

Edgar Filing: BGR CORP - Form 10KSB/A

BGR CORP
Form 10KSB/A
October 27, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-KSB/A

[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Fiscal Year Ended June 30, 2004

[] 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 000-26887

BGR Corporation
(Name of small business issuer in its charter)

Nevada 98-0353403
(State or other jurisdiction of (I.R.S. employer identification number)
incorporation or organization)

5080 N. 40th Street, Suite 103 Phoenix, AZ 85018
(Address of principal executive offices) (Zip code)

Issuer's telephone number: (480) 596-4014

Securities Registered Pursuant to Section 12(b) of the Act: NONE

Title of each class -----	Name of each exchange on which registered -----
-----	-----
-----	-----

Securities Registered Pursuant to Section 12(g) of the Act:

COMMON
(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. [X] Yes [] No

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

State issuer's revenues for its most recent fiscal year. \$108,974

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity

Edgar Filing: BGR CORP - Form 10KSB/A

was sold, or the average bid and asked price of such common equity, as of June 30, 2003. (See definition of affiliate in Rule 12b-2 of the Exchange Act.) \$.08

NOTE: If determining whether a person is an affiliate will involve an unreasonable effort and expense, the issuer may calculate the aggregate market value of the common equity held by non-affiliates on the basis of reasonable assumptions, if the assumptions are stated.

State the number of shares outstanding of each of the issuer's classes of common equity, as of October 6, 2004. 38,958,351 shares.

DOCUMENTS INCORPORATED BY REFERENCE

If the following documents are incorporated by reference, briefly describe them and identify the part of the Form 10-KSB (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) any annual report to security holders; (2) any proxy or information statement; and (3) any prospectus filed pursuant to Rule 424(b) or (c) of the Securities Act of 1933 ("Securities Act"). The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for fiscal year ended December 24, 1990).

Transitional Small Business Disclosure Format (Check one): Yes [] No [X]

PART I.....	1
ITEM 1. BUSINESS.....	1
ITEM 2. DESCRIPTION OF PROPERTY.....	4
ITEM 3. LEGAL PROCEEDINGS.....	4
ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.....	4
PART II.....	5
ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.....	5
ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.....	5
ITEM 7. FINANCIAL STATEMENTS.....	10
ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.....	11
PART III.....	11
ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT.....	11
ITEM 10. EXECUTIVE COMPENSATION.....	12
ITEM 11. SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN SECURITY HOLDERS.....	13
ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.....	14
ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K.....	14
SIGNATURES.....	15

i

FORWARD LOOKING STATEMENTS

This portion of this Annual Report on Form 10-KSB, includes statements that constitute "forward-looking statements." These forward-looking statements are often characterized by the terms "may," "believes," "projects," "expects," or "anticipates," and do not reflect historical facts.

Forward-looking statements involve risks, uncertainties and other factors, which may cause our actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Factors and risks that could affect our results and achievements and cause them to materially differ from those contained in the forward-looking statements include, without limitation, (i) the effectiveness of operating initiatives and advertising and promotional efforts; (ii) the ongoing financial viability of our

Edgar Filing: BGR CORP - Form 10KSB/A

franchisees and licensees; (iii) adoption of new or changes in accounting policies and practices including pronouncements promulgated by standard setting bodies; (iv) changes in legislation and governmental regulation; (v) new product and concept development by us and/or our food industry competitors; (vi) changes in commodity, labor, and other operating costs; (vii) changes in competition in the food industry; (viii) publicity which may impact our business and/or industry; (ix) volatility of commodity costs; (x) increases in minimum wage and other operating costs; (xi) availability and cost of land and construction; (xii) consumer preferences, spending patterns and demographic trends; (xiii) political or economic instability in local markets and changes in currency exchange and interest rates; (xiv) the impact that any widespread illness or general health concern may have on our business and/or the economy of the locations in which we operate; and (xv) the other risks and uncertainties set forth below under "Certain Risk Factors Affecting Our Business," as well as other factors that we are currently unable to identify or quantify, but may exist in the future.

In addition, the foregoing factors may affect generally our business, results of operations and financial position. Forward-looking statements speak only as of the date the statement was made. We do not undertake and specifically decline any obligation to update any forward-looking statements.

PART I

ITEM 1. BUSINESS

OVERVIEW AND HISTORY

The Company was formed as a Nevada corporation on July 6, 2001 under the name Cortex Systems, Inc. They were originally a development stage company that intended to establish memory clinics in several different locations in North America. Unfortunately, the Company was unable to successfully execute its business plan. In July of 2003, the Company changed its name to BGR Corporation.

Along with the name change came a new management and ownership team. The intention of management is to acquire new innovative fast-casual restaurant concepts, develop them into a profitable working design, and franchise them across the country. The Corporation's partner, American Restaurant Development Company, is a professional restaurant designer, franchiser, and restaurant management company where principles have extensive experience in the industry.

American provides the following services:

- a.) Complete Design and Lay-out of stores
- b.) National rollout program
- c.) National marketing and public relations program
- d.) Franchise sales program
- e.) Project management
- f.) Real Estate
- g.) Architecture
- h.) Construction and Construction management
- i.) New franchisee training program
- j.) Complete operations department
- k.) Website development

1

The Company has developed relationships with several fast casual restaurant concepts including KoKopelli's Mexican Grill, Pauli's "Home of the Steak Burger," and Cousin Vinnie's Italian Diner. The Company has also acquired Fathom Systems who specializes in "Point of Sales Equipment" (POS) and is continuing in discussions with other companies operating in the fast casual food industry. It

Edgar Filing: BGR CORP - Form 10KSB/A

is the Company's intention to continue to acquire other fast casual food companies as subsidiaries and, with partner American Restaurant Development Company, continue to aggressively rollout nationally the fast casual food restaurant concepts within the coming year.

SUBSIDIARIES

The Company has two wholly owned subsidiaries, Fathom Systems, Inc. and Iceberg Food Systems, Inc. Fathom is a company specializing in restaurant POS equipment. Iceberg Food Systems currently has no business. The Company also holds a 97.5% ownership in Kirby Foo's Asian Diner Franchise Company, LLC and a 72.5% ownership in Pauli's Franchise Company, LLC. Kirby Foo's currently has no business. The Company holds a 50% ownership in KoKopelli's Mexican Grill Franchise Company, LLC, and Cousin Vinnie's Franchise Company, LLC. The Company is currently starting to franchise KoKopelli's, Pauli's and Cousin Vinnie's.

PROPRIETARY RIGHTS

The Company currently does not possess trademarks, patents, or copyrights, in relation to their products and services. Although, KoKopelli's Mexican Grill Franchise Company, LLC, Pauli's Franchise Company, LLC, and Cousin Vinnie's Franchise Company, LLC currently do possess, or are in the process of possessing, trademarks, patents, or copyrights which the Company holds 50% ownership. Policing unauthorized use of the Company's proprietary and other intellectual property rights could, while currently unlikely, entail significant expenses. In addition, there can be no assurance that third parties will not bring claims of copyright or trademark infringement against the Company and/or Subsidiaries or claim that certain aspects of its processes or features violates a patent they hold. There can be no assurance that third parties will not claim that the Company and/or Subsidiaries has misappropriated their creative ideas or formats or otherwise infringed upon their proprietary rights. Any claims of infringement, with or without merit, could be time consuming to defend, result in costly litigation, divert management attention, require the Company and/or Subsidiaries to enter into costly royalty or licensing arrangements to prevent the Company and/or Subsidiaries from using important technologies or methods, any of which could have a material adverse effect on the Company's business, financial condition or operating results.

EMPLOYEES

The Company currently has four employees in addition to its officers and directors as of September 2004. The employees are currently not represented by a collective bargaining agreement, and the Company believes that relations with its employees are good. There are no known problems or issues regarding any former employees, officers, or directors.

RISK FACTORS

The following discussion contains, in addition to historical information, forward-looking statements that involve risks and uncertainties. The Company's actual results could differ significantly from the results discussed in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and in Item 6, "Management's Discussion and Analysis of Financial Condition or Plan of Operation."

2

LIMITED OPERATING HISTORY

The Company was incorporated on July 6, 2001, with a principal business objective of developing the companies that it had interests in with a view

Edgar Filing: BGR CORP - Form 10KSB/A

towards enhancing their value as potential take-over targets or through taking them public. It had a limited operating history on which to base an evaluation for businesses and prospects. The Company's prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly companies in evolving markets. These risks include, but are not limited to, an evolving and unpredictable business model, dependence on the growth in use of the products and services provided, the acceptance of the products and services, the ability to attract and retain a suitable user base, rapid technological change and the management of growth. In view of the Company's business model and its limited operating history, it is believed that period-to-period comparisons of the operating results are not necessarily meaningful and should not be relied upon as an indication of future performance.

