3)
Building purchase option	(5)
Acquisition of subsidiary	(2,3)
Proceeds from notes receivable	2
Due from stockholder	
<hr/>	
Net Cash Provided By (Used In) Investing Activities	(2,9)
<hr/>	
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from line of credit	2,8
Proceeds from notes receivable - stockholder	
Proceeds from loan payable - related party	1
Proceeds from loan payable - former officers	(
Payments on capital leases	(
Proceeds from sale of common and preferred stock	2
<hr/>	
Net Cash Provided By Financing Activities	3,1
<hr/>	
NET DECREASE IN CASH	(
CASH - BEGINNING OF YEAR	1
<hr/>	
CASH - END OF YEAR	\$
<hr/>	
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash paid for interest expense	\$ 2
<hr/>	
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:	
Property acquired under capital lease	\$
<hr/>	
Exchange of contract receivable for accrual expenses	\$ 3
<hr/>	
See accompanying notes to consolidated financial statements.	

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(A) ORGANIZATION AND NATURE OF OPERATIONS

Raptor Investments, Inc. formerly Paramark Enterprises, Inc. (Delaware), a Delaware corporation was merged with and into Raptor Investments, Inc., a Florida corporation on December 24, 2002. Upon completion of the merger, the Delaware corporation ceased existence as of the date of the merger and Raptor Investments, Inc. became the reporting entity.

Effective January 7, 2002, Raptor Investments, Inc. acquired LBI Properties, Inc. and LBI Eweb Communities, Inc. by issuing 19,974,298 and 19,800,000 shares, respectively of its common stock for all of the outstanding common stock of LBI Properties, Inc. and LBI Eweb Communities, Inc., respectively. LBI Properties, Inc. operations include acquiring, managing and developing real estate properties. LBI Eweb Communities, Inc. operates various information websites for investors. The merger has been accounted for as a business combination of entities under common control because all of the entities had common ownership interests, and accordingly, the consolidated financial statements have been prepared to include the combined results of operations, financial position and cash flows of Raptor Investments, Inc. and its subsidiaries for all the period presented (See Note 6(A)).

On July 2, 2002, Raptor Investments, Inc. acquired 100% of the issued and outstanding common stock of J&B Produce, Inc. in exchange for cash of \$2,325,000. The acquisition was recorded under the purchase method of accounting. J&B Produce, Inc.'s operations consist of produce sales to restaurants in South Florida (See Note 7(B)).

(B) PRINCIPLES OF CONSOLIDATION AND COMBINATION

The 2001 financial statements include the accounts of Raptor Investments, Inc. and its affiliated companies LBI Properties, Inc. and LBI EWeb Communities, Inc. All intercompany accounts have been eliminated in the combination.

The 2002 financial statements include the accounts of Raptor Investments, Inc. and its wholly owned subsidiaries LBI Properties, Inc. and LBI EWeb Communities, Inc. and J&B Produce, Inc. (from July 2, 2002, date of acquisition). All intercompany accounts have been eliminated in the consolidation.

Raptor Investments, Inc. and its subsidiaries LBI Properties, Inc., LBI EWeb Communities, Inc. and J&B Produce, Inc. are hereafter referred to as the "Company".

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RAPTOR INVESTMENTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2002

(C) USE OF ESTIMATES

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

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(D) CASH

The Company maintains cash at financial institutions.

(E) MARKETABLE SECURITIES

The Company's marketable securities are comprised of equity securities, all classified as available-for-sale. These investments are carried at their fair value of \$1,000 based upon the quoted market prices of those investments as of December 31, 2002. At December 31, 2002, unrealized losses of \$6,885 are included in stockholders' equity as other comprehensive loss.

(F) INVENTORY

Inventory consists of purchased produce, fruit and vegetables and is valued at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

(G) PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful life of the assets from three to thirty nine years.

(H) LONG-LIVED ASSETS, GOODWILL AND INTANGIBLE ASSETS

In accordance with SFAS 142 and 144, long-lived assets, goodwill and certain identifiable intangible assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For purposes of evaluating the recoverability of long-lived assets, goodwill and intangible assets, the recoverability test is performed using undiscounted net cash flows related to the long-lived assets.

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RAPTOR INVESTMENTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2002

(I) INCOME TAXES

The Company accounts for income taxes under the Financial Accounting Standards Board Statement of Financial Accounting Standards No. 109 "Accounting for Income Taxes" ("Statement 109"). Under Statement 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under Statement 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(J) STOCK-BASED COMPENSATION

In accordance with Statement of Financial Accounting Standards No. 123 ("SFAS No. 123"), the Company has elected to account for stock options issued to employees under Accounting Principles Board Opinion No. 25 ("APB Opinion No.

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25") and related interpretations.

(K) REVENUE RECOGNITION AND DEFERRED REVENUE

The Company recognizes revenue at the time of delivery and acceptance of produce products by the customers. The Company recognizes revenue from service contracts over the life of the services. The Company recognizes royalty income upon receipt.

(L) FAIR VALUE OF FINANCIAL INSTRUMENTS

Statement of Financial Accounting Standards No. 107, "Disclosures about Fair Value of Financial Instruments", requires disclosures of information about the fair value of certain financial instruments for which it is practicable to estimate the value. For purposes of this disclosure, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced sale or liquidation.

The carrying amounts of the Company's accounts receivable, accounts payable and accrued liabilities, approximates fair value due to the relatively short period to maturity for these instruments.

(M) BUSINESS SEGMENTS

The Company's operations are classified into two reportable segments, Produce and Other.

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RAPTOR INVESTMENTS, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2002

(N) EARNINGS (LOSS) PER SHARE

Net loss per common share for the period ended December 31, 2002 and 2001 is required to be computed based on the weighted average common stock and dilutive common stock equivalents outstanding during the year as defined by Statement of Financial Accounting Standards, No. 128; "Earnings Per Share". The effect of common stock equivalents was not used since the effect was antidilutive.

(O) NEW ACCOUNTING PRONOUNCEMENTS

In April 2002, the FASB issued SFAS 145, Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections. SFAS 145 rescinds the provisions of SFAS No. 4 that requires companies to classify certain gains and losses from debt extinguishments as extraordinary items, eliminates the provisions of SFAS No. 44 regarding transition to the Motor Carrier Act of 1980 and amends the provisions of SFAS No. 13 to require that certain lease modifications be treated as sale leaseback transactions. The provisions of SFAS 145 related to classification of debt extinguishments are effective for fiscal years beginning after May 15, 2002. Earlier application is encouraged.

In July 2002, the FASB issued SFAS No. 146, "Accounting for Restructuring Costs." SFAS 146 applies to costs associated with an exit activity (including restructuring) or with a disposal of long-lived assets. Those activities can include eliminating or reducing product lines, terminating employees and

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contracts and relocating plant facilities or personnel. Under SFAS 146, the Company will record a liability for a cost associated with an exit or disposal activity when that liability is incurred and can be measured at fair value. SFAS 146 will require the Company to disclose information about its exit and disposal activities, the related costs, and changes in those costs in the notes to the interim and annual financial statements that include the period in which an exit activity is initiated and in any subsequent period until the activity is completed. SFAS 146 is effective prospectively for exit or disposal activities initiated after December 31, 2002, with earlier adoption encouraged. Under SFAS 146, a company cannot restate its previously issued financial statements and the new statement grandfathers the accounting for liabilities that a company had previously recorded under Emerging Issues Task Force Issue 94-3.

In July 2002, the FASB issued SFAS No. 146, "Accounting for Restructuring Costs." SFAS 146 applies to costs associated with an exit activity (including restructuring) or with a disposal of long-lived assets. Those activities can include eliminating or reducing product lines, terminating employees and contracts and relocating plant facilities or personnel. Under SFAS 146, the Company will record a liability for a cost associated with an exit or disposal activity when that liability is incurred and can be measured at fair value. SFAS 146 will require the Company to disclose information about its exit and disposal activities, the related costs, and changes in those costs in the notes to the interim and annual financial statements that include the period in which an exit activity is initiated and in any subsequent period until the activity is completed. SFAS 146 is effective prospectively for exit or disposal activities initiated after December 31, 2002, with earlier adoption encouraged. Under SFAS 146, a company cannot restate its previously issued financial statements and the new statement grandfathers the accounting for liabilities that a company had previously recorded under Emerging Issues Task Force Issue 94-3.