UNPREDICTABILITY OF FUTURE REVENUES; POTENTIAL FLUCTUATIONS IN QUARTERLY OPERATING RESULTS; SEASONALITY

As a result of the Company's limited operating history, it is unable to accurately forecast future revenues, if any. The Company anticipates that it may experience significant fluctuations in its future quarterly operating results due to a variety of factors, many of which are outside its control. Factors that may adversely affect the quarterly operating results include (i) the ability to attract a new business model; (ii) the ability to upgrade and develop its systems and infrastructure; and (iii) the amount and timing of operating costs and capital expenditures relating to expansion of the Company's business, operations and infrastructure.

Due to the foregoing factors, in one or more future quarters the Company's operating results may fall below the expectations of securities analysts and investors. In such event, the trading price of the Common Stock would likely be materially adversely affected.

DEPENDENCE ON KEY PERSONNEL; NEED FOR ADDITIONAL PERSONNEL

The Company's performance is substantially dependent on the services and on the performance of its officers and directors. The Company's performance also depends on its ability to attract, hire, retain, and motivate its officers and key employees. The loss of the services of any of the executive officers or other key employees could have a material adverse effect on the Company's business, prospects, financial condition, and results of operations. The Company has entered into long-term employment agreements with several of its key personnel, but currently has no "Key Man" life insurance policies. The Company's future success may also depend on its ability to identify, attract, hire, train, retain, and motivate other highly skilled technical, managerial, marketing, and customer service personnel. Competition for such personnel is intense, and there can be no assurance that the Company will be able to successfully attract, assimilate, or retain sufficiently qualified personnel. The failure to attract and retain the necessary technical, managerial, marketing, and customer service personnel could have a material adverse effect on the Company's business, prospects, financial condition, and results of operations.

3

ESTABLISHMENT OF AN OPERATING ENTITY

The Company believes that establishing and maintaining an operating entity is a critical aspect of the Company's business model. The Company has not yet developed an operating entity and if it fails to do so it could have a material adverse impact on its business. Promotion and enhancement of this entity will depend largely on the success of this entity in providing high quality services or products, which cannot be assured. If users do not perceive the Company's future products or services to be comprehensive and of high quality, or if the

Edgar Filing: BGR CORP - Form 10KSB/A

Company introduces new features, or enters into new business ventures that are not favorably received by the public, the Company will risk diluting the value of its operating entity. If the Company fails to provide high quality services or product, or otherwise to promote and maintain a service or product, or if the Company incurs excessive expenses in an attempt to improve services or product, or promote and maintain a service or product, future results of operations and financial condition could be materially and adversely affected.

GROWTH STRATEGY IMPLEMENTATION; ABILITY TO MANAGE GROWTH

The Company anticipates that significant expansion will be required to address the Company's business plan and shareholder value. The Company's expansion is expected to place a significant strain on its management, operational and financial resources. To manage any material growth of the Company's operations and personnel, the Company may be required to improve existing operational and financial systems, procedures and controls and to expand, train and manage its employee base. There can be no assurance that the Company's planned personnel, financing, systems, procedures and controls will be adequate to support its future operations, that management will be able to hire, train, retain, motivate and manage required personnel or that its management will be able to successfully identify, manage and exploit existing and potential market opportunities. If the Company is unable to manage growth effectively, its business, prospects, financial condition, and results of operations may be materially adversely affected.

POSSIBLE FUTURE ISSUANCE OF COMMON STOCK

The Company is authorized to issue up to 100,000,000 Shares of Common Stock. Presently, there are 38,958,351 shares of Common Stock issued and outstanding. Additional issuances of Common Stock may be required to raise capital, to acquire stock or assets of other companies, to compensate employees or to undertake other activities without stockholder approval. These additional issuances of Common Stock will increase outstanding shares and further dilute stockholders' interests. Because the Company's Common Stock is currently subject to the existing rules on penny stocks, the market liquidity for and value of its securities can be severely adversely affected.

ITEM 2. PROPERTIES

Corporate headquarters are located at 5080 N. 40th Street, Suite 103 Phoenix, AZ, AZ 85018. The dimension of the new office space is approximately 1600 square feet. The space is at a charge of \$2,800 per month to the Company and is provided by a related party with no terms. The Company does not have any additional facilities, nor are there proposed programs for the renovation, improvement, or development of the properties currently being utilized.

ITEM 3. LEGAL PROCEEDINGS

The Company was not subject to, in the years 2003 and 2004, nor are we currently subject to any legal proceedings.

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

None.

4

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

MARKET INFORMATION

Edgar Filing: BGR CORP - Form 10KSB/A

The Company's common stock is currently traded on the OTC Bulletin Board under the stock ticker symbol "BGRN." The following sets forth the high and low bid quotations for the Common Stock for the year. These quotations reflect prices between dealers, do not include retail mark-ups, markdowns, and commissions and may not necessarily represent actual transactions.

2003 ----	HIGH ----	LOW ---
For the period (July 1, 2003 to June 30, 2004)	\$.677	\$.045

During the year ended June 30, 2004, there were 10,000 shares of the Company's Series B Preferred Stock issued. Each of these shares shall be convertible into common stock of BGR Corporation when the company owns or operates at least One Hundred (100) stores of all brands in its' system. The conversion rate shall be equal to One Thousand (1,000) shares of the Company's Common stock for each Preferred Share held. The Company did offer stock options to its employees.

There are 23,546,461 shares of restricted common Stock of the Company of which most of these restricted shares are less than two years old and can only be sold under Rule 144 under the Securities Act of 1933, as amended.

There is currently a common equity that is being or is proposed to be publicly offered by the Company with Golden Gate Investors, Inc., the offering of which could have a material effect on the market price of the issuer's common equity.

HOLDERS

As of October 6, 2004, the Company had 69 stockholders of record.

DIVIDEND POLICY

On May 17th, 2004 the Company paid a dividend of one additional share for every three shares held to shareholders. It does not anticipate paying any more dividends in the foreseeable future. The Board of Directors of the Company will review its dividend policy from time to time to determine the desirability and feasibility of paying dividends after giving consideration to the Company's earnings, financial condition, capital requirements and such other factors as the board may deem relevant.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

For a description of our significant accounting policies and an understanding of the significant factors that influenced our performance during the year ending June 30, 2004, this "Management's Discussion and Analysis" should be read in conjunction with the Consolidated Financial Statements, including the related notes, appearing in Item 7 of this Annual Report.

EXECUTIVE OVERVIEW

The Company was formed as a Nevada corporation on July 6, 2001 under the name Cortex Systems, Inc. We were originally a development stage company that intended to establish memory clinics in several different locations in North America. We were unable to successfully execute this business plan. As a result, in July of 2003, we changed the Company's name to BGR Corporation, replaced or

reconstituted the management and board of directors and changed our business

Edgar Filing: BGR CORP - Form 10KSB/A

focus. The Company's focus is now on acquiring new innovative fast-casual restaurant concepts, develop them into a profitable working design, and franchise them across the United States. On January 20, 2003, we entered into an agreement with American Restaurant Development Corporation, or ARDC, to grow restaurant concepts into a fully viable franchise system and to expand each restaurant concepts nationwide. The controlling shareholder of ARDC is our largest shareholder. To date, we have formed four joint ventures with different restaurant concepts under this model.

On November 4, 2003, we acquired Fathom Business Systems, or Fathom. Fathom is a company specializing in restaurant point of sales equipment. Fathom generates additional revenue by providing its customers with the supplies and service needed for the equipment.

On February 2, 2004, we executed an agreement with AZTECA Wrap Foods, LLC, or AZTECA. AZTECA is the owner and operator of KoKopelli's Mexican Grill. KoKopelli's is a fast casual Mexican restaurant specializing in made-to-order Mexican-style food. Per the agreement, we own 50% of the joint venture entity, while the other 50% is owned by AZTECA. Additionally, we are required to provide the funding to initiate the franchising of KoKopelli's through ARDC. AZTECA will provide exclusive rights to the "KoKopelli" name, trade marks, trade dress, operating system and recipes.

In April 2004, we entered into a shareholders agreement with Alexis Group, LLC, or ALEXIS. ALEXIS is the owner and operator of Pauli's Home of the SteakBurger. Per the agreement, we own 50% of the joint venture entity, while the other 50% is owned by ALEXIS. Additionally, we are required to provide the funding to initiate the franchising of Pauli's through ARDC. ALEXIS will provide exclusive rights to the "Pauli's" name, trade marks, trade dress, operating system and recipes.

In April 2004, we executed a shareholders agreement with Brian Ruggiero, the owner and operator of Cousin Vinnie's Italian Diner. The Cousin Vinnie's concept was brought to BGR Corporation by American Restaurant Development Corporation ("ARDC"). Per the agreement, we own 50% of the joint venture entity, while the other 50% is owned by Ruggiero. Additionally, we are required to provide the funding to initiate the franchising of Cousin Vinnie's through ARDC. Ruggiero will provide exclusive rights to the "Cousin Vinnie's" name, trade marks, trade dress, operating system and recipes.