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RAPTOR INVESTMENTS, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2002

In October 2002, the FASB issued Statement No. 147 ("SFAS 147"), "Acquisitions of Certain Financial Institutions." SFAS 147 addresses financial accounting and reporting for the acquisition of all or part of a financial institution, except for a transaction between two or more mutual enterprises. SFAS 147 also provides guidance on the accounting for the impairment or disposal of acquired long-term customer relationship intangible assets of financial institutions, including those acquired in transactions between two or more mutual enterprises. These provisions of the statement will be effective for acquisitions on or after October 1, 2002.

In December 2002, the Financial Accounting Standards Board issued Statement No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure - an amendment of FASB Statement No. 123," ("SFAS 148"). SFAS 148 amends FASB Statement No. 123, "Accounting for Stock Based Compensation" ("SFAS 123") and provides alternative methods for accounting for a change by registrants to the fair value method of accounting for stock-based compensation. Additionally, SFAS 148 amends the disclosure requirements of SFAS 123 to require disclosure in the significant accounting policy footnote of both annual and interim financial statements of the method of accounting for stock based-compensation and the related pro forma disclosures when the intrinsic value method continues to be used. The statement is effective for fiscal years beginning after December 15, 2002, and disclosures are effective for the first fiscal quarter beginning after December 15, 2002.

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The adoption of these pronouncements will not have a material effect on the Company's financial position or results of operations.

NOTE 2 ACCOUNTS RECEIVABLE

Accounts receivable as of December 31, 2002 consisted of the following:

Accounts receivable	\$	970,536
Less allowance for doubtful accounts		(19,410)

	\$	951,126
		=====

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RAPTOR INVESTMENTS, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2002

The Company maintains an allowance for doubtful accounts based on management's analysis of historical customer collections and risk. For the years ended December 31, 2002 and 2001, the Company recorded a provision for doubtful accounts of \$18,387 and \$0, respectively.

NOTE 3 CONTRACT RECEIVABLE

On December 15, 2001, Paramark Enterprises, Inc. (Delaware) consummated an asset purchase agreement with Rich Products, pursuant to which Paramark Enterprises, Inc (Delaware) sold its bakery operations located in El Cajon, California representing a majority of their operating assets. The agreement provided for a purchase price aggregating \$2,193,950 inclusive of a payment for inventory. The aggregate purchase price was paid as follows: \$193,950 on October 16, 2001, \$1,000,000 on December 15, 2001 and \$1,000,000 payable in semiannual installments over a period of four years. During 2002, the Company settled the contract receivable for one payment of \$671,050. The Company recorded a loss on the settlement of \$13,901. Rich Products, Inc. also assumed approximately \$285,000 in equipment lease related debt.

By a separate agreement Paramark Enterprises, Inc. sold the remainder of their assets to Brooks Street. The agreement provided for contingent royalty payments to Paramark Enterprises, Inc., over a period of four years, equal to 5% of net sales of pull-apart cakes to existing customers of the Company plus 1 1/2% of net sales of pull-apart cakes to new customers of Brooks Street. Paramark Enterprises, Inc recognized royalty income of \$1,347 under this agreement during 2001. The agreement also provided for the assumption of equipment lease related debt and the purchase of inventory. Under the above agreements, both parties agreed to pay amounts owed into an escrow account which was established to ensure the payment of the account payables on Paramark Enterprises, Inc. books as at the merger date (See Note 1(A)). During 2002, the Company has not received any royalty payments and is in negotiations to settle the outstanding amount under the agreement.

NOTE 4 INVENTORIES

Inventories (net) at December 31, 2002 consist of the following:

Produce, fruits and vegetables	\$	138,589
--------------------------------	----	---------

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 \$ 138,589
 =====

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RAPTOR INVESTMENTS, INC. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2002

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2002 consisted of the following:

Capitalized lease assets	\$ 867,527
Land	4,400
Computer and office equipment	120,962
Office furniture	2,757
Leasehold improvements	381,053
Vehicles	78,972

	1,455,671
Less accumulated depreciation	(329,904)

	\$ 1,125,767
	=====

Depreciation expense for the year ended December 31, 2002 was \$45,793. Accumulated depreciation on capitalized lease assets totaled \$119,604 at December 31, 2002.