In April 2004, the purchase agreement for us to acquire Deville, Inc. was mutually cancelled. The agreement called for us to pay \$700,000 in stock and cash for the exclusive rights to the Lucky Lou's fast casual restaurant concept. Stock that had been issued per the agreement has been returned to the Company's treasury.

On April 15, 2004, our Board of Directors approved a stock dividend for all shareholders of record as of May 15, 2004. Under the terms of the dividend distribution, for every three shares held by a shareholder they will receive one additional share. No fractional shares are to be issued.

RESULTS OF OPERATIONS

The Company had revenue of \$108,974 for the year ending June 30, 2004. This revenue relates to services provided by the new Fathom business unit.

Total general and administrative operating expenses for the year ending June 30, 2004 were \$5,374,114. This increase from the prior quarter was due to a significant increase in consulting fees, which were primarily paid through the issuance of the Company's common stock.

The Company recorded a net loss for the year ending June 30, 2004 of

Edgar Filing: BGR CORP - Form 10KSB/A

\$5,405,130. This loss was primarily due to the expense related to the issuance of stock to various consultants. The consultants provide such services and advice to the Company in business development, business strategy and corporate image.

6

The Company has allocated the excess of the purchase price of Fathom over the amounts allocated to tangible assets acquired and liabilities assumed as intangible assets. The Company is in the process of analyzing that amount to determine what amounts are to be allocated to intangible assets that can be identified and recognized as assets apart from goodwill. Consequently, there will likely be a reallocation of the amount reported as intangible assets on the accompanying balance sheet as of the year ending June 30, 2004.

LIQUIDITY AND CAPITAL RESOURCES

The Company experienced a cash outflow of \$212,338 from continuing operations during the twelve months ending June 30, 2004, as compared to a net of \$61,602 during the twelve months ending June 30, 2003.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States of America requires our management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. As such, in accordance with the use of accounting principles generally accepted in the United States of America, our actual realized results may differ from management's initial estimates as reported. A summary of our significant accounting policies are detailed in the notes to the financial statements which are an integral component of this filing.

The following summarizes critical estimates made by management in the preparation of the financial statements:

Management evaluates the probability of the utilization of the deferred income tax asset related to the net operating loss carry forwards. The Company has estimated a \$2,178,000 deferred income tax asset related to net operating loss carry forwards and other book tax differences at June 30, 2004. Management determined that because the Company has yet to generate taxable income and that the generation of taxable income in the short term is uncertain, it was appropriate to provide a valuation allowance for the total deferred income tax asset.

Goodwill was recognized in the Company's acquisition of Fathom. The Company does not have much operating history but believes that Fathom will increase its profitability and cash flow. Management believes that there is no impairment of the carrying value of \$270,545 at June 30, 2004.

CERTAIN RISK FACTORS AFFECTING OUR BUSINESS

Our business involves a high degree of risk. Potential investors should carefully consider the risks and uncertainties described below and the other information in this report before deciding whether to invest in shares of our common stock. If any of the following risks actually occur, our business, financial condition, and results of operations could be materially and adversely affected. This could cause the trading price of our common stock to decline, with the loss of part or all of an investment in the common stock.

Edgar Filing: BGR CORP - Form 10KSB/A

WE HAVE A LIMITED OPERATING HISTORY AND THERE IS NO ASSURANCE THAT OUR COMPANY WILL ACHIEVE PROFITABILITY. Until recently, we have had no significant operations with which to generate profits or greater liquidity. Although we have recently established joint ventures with various fast-casual dining restaurants in keeping with our proposed business model, we have not generated a meaningful amount of operating revenue and we have a very limited current operating history on which investors can evaluate our potential for future success. Our ability to

7

generate revenue is uncertain and we may never achieve profitability. Potential investors should evaluate our company in light of the expenses, delays, uncertainties, and complications typically encountered by early-stage businesses, many of which will be beyond our control. These risks include the following:

- * lack of sufficient capital,
- * unanticipated problems, delays, and expenses relating to acquisitions of other businesses, concepts, or product development and implementation,
- * licensing and marketing difficulties,
- * competition, and
- * uncertain market acceptance of our products and services.

As a result of our limited operating history, our plan for growth, and the competitive nature of the markets in which we may compete, our company's historical financial data are of limited value in anticipating future revenue, capital requirements, and operating expenses. Our planned capital requirements and expense levels will be based in part on our expectations concerning potential acquisitions, capital investments, and future revenue, which are difficult to forecast accurately due to our company's current stage of development. We may be unable to adjust spending in a timely manner to compensate for any unexpected shortfall in revenue. Once we acquire new restaurant concepts, product development and marketing expenses may increase significantly as we expand operations. To the extent that these expenses precede or are not rapidly followed by a corresponding increase in revenue or additional sources of financing, our business, operating results, and financial condition may be materially and adversely affected.

WE MAY NEED SIGNIFICANT INFUSIONS OF ADDITIONAL CAPITAL. Based upon our current cash reserves and forecasted operations, we believe that we will need to obtain outside funding. We may require significant additional financing in the future in order to further satisfy our cash requirements. Our need for additional capital to finance our business strategy, operations, and growth will be greater should, among other things, revenue or expense estimates prove to be incorrect. If we fail to arrange for sufficient capital in the future, we may be required to reduce the scope of our business activities until we can obtain adequate financing. We cannot predict the timing or amount of our capital requirements at this time. We may not be able to obtain additional financing in sufficient amounts or on acceptable terms when needed, which could adversely affect our operating results and prospects. Debt financing must be repaid regardless of whether or not we generate profits or cash flows from our business activities. Equity financing may result in dilution to existing shareholders and may involve securities that have rights, preferences, or privileges that are senior to our common stock.

WE WILL FACE A VARIETY OF RISKS ASSOCIATED WITH ESTABLISHING AND INTEGRATING NEW JOINT VENTURES. The growth and success of our company's business will depend to a great extent on our ability to find and attract appropriate restaurant concepts with which to form joint ventures in the future. We cannot provide assurance that we will be able to

Edgar Filing: BGR CORP - Form 10KSB/A

- * identity suitable restaurant concepts,
- * form joint ventures on commercially acceptable terms,
- * effectively integrate the operations of any joint ventures with our existing operations,
- * manage effectively the combined operations of the businesses,
- * achieve our operating and growth strategies with respect to the new joint ventures, or
- * reduce our overall selling, general, and administrative expenses associated with the new joint ventures.

The integration of the management, personnel, operations, products, services, technologies, and facilities of any businesses that we associate ourselves with in the future could involve unforeseen difficulties. These difficulties could disrupt our ongoing businesses, distract our management and employees, and increase our expenses, which could have a material adverse affect on our company's business, financial condition, and operating results.

8

WE DEPEND ON OUR CURRENT MANAGEMENT TEAM. Our company's success will depend to a large degree upon the skills of our current management team and advisors and upon our ability to identify, hire, and retain additional senior management, sales, marketing, technical, and financial personnel. We may not be able to retain our existing key personnel or to attract and retain additional key personnel. The loss of any of our current executives, employees, or advisors or the failure to attract, integrate, motivate, and retain additional key employees could have a material adverse effect on our company's business. We do not have "key person" insurance on the lives of any of our management team.

OUR COMPANY MAY NOT BE ABLE TO MANAGE ITS GROWTH. We anticipate a period of significant growth. This growth could cause significant strain on our company's managerial, operational, financial, and other resources. Success in managing this expansion and growth will depend, in part, upon the ability of our senior management to manage effectively the growth of our company. Any failure to manage the proposed growth and expansion of our company could have a material adverse effect on our company's business.

THERE IS NO ASSURANCE THAT OUR FUTURE PRODUCTS AND SERVICES WILL BE ACCEPTED IN THE MARKETPLACE. Our products and services may not experience broad market acceptance. Any market acceptance for our company's products and services may not develop in a timely manner or may not be sustainable. New or increased competition may result in market saturation, more competitive pricing, or lower margins. Further, overall performance and user satisfaction may be affected by a variety of factors, many of which will be beyond our company's control. Our company's business, operating results, and financial condition would be materially and adversely affected if the market for our products and services fails to develop or grow, develops or grows more slowly than anticipated, or becomes more competitive or if our products and services are not accepted by targeted customers even if a substantial market develops.

WE MAY FACE STIFF COMPETITION. There are existing companies that offer or have the ability to develop products and services that will compete with those that our company may offer in the future. These include large, well-recognized companies with substantial resources and established relationships in their respective industries. Their greater financial, technical, marketing, and sales resources may permit them to react more quickly to emerging technologies and changes in customer requirements or to devote greater resources to the development, promotion, and sale of competing products and services. Emerging companies also may develop and offer products and services that compete with those offered by our company.