NOTE 6 NOTE RECEIVABLE - STOCKHOLDER

During 2000, the Company sold an oil and gas lease for a note receivable of \$1,700,000 with interest at 10% per annum, is unsecured and due on demand. Also during 2000, the Company assigned its rights under the agreement to its President on the same terms. During 2002 and 2001, the Company received payments of \$14,500 and \$249,000, respectively. At December 31, 2002, the balance was \$1,436,500 and accrued interest receivable was \$143,904. These amounts are included as a reduction of stockholders' equity at December 31, 2002.

NOTE 7 BUSINESS COMBINATIONS

(A) ACQUISITION OF REAL ESTATE AND INTERNET MARKETING COMPANIES

Effective January 7, 2002, the Company acquired LBI Properties, Inc. and LBI Eweb Communities, Inc. by issuing 19,974,298 and 19,800,000 common shares of the Company's stock for all of the outstanding common stock of LBI Properties, Inc. and LBI Eweb Communities, Inc., respectively. The merger has been accounted for as a business combination of entities under common control because all of the entities had common ownership interests, and accordingly, the financial statements have been prepared to include the combined results of operations, financial position and cash flows of the Company and these subsidiaries for all the period presented.

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RAPTOR INVESTMENTS, INC. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2002

(B) ACQUISITION OF PRODUCE COMPANY

On June 21, 2002, Raptor Investments, Inc. ("Raptor") entered into a stock purchase agreement to acquire J&B Wholesale produce, Inc. ("J&B"). Under the terms of the agreement, which closed July 2, 2002, Raptor acquired all the issued and outstanding common stock of J&B in exchange for cash of \$2,325,000. Contemporaneously, Raptor entered into a one-year lease of the cold storage facility and executive offices occupied by J&B at \$6,500 per month and paid \$500,000 for a one-year option to purchase the facility at a sale price of \$875,000. When the option is exercised, the option price of \$500,000 will be credited toward the sale price (See Note 16).

The J&B acquisition was recorded under the purchase method of accounting and accordingly, the results of operations and cash flows of J&B from the acquisition date of July 2, 2002 are included in the accompanying consolidated financial statements. The purchase price of \$2,325,000 was allocated to the assets acquired and liabilities assumed based on the fair market values at the date of acquisition. The fair market value of assets acquired and liabilities assumed is summarized as follows:

Current assets	\$	701,262
Property and equipment		1,069,807
Other assets		3,825
Goodwill		1,111,077
Capital lease payable		(560,971)

	\$	2,325,000
		=====

The following unaudited pro forma financial information for the Company gives effect to the J&B acquisition as if it occurred on January 1, 2002. These pro forma results have been prepared for comparative purposes only and do not purport to be indicative of the results of operations which actually would have resulted had the acquisition occurred on the date indicated, or which may result in the future.

Net revenue	\$	10,594,993
Net loss	\$	(887,780)
Net loss per share - basic and diluted	\$	(0.02)
Shares used in per calculation - basic and diluted		47,328,777

NOTE 8 LINE OF CREDIT

In order to effectuate the purchase of J&B and an option to purchase a building (Note 7), the Company entered into an agreement and signed a promissory note for a line of credit in the amount of \$2,825,000, which shall cap at \$2,000,000 when the principal balance is reduced to that amount. The note is due and payable in July 2005, but may be extended at the option of the Company if, on the original

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maturity date, the principal balance is equal to or less than \$1,500,000. The note bears interest at the rate of LIBOR (1.38% at December 31, 2002) plus 10% per annum payable monthly. The agreement also requires that the principal amount owed on the note be reduced by the greater of (1) \$250,000 per annum commencing after the first full calendar year following execution of the note, or (2) 50% of J&B's net operating earnings per fiscal quarter commencing with the first full fiscal quarter following execution of the note. The note is secured by the assets of J&B Produce and a personal guarantee of the President.

NOTE 9 LOAN PAYABLE - RELATED PARTY

During 2002 a related party loaned the Company \$100,000. The loan bears interest at 16.8%, is unsecured and due on demand.

During 2002, two former stockholders converted accounts payable and accrued expenses to loans payable. The loans are non-interest bearing, secured by the funds held in escrow and will be paid upon the final settlement of outstanding professional fees. The balance at December 31, 2002 is \$46,683.