OUR COMMON STOCK MAY BE SUBJECT TO THE "PENNY STOCK" RULES AS PROMULGATED UNDER

Edgar Filing: BGR CORP - Form 10KSB/A

THE EXCHANGE ACT. In the event that no exclusion from the definition of "penny stock" under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is available, then any broker engaging in a transaction in our company's common stock will be required to provide its customers with a risk disclosure document, disclosure of market quotations, if any, disclosure of the compensation of the broker-dealer and its sales person in the transaction, and monthly account statements showing the market values of our company's securities held in the customer's accounts. The bid and offer quotation and compensation information must be provided prior to effecting the transaction and must be contained on the customer's confirmation of sale. Certain brokers are less willing to engage in transactions involving "penny stocks" as a result of the additional disclosure requirements described above, which may make it more difficult for holders of our company's common stock to dispose of their shares.

9

ITEM 7. FINANCIAL STATEMENTS

The following documents (pages F-1 to F-16) form part of the report on the Financial Statements

	Page

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	F-1
CONSOLIDATED FINANCIAL STATEMENTS:	
Balance Sheet as of June 30, 2004	F-2
Statements of Operations for the years ended June 30, 2004 and June 30, 2003	F-3
Statements of Stockholders' Equity for the years ended June 30, 2004 and June 30, 2003	F-4
Statements of Cash Flows for the years ended June 30, 2004 and June 30, 2003	F-5
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	F-7

10

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of BGR Corporation

We have audited the consolidated balance sheet of BGR Corporation (the Company), as of June 30, 2004, and the related statements of operations, stockholders' deficit and cash flows for each of the two years in the periods then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Standards Board (United States). 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

Edgar Filing: BGR CORP - Form 10KSB/A

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, based on our audits, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of BGR Corporation as of June 30, 2004, and the consolidated results of its operations and cash flows for each of the two years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has not yet raised adequate capital to implement its plan of operations, nor has the Company generated adequate sales volume and cash flow to support its operations. These matters raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ EPSTEIN, WEBER & CONOVER, P.L.C.
Scottsdale, Arizona
October 12, 2004

F-1

BGR CORPORATION

CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2004

CURRENT ASSETS

Cash and equivalents	\$ 46,001
Accounts receivable	10,826
Interest receivable	1,414

Total current assets	58,241

PROPERTY AND EQUIPMENT

Computers and equipment, net	8,376

OTHER ASSETS

Franchise rights	18,037
Goodwill	270,545

	288,582

Total assets	\$ 355,199
	=====

LIABILITIES AND STOCKHOLDERS' EQUITY:

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 281,332
Due to shareholders	6,058
Debenture payable	127,500

Total current liabilities	414,890

Edgar Filing: BGR CORP - Form 10KSB/A

NONCURRENT LIABILITIES	
Notes payable	100,000
Minority interest	2,510

Total noncurrent liabilities	102,510

TOTAL LIABILITIES	517,400

STOCKHOLDERS' DEFICIT:	
Convertible preferred stock, Series A, \$10.00 par value, 125,000 authorized, 0 shares issued and outstanding	--
Convertible preferred stock, Series B, \$.001 par value, 1,000,000 shares authorized, 10,000 shares issued and outstanding	3,800,000
Common stock, \$.0001 par value, 100,000,000 shares authorized, 34,652,400 shares issued and outstanding	3,465
Additional paid-in capital	1,724,339
Deferred compensation	(208,000)
Accumulated deficit	(5,482,005)

Total stockholders' deficit	(162,201)

TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 355,199
	=====

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

F-2

BGR CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED JUNE 30, 2004 AND JUNE 30, 2003

	2004	2003
	-----	-----
REVENUE	\$ 108,974	\$ 2,625
	-----	-----
COST OF REVENUE	76,626	--
	-----	-----
Gross profit	32,348	2,625
	-----	-----
COSTS AND EXPENSES:		
General and administrative expenses	5,374,114	41,978
	-----	-----
Total costs and expenses	5,374,114	41,978
	-----	-----
INCOME (LOSS) FROM OPERATIONS	(5,341,766)	(39,353)
OTHER INCOME (EXPENSE)		
Interest income	1,414	--
Financial and interest expense	(65,305)	--
Minority interest	527	--
	-----	-----
Total other expense	(63,364)	--
	-----	-----

Edgar Filing: BGR CORP - Form 10KSB/A

INCOME TAXES	--	--
NET (LOSS)	\$ (5,405,130)	\$ (39,353)
NET INCOME (LOSS) PER COMMON SHARE		
Total basic and diluted	\$ (0.20)	\$ *
WEIGHTED AVERAGE COMMON SHARES		
OUTSTANDING (BASIC AND DILUTED)	27,114,639	34,573,800

* - less than \$0.01 per share

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

F-3

BGR CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED JUNE 30, 2004 AND JUNE 30, 2003

	Common Stock		Convertible Preferred Stock	
	Shares	Amount	Shares	Amount
BALANCE JUNE 30, 2002	34,573,800	\$ 3,457	--	\$ --
Net Loss				
BALANCE JUNE 30, 2003	34,573,800	3,457	--	--
Cancellation of shares previously issued	(16,660,000)	(1,666)		
Shares issued for cash	429,000	43	--	
Shares issued for services	5,500,000	550		
Shares issued for business acquisitions	850,000	85		
Preferred Class B issued for services			10,000	3
Value of beneficial conversion feature				
Shares issued for deferred compensation	2,000,000	200		
Amortization of deferred compensation				
Shares issued for stock dividend	7,959,600	796		
Net Loss	--	--	--	--
BALANCE JUNE 30, 2004	34,652,400	\$ 3,465	10,000	\$ 3

Edgar Filing: BGR CORP - Form 10KSB/A

	Deferred Compensation -----	Additional Paid-in Capital -----	Accumulated Deficit -----
BALANCE JUNE 30, 2002	\$ --	\$ 73,393	\$ (37,522)
Net Loss			(39,353)
BALANCE JUNE 30, 2003	----- --	----- 73,393	----- (76,875)
Cancellation of shares previously issued		1,666	
Shares issued for cash		89,957	
Shares issued for services		1,059,192	
Shares issued for business acquisitions		239,915	
Preferred Class B issued for services			
Value of beneficial conversion feature		21,212	
Shares issued for deferred compensation	(240,000)	239,800	
Amortization of deferred compensation	32,000		
Shares issued for stock dividend		(796)	
Net Loss	----- --	----- --	----- (5,405,130)
BALANCE JUNE 30, 2004	----- \$ (208,000)	----- \$ 1,724,339	----- \$ (5,82,005)

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

F-4

BGR CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2004 AND JUNE 30, 2003

	2004 -----	2003 -----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss)	\$ (5,405,130)	\$ (39,353)
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	7,962	
Amortization of deferred compensation	32,000	
Amortization of beneficial conversion feature	21,212	
Minority interest	(527)	
Accrual of penalty interest	42,500	
Common stock issued as consideration for services	1,059,742	

Edgar Filing: BGR CORP - Form 10KSB/A

Preferred stock issued as consideration for services	3,800,000	
Write-off loan from shareholder	--	(2,3
Changes in assets and liabilities (net of business acquisition):		
Accounts receivable	(594)	
Inventory	13,567	
Interest receivable	(1,414)	
Accounts payable and accrued liabilities	218,344	(19,9
	-----	-----
Net cash used in operating activities	(212,338)	(61,6
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash acquired in business combination	3,619	
Purchase of computer equipment	(16,338)	
	-----	-----
Net cash used in investing activities	(12,719)	
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of advances from shareholder	--	(12,1
Proceeds from advances from shareholder	6,058	
Proceeds from notes payable and convertible debenture	175,000	
Common stock issued for cash	90,000	
	-----	-----
Net cash provided from financing activities	271,058	(12,1
	-----	-----
INCREASE IN CASH AND EQUIVALENTS	46,001	(73,7
CASH AND EQUIVALENTS, BEGINNING OF PERIOD	--	73,7
	-----	-----
CASH AND EQUIVALENTS, END OF PERIOD	\$ 46,001	\$
	=====	=====

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

F-5

BGR CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2004 AND JUNE 30, 2003

	2004	2003
	-----	-----
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	\$ --	\$ --
	=====	=====
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Common stock issued for business acquisitions and franchise rights	\$ 255,000	\$ --
	=====	=====

F-6

BGR CORPORATION

Edgar Filing: BGR CORP - Form 10KSB/A

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

1. ORGANIZATION AND BASIS OF PRESENTATION

BGR Corporation (the "Company") a Nevada corporation, was incorporated on July 6, 2001. The Company was formerly named Cortex Systems, Inc. The Company intends to develop and franchise casual dining restaurants. The Company is seeking to acquire assets within this industry, has entered into agreements with and acquired the rights to several casual dining concepts. During the year ended June 30, 2004, the Company ceased to be a development stage enterprise coinciding with its acquisition of Fathom Business Systems, Inc., an enterprise in the business of selling and installing point-of-sale equipment and systems for restaurants.