During 2001, a related party loaned the Company \$8,000. The loan is non-interest bearing and due on demand. The balance at December 31, 2002 is \$1,442.

NOTE 10 CONTINGENCIES AND COMMITMENTS

(A) LAWSUITS

The Company is involved in various unresolved legal actions and administrative claims related to the prior operations and management of the Company. The Company has accrued \$468,000 in legal fees at December 31, 2002 related to these legal matters. The Company is currently in negotiations with an insurance company to recover a portion of this amount. In addition, the Company's legal counsel is currently holding approximately \$243,000 of funds for settlement of the outstanding liabilities.

(B) CAPITAL LEASES

The Company leases delivery vehicles under non-cancelable capital lease agreements. Future minimum lease payments under the capital leases are as follows as of December 31, 2002:

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RAPTOR INVESTMENTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2002

YEAR	Amount
-----	-----
2003	\$ 207,515
2004	183,504
2005	166,763
2006	142,838
Thereafter	156,188

	856,808
Less: interest	284,092

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	572,716	
Less: current portion	116,370	

Capital lease obligations - non-current	\$ 456,346	
	=====	

(C) OPERATING LEASES

The Company leases warehouse and office space under non-cancelable operating leases expiring through 2003. Rental expense totaled approximately \$128,000 and \$89,000 for the years ended December 31, 2002 and 2001, respectively (See Note 16(A)).

Future minimum lease payments and operating leases consist of the following:

2003	\$ 128,000
------	------------

(D) STOCK REPURCHASE

The Company entered into an agreement to repurchase certain outstanding shares of common stock from two former officers and directors at a tender price of \$0.20 per share. The tender price offer is guaranteed by the Company's President and Chief Financial Officer. The total shares owned by the former officers and directors is approximately 1,691,000. As of the date of this report, the Company is in default of the agreement.

NOTE 11 EQUITY

(A) SERIES A CONVERTIBLE PREFERRED STOCK

During 2002, the Company designated 15 shares of preferred stock as "Class A Preferred" with the following preferences: annual dividend of \$12,000 payable quarterly; convertible in whole only into one half of one percent of the total number of issued and outstanding common shares of the Company on the date of conversion limited to a maximum conversion of 375,000 common shares.

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RAPTOR INVESTMENTS, INC. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2002

During June 2002, the Company issued 15 shares of Class A Preferred stock for cash of \$90,000. As of April 11, 2003, the Company has not paid accrued dividends of \$90,000.

(B) COMMON STOCK ISSUED FOR SERVICES

During 2002, the Company issued 2,000,000 shares of Common stock for services to a consultant having a fair value of \$200,000.

(C) COMMON STOCK WARRANTS

During 2002, the Company issued 3,000,000 common stock warrants at an exercise price of \$0.05 to a consultant for services. The warrants expire in 2004. Using the Black-Scholes model, the warrants were valued at \$114,132 under the following assumptions; no annual dividend, volatility of 242%, risk-free

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interest rate of return of 3.0% and a term of 1 year. The warrants were exercised in 2002 and the Company received cash proceeds of \$150,000.

During 2002, the Company issued 2,500,000 common stock warrants at an exercise price of \$0.10 to a consultant for services. Using the Black-Scholes model, the warrants were valued at \$250,000 under the following assumptions; no annual dividend, volatility of 242%, risk-free interest rate of return of 3.0% and a term of 1 year.

NOTE 12 INCOME TAXES

Income tax expense (benefit) for the period ended December 31, 2002 and 2001 is summarized as follows:

	2002	2001
	-----	-----
Current:		
Federal	\$ -	\$ -
State	-	-
Deferred - Federal and State	-	-
	-----	-----
Income tax expense (benefit)	\$ -	\$ -
	=====	=====

The Company's tax expense differs from the "expected" tax expense for the period ended December 31, 2002 and 2001 as follows:

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RAPTOR INVESTMENTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2002

	2002	2001
	-----	-----
U.S. Federal income tax benefit	\$ (442,975)	\$ (207,060)
Effect on net operating loss carryforward	442,975	207,060
	-----	-----
	\$ -	\$ -
	=====	=====