The Company serves as a holding company for its wholly and majority owned operating subsidiaries; Fathom Business Systems, Inc. ("Fathom"), Iceberg Food Systems, Inc. ("IFS"), Pauli's Franchise Corporation, ("Pauli's"), Kokopelli Mexican Grill Franchise Corporation, ("Kokopelli"), Cousin Vinnie's Franchise Corporation ("CV"), and Kirby Foo's Asian Grill Franchise Corporation ("Kirby"). The Company owns 100% of Fathom and IFS and has ownership interests in Kirby of approximately 97.5%, 87% of IFS, 72.5% of Pauli's, 50% of Kokopelli and 50% of CV.

The Company faces many operating and industry challenges. There is no meaningful operating history to evaluate the Company's prospects for successful operations. Future losses for the Company are anticipated. The proposed plan of operations would include seeking an operating entity with which to merge. Even if successful, a merger may not result in cash flow sufficient to finance the continued expansion of a business.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has incurred material operating losses, has continued operating cash flow deficiencies and has working capital deficit at June 30, 2004. These factors raise substantial doubt about the Company's ability to continue as a going concern. The Company believes that it will be successful in franchising its restaurant concepts which will result in up front franchise fees and ongoing monthly royalties. However, the Company will likely require additional debt or equity capital in order to implement its business plan. The accompanying consolidated financial statements do not include any adjustments that might result from this uncertainty.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation - The accompanying consolidated financial statements contain the accounts of the Company and its wholly and majority owned subsidiaries, Fathom, IFS, Pauli's, Kokopelli, CV and Kirby. All material inter-company balances and transactions have been eliminated in consolidation. The accompanying consolidated statement of operations includes the operating activity of the subsidiaries from the respective dates of acquisition through June 30, 2004. As noted above, minority interest exists for five such subsidiaries.

Cash and Cash Equivalents - Cash and cash equivalents include all short-term liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less.

Edgar Filing: BGR CORP - Form 10KSB/A

Accounts Receivable - Consists primarily of amounts due from customers of Fathom's Point of Sale systems and implementation projects.

Revenue Recognition - Revenue is recognized on hardware and installation of point-of-sale systems when the system has been installed and the Company has received customer acceptance and there is no material ongoing commitment on the part of the Company. Cost of revenues includes the cost of hardware items and labor.

Property and Equipment - Is stated at cost less accumulated depreciation. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets ranging from 3 to 5 years.

Income taxes - The Company provides for income taxes based on the provisions of Statement of Financial Accounting Standards No. 109, ACCOUNTING FOR INCOME TAXES, which among other things, requires that recognition of deferred income taxes be measured by the provisions of enacted tax laws in effect at the date of financial statements.

Income (Loss) Per Common Share - Net loss per share is calculated using the weighted average number of shares of common stock outstanding during the year.

Warrants to purchase 2,777,500 shares of common stock were excluded from the calculation for the year ended June 30, 2004, because inclusion of such would be anti-dilutive. Also excluded from the calculation were 10,000 shares of Series B Convertible Preferred Stock issued during the year ended June 30, 2004. These shares are convertible into 10,000,000 shares of common stock. However, the Series B Convertible Preferred Stock is only convertible upon the Company attaining certain operating milestones, none of which were met at June 30, 2004.

The following presents the computation of basic and diluted loss per share from continuing operations:

	2004			
	Income	Shares	Per Share	Income
Net Loss	\$ (5,405,130)			\$ (39,353)
Preferred stock dividends	(0)			(0)
Loss available to common stockholders	\$ (5,405,130)			\$ (39,353)
BASIC EARNINGS PER SHARE:				
Income available to common stockholders	\$ (5,405,130)	27,114,639	\$ (0.20)	\$ (39,353)
Effect of dilutive securities	N/A	N/A		N/A
DILUTED EARNINGS PER SHARE	\$ (5,405,130)	27,114,639	\$ (0.20)	\$ (39,353)

Edgar Filing: BGR CORP - Form 10KSB/A

* - less than \$0.01 per share

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

F-8

Impairment of long-lived assets is assessed by the Company whenever there is an indication that the carrying amount of the asset may not be recoverable. Recoverability of these assets is determined by comparing the forecasted undiscounted cash flows generated by those assets to the assets' net carrying value. The amount of impairment loss, if any, is measured as the difference between the net book value of the assets and the estimated fair value of the related assets.

Intangible assets at June 30, 2004 consist of goodwill associated with the Company's acquisition of Fathom for the difference between the purchase price of the acquired business and the fair value of the identifiable net assets. The Company adopted Statement of Financial Accounting Standard ("SFAS") No. 142, GOODWILL AND OTHER INTANGIBLE ASSETS, effective July 1, 2002. As a result, the Company does not amortize goodwill, and instead annually evaluates the carrying value of goodwill for impairment, in accordance with the provisions of SFAS No. 142. The Company believes that there has been no impairment of the carrying value of goodwill of \$270,545 as of June 30, 2004.

Additionally, the Company acquired the franchise rights of Pauli's and Kirby during the year ended June 30, 2004. These franchise rights are recorded at cost and are being amortized on a straight-line basis over the estimated useful life of 10 years. Amortization expense for these assets was not material during the year ended June 30, 2004.

Recently Issued Accounting Pronouncements -

In December 2002, the FASB issued SFAS No. 148, Accounting for Stock-Based Compensation - Transaction and Disclosure, which provides alternative methods of transition for a voluntary change to fair value based method of accounting for stock-based employee compensation as prescribed in SFAS 123, Accounting for Stock-Based Compensation. Additionally, SFAS No. 148 requires more prominent and more frequent disclosures in financial statements about the effects of stock-based compensation. The provisions of this statement are effective for fiscal years ending after December 15, 2002, with early application permitted in certain circumstances. The Company presently does not intend to adopt the fair value based method of accounting for its stock based compensation.

In June 2003 the FASB issued Statement No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity" SFAS No. 150 requires certain instruments, including mandatorily redeemable shares, to be classified as liabilities, not as part of shareholders' equity or redeemable equity. For instruments that are entered into or modified after May 31, 2003, SFAS No. 150 is effective immediately upon entering the transaction or modifying the terms. For other instruments covered by Statement 150 that were entered into before June 1, 2003, Statement 150 is effective for the first interim period beginning after June 15, 2003. The Company has evaluated the provisions of SFAS No. 150 and implementation of such was not material.

Edgar Filing: BGR CORP - Form 10KSB/A

In November 2002, the FASB issued Interpretation No. 45 ("FIN 45"), Guarantor's Accounting and Disclosure Requirements for Guarantees, including Indirect Guarantees of Indebtedness of Others. FIN 45 requires a company, at the time it issues a guarantee, to recognize an initial liability for the fair value of obligations assumed under the guarantees and elaborates on existing disclosure requirements related to guarantees and warranties. The initial recognition requirements are effective for the Company during the third quarter ending March 31, 2003. The adoption of FIN 45 did not have an impact on the Company's financial position or results of operations.

In January 2003, the FASB issued FASB Interpretation No. 46 ("FIN 46"), Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51. FIN 46 requires certain variable interest entities to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its

F-9

activities without additional subordinated financial support from other parties. FIN 46 is effective for all new variable interest entities created or acquired after January 31, 2003. For variable interest entities created or acquired prior to February 1, 2003, the provisions of FIN 46 must be applied for the first interim or annual period beginning after June 15, 2003. The adoption of FIN 46 did not have an impact on the Company's financial position or results of operations.

3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2004:

Computer equipment	\$ 16,338
Less accumulated depreciation	(7,962)

Property and equipment, net	\$ (8,376)
	=====

Depreciation expense was \$7,962 and \$-0- for the years ended June 30, 2004 and 2003, respectively.

4. BUSINESS ACQUISITIONS

In the year ended June 30, 2004, the Company entered into an agreement to acquire all of the outstanding voting shares of Fathom Business Systems, Inc. ("Fathom"). Fathom specializes in the sale, installation and service of restaurant 'Point-of-Sale' equipment. Fathom was a single employee business. The Company issued 750,000 shares of its common stock to acquire all of the outstanding shares of Fathom. On the basis of the trading price of the Company's common stock at the time of the acquisition, the purchase price was \$225,000. The purchase price was allocated as follows:

Cash	\$ 3,619
Accounts receivable	10,232
Inventory	13,567
Accounts payable	(72,963)
Intangible assets	270,545

	\$ 225,000
	=====

Edgar Filing: BGR CORP - Form 10KSB/A

All revenue recognized in the accompanying statement of operations for the year ended June 30, 2004, relates to sales and services provided by the Fathom subsidiary. In connection with this acquisition, the Company allocated the purchase price in excess of the tangible assets and liabilities acquired as goodwill. The Company determined that the excess purchase price was not specifically connected with such things as tradenames, customer lists or existing contracts. If the acquisition of Fathom had occurred on July 1, 2003, the consolidated revenues and net loss of the Company for the year ended June 30, 2004 would have been approximately \$126,000 and \$5,118,000 respectively (unaudited).