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and liabilities at December 31, 2002 and 2001 are as follows:

	2002	2001
	-----	-----
Deferred tax assets:		
Net operating loss carryforward	\$ 3,046,500	\$ 191,000
	-----	-----
Total gross deferred tax assets	3,046,500	191,000

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Less valuation allowance	(3,046,500)	(191,000)
	-----	-----
Net deferred tax assets	\$ -	\$ -
	=====	=====

At December 31, 2002, the Company had a net operating loss carryforward of approximately \$8,960,000 for U.S. Federal income tax purposes available to offset future taxable income expiring in 2022. The net change in the valuation allowance during the year ended December 31, 2002 was an increase of \$442,975.

NOTE 13 SEGMENT INFORMATION

The Company operates in two reportable business segments, Produce and Other. The Company operates the produce segment through its wholly owned subsidiary J&B Wholesale Produce, Inc. ("J&B"). J&B receives its revenues from selling produce wholesale to restaurants and stores. Raptor Investments, Inc., LBI Properties, Inc. and LBI Eweb Communities, Inc. that operate in the Internet Marketing and Real Estate segments, do not meet the quantitative thresholds for a separate reportable segment and are therefore included in the Other segment category. The accounting policies of the segments are the same as described in the summary of significant accounting policies. The Company evaluates segment performance based on income from operations. All intercompany transactions between segments have been eliminated. As a result, the components of operating loss for one segment may not be comparable to another segment. The following is a summary of the Company's segment information for the periods ended December 31:

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RAPTOR INVESTMENTS, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2002

2002	Produce	Other
	-----	-----
Revenues	\$ 5,076,759	\$ 53,000
Segment profit (loss)	(143,533)	(1,162,085)
Total assets	3,838,527	387,015
Additions to long-lived assets	2,325,000	-
Goodwill	1,111,077	-
Depreciation and amortization	45,793	-
2001	Produce	Other
	-----	-----
Revenues	\$ -	\$ 71,348
Segment profit (loss)	-	(609,021)
Total assets	-	892,408
Additions to long-lived assets	-	6,800
Depreciation and amortization	-	-

NOTE 14 RELATED PARTY TRANSACTIONS

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LBI Properties, Inc. and LBI Eweb Communities, Inc. are beneficially owned by the Board of Directors and their beneficiaries (See Notes 1 and 7(A)).

See Notes 6 and 9 for additional related party transactions.

NOTE 15 GOING CONCERN

As reflected in the accompanying financial statements, the Company has a net loss of \$1,305,618, a negative cash flow from operations of \$301,707, a working capital deficiency of \$204,442 and a stockholders' deficiency of \$746,419. These factors raise substantial doubt about its ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company's ability to raise additional funds and implement its business plan. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Management's plan for the Company in regard to these matters is to continue to grow the produce operations of the business through its J&B Produce subsidiary, which management believes will provide the necessary revenue and earnings to enhance shareholder value. Management intends to focus the business on profitable core customers and reduce marginal costs by expanding its product line and implementing stricter controls. The Company is also actively seeking to refinance its long-term debt on terms more favorable to the Company. Management believes that the actions presently taken to reduce operating costs, increase revenue and obtain refinancing provide for the Company to operate as a going concern.

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RAPTOR INVESTMENTS, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2002

NOTE 16 SUBSEQUENT EVENTS

(A) NOTE PAYABLE

During 2003, the Company issued a note payable of \$800,000 and received \$400,000 for working capital and will use the remaining \$400,000 to purchase the cold storage facility. As of today, the Company has exercised its option to purchase the cold storage facility. The Company intends to close on the facility during the second quarter of 2003. The note is secured by the assets of J&B Produce, Inc.

(B) COMMON STOCK WARRANTS

During 2003, the Company issued 1,500,000 common stock warrants at an exercise price of \$.05 to a consultant for services. Using the Black-Scholes model, the warrants were valued at \$167,150 using the following assumptions; no annual dividend, volatility of 315%, risk-free interest rate of return of 3.0% and a term of one year.

ITEM 14. DISCLOSURE

(A) EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to ensure that information

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required to be disclosed in the Company's periodic reports filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the periodic reports filed under the Securities Exchange Act of 1934 is accumulated and communicated to management, including the Chief Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Within the 90 days prior to the filing date of this Report, the Company conducted under the supervision and with the participation of the Company's Chief Executive Officer and Principal Financial Officer.