F-10

In the year ended June 30, 2004, the Company entered into an agreement to acquire all of the outstanding voting shares of Deville, Inc., a developer of "LUCKY LOU'S" restaurants. The terms of the purchase agreement, required the issuance of 1,000,000 of the Company's common shares and a note payable with a face amount of \$400,000. The note was discounted at 8% on the basis of its repayment terms resulting in a principal amount of \$349,805. The terms also called for an ongoing payment to the seller based on royalty revenues generated from "LUCKY LOU'S" restaurants. The total purchase price of Deville was \$649,805. There were no tangible assets or liabilities acquired in the purchase. In March, 2004, the Company and Deville, Inc., agreed to rescind the transaction. Accordingly, the shares were returned to the Company, the note payable and the net assets of Deville were reversed and removed from the balance sheet at June 30, 2004.

In the year ended June 30, 2004, the Company entered into various agreements with American Restaurant Development Corp. ("ARDC"), an entity controlled by a significant shareholder of the Company. As of June 30, 2004 the shareholder held a beneficial interest in the Company totaling 11%. The Company contracted with ARDC to provide restaurant concepts for franchising. For each concept introduced to the Company, ARDC is to receive 500,000 shares of the Company's common stock and \$125,000, \$75,000 of which is paid immediately and the \$50,000 balance as cash is received by the Company for franchise fees realized by the Company on such concepts. In addition, ARDC is to receive 50% of all non-refundable payments received by the Company for new franchise and area developer agreements. Additionally, ARDC will receive royalties equal 1% of the system wide revenues of each concept. During the year ended June 30, 2004, a total of 2,000,000 shares of the Company's common stock was issued to ARDC and the Company incurred \$300,000 in fees for the four franchise concepts brought to the Company by ARDC.

In the year ended June 30, 2004, the Company entered into operating agreements for three of the concepts (Pauli's, Kokopelli, and CV) with the owners of the exclusive rights to the names, trademarks, menus, operating systems and recipes for the concepts. The Company will provide the monies needed to start the sale of the franchises and other operating services for its 72.5% interest in Pauli's, 50% interest in Kokopelli and 50% interest in CV. As of the date of this report, no monies had been contributed by the Company to the operations of these three limited liability franchise companies.

5. INTANGIBLE ASSETS

In connection with the Company's acquisition of Fathom and sale of franchise rights to the Pauli's and Kirby franchises, intangible assets were recorded.

The Company allocated \$270,545 of its purchase price of Fathom to goodwill. The Company does not amortize goodwill, and instead annually evaluates the

Edgar Filing: BGR CORP - Form 10KSB/A

carrying value of goodwill for impairment. The Company believes that there has been no impairment of the carrying value of goodwill of \$270,545 as of June 30, 2004.

F-11

The Company acquired its interests in Pauli's and Kirby through the issuance of 100,000 shares valued at approximately \$15,000. As a result of these transactions, Pauli's and Kirby have capitalized the \$18,037 cost of intangible assets such as tradenames, franchise rights, menus, etc. The Company is amortizing these assets on a straight line basis over the estimated useful lives of ten years. Amortization expense for these assets was not material during the year ended June 30, 2004.

The aggregate amortization expense for the five years succeeding June 30, 2004, is estimated to be approximately:

2005	\$ 1,804
2006	1,804
2007	1,804
2008	1,804
2009	1,804
Thereafter	9,017

	\$ 18,037
	=====

6. NOTES PAYABLE

Notes payable as of June 30, 2004 was comprised of the following:

Loan from an individual maturing June 30, 2007		
Note payable \$50,000, interest at 12% per annum,		
Interest due quarterly.	\$ 50,000	
Loan from an individual maturing June 30, 2007		
Note payable \$50,000, interest at 12% per annum,		
Interest due quarterly.	50,000	

Total	100,000	
Less Current portion	--	

Long-term portion	\$ 100,000	
	=====	

Principal payments due as follows:

Years ended June 30:	2005	\$ --
	2006	--
	2007	100,000
	2008	--
	2009	--
Thereafter		--

		\$ 100,000
		=====

F-12

7. CONVERTIBLE DEBENTURE

Edgar Filing: BGR CORP - Form 10KSB/A

During the year ended June 30, 2004, the Company issued a 2-year 7.5% convertible debenture amounting to \$85,000 with interest payable monthly and due June 9, 2006. The debenture also included non-detachable warrants for 2,500,000 shares of common stock.

The debenture may be converted at the option of the holder into common shares of the Company. The conversion price is the lesser of \$0.25 or 80% of the average of the five lowest volume weighted average price during the 20 trading days prior to the election to convert. Upon conversion, the holder must simultaneously purchase shares of the Company's common stock in a dollar amount equal to 10 times the dollar amount of the debenture converted. The purchase price for such shares shall be the same as the debenture conversion price. The value of the beneficial conversion feature of \$21,212 was recorded as a discount to the principal balance of the debenture and amortized immediately as interest expense because the debenture is convertible at any time at the option of the holder.

The Company defaulted on the interest payment provisions in the debenture. Consequently, the principal amount due under the debenture of \$85,000 became immediately due and payable in cash plus a default penalty of \$42,500 (150% of the principal amount) resulting in a total obligation of \$127,500 plus any and all accrued interest. The per diem interest is \$26.04. The default penalty of \$42,500 was expensed as interest and financing costs in the accompanying statement of operations for the year ended June 30, 2004.

The effective annual interest rate on the debenture is approximately 24% when the beneficial conversion feature is considered and approximately 48% when the beneficial conversion feature and the penalty interest are considered.

8. INCOME TAXES

The Company recognizes deferred income taxes for the differences between financial accounting and tax bases of assets and liabilities. Income taxes for the years ended June 30, 2004 and 2003 consist of the following:

Current tax provision (benefit)	\$(2,166,000)	\$ (5,900)
Deferred tax provision (benefit)	2,166,000	5,900
	-----	-----
Total income tax provision (benefit)	\$ 0	\$ 0
	=====	=====

There were no material temporary book/tax differences for the period ended June 30, 2003. There was a deferred tax asset of \$2,178,000 at June 30, 2004, relating to net operating loss carryforwards of approximately \$223,000, differences in the income tax treatment of certain stock based compensation of \$1,953,000 and book/tax differences in the bases of property and equipment of \$2,000. The deferred income tax asset is fully offset by a valuation allowance of \$2,178,000. The valuation allowance was increased by \$2,166,000 in the year ended June 30, 2004. At June 30, 2004, there were federal and state net operating loss carryforwards of \$606,000 which begin to expire in 2021 and 2008 respectively.

F-13

A reconciliation of the differences between the effective and statutory income tax rates for years ended September 30, is as follows:

2004	2003
-----	-----

Edgar Filing: BGR CORP - Form 10KSB/A

Federal statutory rates	\$(1,738,866)	(34)%	\$(5,902)	(15)%
State income taxes	(306,859)	(6)%	0	-- %
Increase in valuation allowance	2,044,682	40%	5,902	15%
Other	1,043	--	0	-- %
	-----	-----	-----	-----
Effective rate	\$ 0	0%	\$ 0	0%
	=====	=====	=====	=====

9. STOCKHOLDERS' EQUITY

The Company declared a 6 for 1 stock split during the year ended June 30, 2003. The number of shares presented in these financial statements has been retroactively restated for all periods to reflect this reverse stock split.

In July 2003, the Company amended its Articles of Incorporation to reflect 100,000,000 authorized shares of Common Stock having a par value of \$0.001 and 1,125,000 shares of Preferred Stock having a \$10.00 par value for Preferred A and \$0.001 par value for Preferred B. The authorized number of Class A Preferred Stock authorized to be issued is 125,000 shares with voting rights equivalent to five votes per share of Class A Preferred Stock. The Class A Preferred Stock is cumulative, with an annual dividend of 6%. Additionally, Class A Preferred Stock shall be convertible into five shares of common stock of the Company for every one Class A Preferred share. The authorized number of Class B Preferred Stock authorized to be issued is 1,000,000 shares. Each share of Class B Preferred Stock shall be entitled to voting rights equivalent to one vote. Additionally, 50% of the Class B Preferred Stock may be converted after 50 franchise units are sold and the remaining 50% may be converted after 50 additional franchise units are sold.

In August 2003, the Company sold 275,000 common shares, plus warrants to purchase 137,500 shares at a price of \$0.50 per share for a total price of \$55,000.

In September 2003, the Company approved a 2003 Stock Compensation Plan for 1,000,000 shares to compensate employees and consultants. In addition, the Company entered into an agreement with a consultant whereby the consultant received 350,000 shares of the Company's common stock for services rendered.

In October 2003, the Company entered into an agreement to acquire all of the outstanding shares of "ICEBERG FOOD SYSTEMS, CORP." ("IFSC"). IFSC was owned by a former officer and director of the Company. The only holdings of IFSC were 30,000,000 shares of the Company's common stock. As part of the agreement, IFSC distributed 14,465,000 shares of the Company's common stock to its shareholder. IFSC then became a wholly owned subsidiary of the Company with its only holdings being the remaining 15,535,000 shares of the Company's common stock. Effectively, the transaction was an acquisition of treasury stock by the Company. In exchange, the Company assumed a commitment to raise capital and develop the Iceberg Drive-In concept. The rights to develop that concept were previously held by IFSC. The Company was to assist IFSC in providing up to \$1,130,000. The Company accounted for this transaction as an acquisition of treasury stock through the issuance of a note payable of \$1,130,000. Subsequently, the note payable and an additional 1,125,000 shares were cancelled for a total of 16,660,000 shares of common stock returned to the Company.

F-14

In November 2003, the Company acquired Fathom Business Systems in exchange for 750,000 shares of the Company's restricted common stock valued at \$225,000. Other stock transactions in November 2003 included the issuance

Edgar Filing: BGR CORP - Form 10KSB/A

of 10,000 shares of Class B Convertible Preferred stock valued at \$3,800,000 to 18 of the Company's existing shareholders, employees and consultants for services rendered; an agreement with a non-affiliate to acquire rights to a restaurant concept in return for 1,000,000 shares of the Company's common stock and a note payable for \$400,000; and agreements with consultants whereby the consultants were issued 600,000 shares (100,000 and 500,000 respectively) of the Company's common stock for services to be rendered. The agreement for the rights to the restaurant concept and the agreement with the consultant for 500,000 shares was later rescinded, the shares were returned and the note payable was cancelled.

In January 2004, the Company approved a Company Qualified Stock Option Plan for 4,000,000 shares of common stock to compensate employees. As of the year ended June 30, 2004 no stock options had been granted under the Plan. Subsequent to June 30, 2004, the Company approved increasing the total number of shares of common stock under the Plan to 15,000,000 with 5,000,000 of those shares to be registered immediately. Other stock transactions in January 2004 included an agreement with a consultant whereby the consultant received 650,000 shares of the Company's common stock for services rendered and a consulting agreement with a related party whereby the Company will receive six restaurant concepts in exchange for 500,000 shares of the Company's common stock for each concept. As of June 30, 2004 four concepts had been delivered to the Company and the Company had issued 2,000,000 shares of common stock to the related party valued at \$375,000.

In February 2004, the Company sold 140,000 common shares, plus warrants to purchase 140,000 shares at a price of \$0.50 per share for a total price of \$35,000 and the Company entered into an agreement with a consultant to assist in raising capital for the Company. The Company will pay the consultant 10% of all funds raised, in cash, and 10% of all stock issued to investors. As of June 30, 2004 the Company had issued 14,000 shares of common stock to the consultant and owed finder's fees totaling \$3,500.

In March 2004, the Company entered into consulting agreements in exchange for a total of 900,000 shares of common stock. Additionally, the Company entered into an employment agreement in which part of the compensation was paid in stock. The employee received 1,000,000 shares of common stock. The 1,000,000 shares must be returned if the employee leaves within 90 days or 800,000 shares must be returned if the employee leaves within one year of the date of the agreement.

In April 2004, the Company approved the issuance of a stock dividend to shareholders of record on May 15, 2004. The stock dividend provided the Common Stock shareholders with one share for every three shares held. Other stock transactions in April 2004 included the issuance of 200,000 shares of common stock in exchange for advisory services rendered; the issuance of 100,000 shares of common stock valued at \$15,000 for additional interests in Pauli's and Kirby; and an agreement with a related party for consulting services. As part of the related party agreement the affiliate would receive 30,000 shares of the Company's Series B Convertible Preferred Stock. The agreement for the issuance of the Series B stock was rescinded subsequent to June 30, 2004. The 30,000 shares were never issued.

F-15

In June 2004, the Company entered into an employment agreement in which part of the compensation is paid in stock. The employee received 1,000,000 shares of common stock. The 1,000,000 shares must be returned if the employee leaves within 90 days or 800,000 shares must be returned if the employee leaves within one year of the date of the agreement. Additionally, a second employee received 500,000 shares of common stock for their

Edgar Filing: BGR CORP - Form 10KSB/A

services to the Company. There were no restrictions on these shares. Other stock transactions in June 2004 included an agreement with an attorney for legal services in exchange for 800,000 shares of the common stock.

As of June 30, 2004 the Company was in default on a convertible debenture. In accordance with the default remedies the convertible debenture was accelerated. The fair value of the beneficial conversion feature is reflected in Additional Paid-in Capital in the amount of \$21,212.

Warrants - During the year ended June 30, 2004, the Company granted warrants to purchase 2,777,500 shares of common stock (275,000 granted at a price of \$0.50 per share, expiring 2 years after issuance and 2,500,000 granted June 9, 2004 at a price of \$1.00 per share, expiring June 9, 2007).

10. RELATED PARTY TRANSACTIONS

The Company's former officers, directors and majority shareholders made advances to the Company in order for the Company to pay its operating expenses. Advances from shareholders were \$6,058 and \$14,500 for the years ended June 30, 2004 and June 30, 2003, respectively. Repayments of advances were \$0 and \$12,170 for the years ended June 30, 2004 and June 30, 2003, respectively. In addition, a shareholder forgave the balance due to him of \$2,330 during the year ended June 30, 2003.

In the year ended June 30, 2004, the Company entered into various agreements with American Restaurant Development Corp. ("ARDC"), an entity controlled by a significant shareholder of the Company. As of June 30, 2004 the shareholder held a beneficial interest in the Company totaling 11%. The Company contracted with ARDC to provide restaurant concepts for franchising. For each concept introduced to the Company, ARDC is to receive 500,000 shares of the Company's common stock and \$125,000, \$75,000 of which is paid immediately and the \$50,000 balance as cash is received by the Company for franchise fees realized by the Company on such concepts. In addition, ARDC is to receive 50% of all non-refundable payments received by the Company for new franchise and area developer agreements. Additionally, ARDC will receive royalties equal 1% of the system wide revenues of each concept. During the year ended June 30, 2004, a total of 2,000,000 shares of the Company's common stock was issued to ARDC and the Company incurred \$300,000 in fees for the four franchise concepts brought to the Company by ARDC.

In addition, the Company reimburses ARDC for monthly rent expense of \$1,374 incurred for office rent and \$850 for housing provided to the Company's President. The office lease agreement is on a month-to-month basis. The lease term for the employee housing is one year expiring June 30, 2005. Total rent expense was \$12,588 and \$0 for the years ended June 30, 2004 and June 30, 2003, respectively.

During the year ended June 30, 2004, the Company entered into an operating agreement with ALEXIS GROUP, LLC "ALEXIS" to operate a franchise company. ALEXIS is owned by the Company's Chairman of the Board. Pauli's Franchise Company, LLC was formed to provide an entity that is equally controlled by ALEXIS and the Company. ALEXIS will provide the exclusive rights of the Pauli's name, trademarks, menu, and recipes. The Company will provide the funds for start-up and operating services. At June 30, 2004 the Chairman of the Board held a 25% interest in Pauli's Franchise Company, LLC, the Company held a 72.5% interest and an unrelated party held the remaining 2.5% interest.

F-16

11. SUBSEQUENT EVENTS

Edgar Filing: BGR CORP - Form 10KSB/A

Subsequent to June 30, 2004 the Company approved increasing the total number of shares under the Company Qualified Stock Option Plan to 15,000,000 with 5,000,000 of those to be registered immediately.

On July 20, 2004 the Company borrowed \$50,000 from the Chairman of the Board. The note bears interest at 8%. The note and accrued interest are due and payable on January 21, 2005.

In April 2004, the Company entered into an agreement with a related party for consulting services. As part of the agreement the related party would receive 30,000 shares of the Company's Series B Preferred. On July 28, 2004, management rescinded the agreement.

* * * * *

F-17

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

On August 22, 2003 the Company filed a Change in Registrant's Certifying Account with the SEC. The Company has no disagreements with its accountants on accounting and financial disclosure.

PART III

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

The names, ages and positions of the Company's directors and executive officers are as follows:

Name	Age	Position
----	---	-----
Jerry Brown	67	Chairman
Bradford Miller	46	President
James Medeiros	40	Secretary
Janet Crance	48	Treasurer
Alan Smith	53	Director
Gordon J. Sales	67	Director

FAMILY RELATIONSHIPS

There are no family relationships between the Company's directors and executive officers.

WORK EXPERIENCE

JERRY BROWN, CHAIRMAN, Mr. Brown is a CPA with over 30 years of financial and administrative management experience with a large law firm in Salt Lake City, Utah, where he held the position of Director of Finance and Administration. He has experience in banking relations, property management and employee benefits in addition to his extensive experience in accounting, business management and taxation.

BRANFORD MILLER, PRESIDENT, Mr. Miller has over twenty years experience in the food franchising industry. He was President and Owner of a McDonald's Multi-Restaurant Franchise. He purchased the Franchise after working up to Store Manager, Multi-Unit Supervisor, Human Resources/Training Manager, and V. P. In 1981 he was even named "Outstanding Store Manager" in Washington, D.C. region.