(B) EFFECTIVE DISCLOSURE CONTROLS

Based upon that evaluation, the Company's officers concluded that many of the Company's disclosure controls and procedures are effective in gathering, analyzing and disclosing information needed to satisfy the Company's disclosure obligations under the Securities Exchange Act of 1934. For example, the Company's internal controls, particularly the areas of payroll, control of cash and accounts payable, are effective. In addition, the Company's Chief Executive Officer and Chief Financial Officer meet on a regular basis to review and evaluate the Company's financial position.

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(C) WEAKNESSES IN DISCLOSURE CONTROLS

The Company's officers also identified several weaknesses in the Company's disclosure controls. Such weaknesses, and the steps the Company plans to take remedy the weaknesses, are discussed below.

1. The Company recorded a significant number of audit adjustments during the fourth quarter, which were required to properly state the account balances at December 31, 2002. Remedy: The Company will implement comprehensive closing procedures, including an analysis of all balance sheet accounts and significant income statement accounts.
2. The minutes of the Board of Directors' and stockholders' meetings were not always complete. Remedy: The Company will implement procedures to be more comprehensive in the preparation of its minutes to include all important matters that affect the Company's operations. The Company will take appropriate steps to ensure that all minutes are properly approved and signed by the applicable parties.
3. The Company drafted several agreements without consulting its legal counsel. Therefore, some of the agreements had terms and provisions that either changed the purpose of the agreement or undermined the purpose or intent of management. Remedy: The Company will consult its legal counsel as to the legality of future agreements and consult its auditors regarding the proper accounting treatment of such agreements in order to preserve the purpose of the agreements and the intent of management.

(D) CHANGE IN INTERNAL CONTROLS

There were no significant changes in the Company's internal controls or in other factors that could significantly affect those controls since the most recent

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evaluations of such controls. The Company intends to make extensive improvements, as outlined above, to its disclosure controls.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RAPTOR INVESTMENTS, INC.

BY: /S/ PAUL F. LOVITO JR.

PAUL F. LOVITO JR., CHAIRMAN

In accordance with the Exchange Act, this report has been signed by the following person on behalf of the Company and in the capacities and on the dates stated.

SIGNATURE -----	TITLE(S) -----	DATE -----
/S/ PAUL F. LOVITO JR. ----- PAUL F. LOVITO JR.	CHAIRMAN, PRESIDENT, CHIEF EXECUTIVE OFFICER AND DIRECTOR (PRINCIPAL EXECUTIVE OFFICER)	May 2, 2003
/S/ MATTHEW J. LOVITO ----- MATTHEW J. LOVITO	CHIEF FINANCIAL OFFICER, TREASURER AND DIRECTOR (PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER)	May 2, 2003
/S/ MARC A. LOVITO ----- MARC A. LOVITO	VICE PRESIDENT AND DIRECTOR	May 2, 2003

CERTIFICATIONS

I, NAME, certify that:

1. I have review this Annual Report on form 10KSB of Raptor Investments, Inc.
2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to

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the period covered by this Annual Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and of, the periods presented in this Annual Report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a. Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Annual Report is being prepared;
 - b. Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date with in 90 days prior to the filing date of this Annual Report (the "Evaluation Date"); and
 - c. Presented in this Annual Report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a. All significant deficiencies in design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this Annual Report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 14, 2003

PAUL F. LOVITO JR.

CHAIRMAN, PRESIDENT, CHIEF
EXECUTIVE OFFICER
AND DIRECTOR

CERTIFICATIONS

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I, NAME, certify that:

1. I have review this Annual Report on form 10KSB of Raptor Investments, Inc.
2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and of, the periods presented in this Annual Report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a. Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Annual Report is being prepared;
 - b. Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date with in 90 days prior to the filing date of this Annual Report (the "Evaluation Date"); and
 - c. Presented in this Annual Report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a. All significant deficiencies in design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this Annual Report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 14, 2003

MATTHEW J. LOVITO

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CHIEF FINANCIAL OFFICER,
TREASURER AND DIRECTOR
(PRINCIPAL FINANCIAL AND
ACCOUNTING OFFICER)