Edgar Filing: BGR CORP - Form 10KSB/A

He has attended the Hamburger University in 1981 and 1987.

JAMES MEDEIROS, SECRETARY, Mr. Medeiros has over twenty-five years experience in the restaurant industry. He has worked in many capacities including general manager, bar manager, assistant manager, and corporate trainer for restaurant chains Pizza Hut, Roy's Restaurants, and Huggo's Restaurant to name a few. Mr. Medeiros is the founder and president of Fathom Business Systems. Fathom Business Systems sells equipment for the restaurant industry.

JANET CRANCE, TREASURER, Ms. Crance, who holds a Bachelor's Degree in Business Administration, has over 27 years experience in the accounting profession. She is a Certified Public Accountant and is President of Janet L. Crance, PC, a public accounting firm specializing in small business accounting, tax compliance and business consulting.

ALAN SMITH, OUTSIDE DIRECTOR, Mr. Smith, who holds both a Bachelor and Masters Degrees and has served as an officer and director for many public companies, has provided audit, accounting, finance and administrative consulting services to a wide range of privately owned and public companies through his wholly-owned company Avid Management Corporation.

GORDON J. SALES, OUTSIDE DIRECTOR, is the president and CEO of Crystal Graphite Corporation. In addition, his past experiences have included several executive positions with various public companies. Mr. Sales brings a high level of

11

operating management and marketing skills, and will provide BGR Corporation with a wealth of experience as an outside director.

INVOLVEMENT ON CERTAIN MATERIAL LEGAL PROCEEDINGS DURING THE LAST FIVE YEARS

(1) No director, officer, significant employee or consultant has been convicted in a criminal proceeding, exclusive of traffic violations.

(2) No bankruptcy petitions have been filed by or against any business or property of any director, officer, significant employee or consultant of the Company nor has any bankruptcy petition been filed against a partnership or business association where these persons were general partners or executive officers.

(3) No director, officer, significant employee or consultant has been permanently or temporarily enjoined, barred, suspended or otherwise limited from involvement in any type of business, securities or banking activities.

(4) No director, officer or significant employee has been convicted of violating a federal or state securities or commodities law.

ITEM 10. EXECUTIVE COMPENSATION

REMUNERATION OF DIRECTORS, EXECUTIVE OFFICERS AND SIGNIFICANT EMPLOYEES

The Company does have an employment agreement with Mr. Bradford Miller. As per the agreement Mr. Miller does receive an annual salary and stock rewards. The Company does not have employment agreements with any of its other executive officers. They have yet to determine the appropriate terms needed for the creation of employment agreements for those officers. There has been no discussion with any of the other officers regarding any potential terms of these agreements, nor have such terms been determined with any specificity. They have no proposal, understanding or arrangement concerning accrued earnings to be paid in the future. In the meanwhile, none of the other executive officers have been drawing salaries since they were appointed to their positions.

Edgar Filing: BGR CORP - Form 10KSB/A

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation		
		Salary(\$)	Bonus(\$)	Other Annual Compensa tion(\$)	Restricted Stock Awards(\$)	Securities Underlying Options(#)	LTIP Payouts(\$)
Bradford Miller President	2004	\$100,000	0	0	\$160,000	0	0
James Medeiros Secretary	2004	0	0	0	0	0	0
Janet Crance Treasurer	2004	0	0	0	\$17,500	0	0

DIRECTORS' COMPENSATION

The Company has no formal or informal arrangements or agreements to compensate its directors for services they provide as directors of the Company.

12

EMPLOYMENT CONTRACTS AND OFFICERS' COMPENSATION

The Company does have an employment agreement with Bradford Miller. The Company does not have an employment agreement with any of its other officers, directors of employees. Any future compensation to be paid to these individuals will be determined by the Board of Directors, and employment agreements will be executed.

STOCK OPTION PLAN AND OTHER LONG-TERM INCENTIVE PLAN

In September of 2003 the Company offered stock options to its employees through a Qualified Stock Option Plan that reserved 1,000,000 shares for the plan. The Company did issue 825,000 shares to consultants under the plan. In February of 2004 the Company offered another stock option plan to its employees through a Qualified Stock Option Plan that reserved 4,000,000 shares for the plan. The Company did issue 3,175,000 shares to consultants under this plan. In September of 2004 the Company has offered stock options again to its employees through a Stock Compensation Plan that reserved 5,000,000 shares for the plan. The Company has issue 825,000 shares to consultants under the plan.

ITEM 11. SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN SECURITY HOLDERS

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The following table sets forth as of June 30, 2004 certain information regarding the beneficial ownership of our common stock by:

1. Each person who is known by us to be the beneficial owner of more than 5% of the common stock,
2. Each of our directors and executive officers and

Edgar Filing: BGR CORP - Form 10KSB/A

3. All of our directors and executive officers as a group.

Except as otherwise indicated, the persons or entities listed below have sole voting and investment power with respect to all shares of common stock beneficially owned by them, except to the extent such power may be shared with a spouse. No change in control is currently being contemplated.

Title of Class -----	Name and Address of Beneficial Owner -----	Amount and Nature of Beneficial Owner -----	%of Class -----
Common Stock	Jeffery W. Flannery San Diego, CA	2,000,000 > 5%	5.1%
Common Stock	Penson Financial Services, Inc. Dallas, TX	2,000,000 > 5%	5.1%
Common Stock	ALEXIS GROUP LLC (Jerry Brown) Scottsdale, AZ	1,800,000 Officer	4.6%
Common Stock	Bradford Miller Phoenix, AZ	1,333,333 Officer	3.4%
Common Stock	Janet Crance Phoenix, AZ	500,000 Officer	1.3%
Common Stock	James Medeiros Tempe, AZ	1,000,000 Officer	2.6%
Common Stock	Alan Smith Edinburgh, Scotland	666,666 Director	1.7%
Common Stock	Gordon Sales Vancouver, B.C.	666,666 Director	1.7%
Common Stock	All Directors and Officers	5,966,665	15.3%

13

NON-VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company has not issued any non-voting securities.

OPTIONS, WARRANTS AND RIGHTS

The Company has issued warrants as part of an offering through the sales of equities in February of this year.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company's currently has no certain relationships and related transactions with any of its current and former officers, directors and majority shareholders during the year ended June 30, 2004.

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

Exhibit Number -----	Name and/or Identification of Exhibit -----
31.1	Certification of Chief Executive Officer pursuant to Section 302 of The Sarbanes-Oxley Act Of 2002 Exhibit
31.2	Certification of Chief Financial Officer pursuant to Section 302 of The Sarbanes-Oxley Act Of 2002
32.1	Certification of Chief Executive Officer pursuant to Section 906

Edgar Filing: BGR CORP - Form 10KSB/A

32.2 of The Sarbanes-Oxley Act Of 2002
 Certification of Chief Financial Officer pursuant to Section 906
 of The Sarbanes-Oxley Act Of 2002

Date Filed	Items Disclosed in Report on Form 8-K and 8-K/A
07/02/2003	Item 1 - Changes in Control of Registrant Item 5 - Other Events and Regulation FD Disclosure
08/22/2003	Item 4 - Change in Registrant's Certifying Account Item 5 - Other Events and Regulation FD Disclosure
09/10/2003	Item 5 - Other Events and Regulation FD Disclosure
09/12/2003	Item 4 - Change in Registrant's Certifying Account
11/05/2004	Item 2 - Acquisition or Disposition of Assets Item 5 - Other Events and Regulation FD Disclosure Item 6 - Resignations of Registrant's Directors Item 7 - Financial Statements and Exhibits
11/14/2004	Item 2 - Acquisition or Disposition of Assets Item 5 - Other Events and Regulation FD Disclosure Item 7 - Financial Statements and Exhibits
01/06/2004	Item 5 - Other Events and Regulation FD Disclosure Item 6 - Resignations of Registrant's Directors
02/05/2004	Item 5 - Other Events and Regulation FD Disclosure Item 7 - Financial Statements and Exhibits
04/06/2004	Item 5 - Other Events and Regulation FD Disclosure Item 6 - Resignations of Registrant's Directors
04/13/2004	Item 5 - Other Events and Regulation FD Disclosure Item 7 - Financial Statements and Exhibits
04/20/2004	Item 5 - Other Events and Regulation FD Disclosure Item 7 - Financial Statements and Exhibits
05/04/2004	Item 5 - Other Events and Regulation FD Disclosure

14

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.

BGR Corporation
 (Registrant)

Signature	Title	Date
-----	-----	----
/s/ Janet Crance ----- Janet Crance	Chief Financial Officer	October 26, 2004

In accordance with the Exchange Act, this report has been signed below by the

Edgar Filing: BGR CORP - Form 10KSB/A

following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature -----	Title -----	Date -----
/s/ Bradford Miller ----- Bradford Miller	President	October 26, 2004
/s/ James Medeiros ----- James Medeiros	Secretary	October 26, 2004
/s/ Janet Crance ----- Janet Crance	Treasurer	October 26, 2004