

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

Form 10-QSB

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND
EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 2003

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES ACT
OF 1934

For the transition period from _____ to _____

Commission File No. 000-27836

ORTHODONTIX, INC.

(Exact name of small business issuer as specified in its
charter)

Florida

65-0643773

(State or other jurisdiction of
incorporation or organization)

(IRS Employer
Identification No.)

1428 Brickell Avenue, Suite 105
Miami, Florida 33131

(Address of principal executive offices)

(305) 371-4112

(Issuer's Telephone Number)

(Former name, former address and former fiscal year,
if changed since last report)

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 ☒ No ☐.

On May 9, 2003, the number of shares of outstanding Common Stock of the
issuer was 2,915,428.

Traditional Small Business Disclosure Format (check one) Yes ☒ No ☐
Documents Incorporated by reference None

ORTHODONTIX, INC.
FORM 10-QSB
QUARTER ENDED March 31, 2003

TABLE OF CONTENTS

PART I

Item 1. Financial Statements

1

Item 2. Management's Discussion and Analysis or Plan of Operation	1
Item 3. Controls and Procedures	2
PART II	
Item 1. Legal Proceedings	3
Item 2. Changes in Securities and Use of Proceeds	3
Item 3. Defaults upon Senior Securities	3
Item 4. Submission of Matters to a Vote of Security Holders	3
Item 5. Other Information	3
Item 6. Exhibits and Reports on Form 8-K	3
SIGNATURES	4
CERTIFICATIONS	5
INDEX TO FINANCIAL STATEMENTS	F-1
EXHIBIT INDEX	14

PART I

FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The unaudited, condensed financial statements included herein, commencing at page F-1, have been prepared in accordance with the requirements of Regulation S-B and, therefore, omit or condense certain footnotes and other information normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. In the opinion of management, all adjustments (including all normal recurring adjustments) necessary for a fair presentation of the financial information for the interim periods reported have been made.

Results of operations for the three months ended March 31, 2003 are not necessarily indicative of the results of operations expected for the year ending December 31, 2003.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

The following discussion with regard to the Company's financial condition and operating results contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on current plans and expectations of Orthodontix, Inc. (the "Company") and involve risks and uncertainties that could cause actual future activities and results of operations to be materially different from those set forth in the forward-looking statements. Important factors that could cause actual results to differ include, among others, the Company's inability to consummate an acquisition of an operating business on terms favorable to the Company or, in the event the Company does consummate the transaction contemplated, the Company's ability to successfully manage and operate the combined business.

The discussion of the Company's financial condition and plan of operation should be read in conjunction with the Company's unaudited, condensed financial statements and notes thereto included elsewhere in this Report and the Company's Annual Report on Form 10-KSB filed with the Securities and Exchange Commission.

FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2003

For the quarter ended March 31, 2003, the Company recorded a net loss of approximately \$32,500 or \$0.01 per share. Included in the financial results for the quarter ended March 31, 2003, were general and administrative expenses of approximately \$30,300, other operating expense of approximately \$4,200, and interest and other income of approximately \$2,100.

The Company does not expect to generate operating revenues or net income until such time as it effects a business combination with an operating company. However, in the event the Company does consummate a merger or an acquisition of an operating company, there can be no assurances that the combined operation will operate profitably.

1

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2003, the Company had cash and cash equivalents of approximately \$819,400 and total liabilities of approximately \$81,100. The Company's cash is primarily invested in money market accounts. The Company continues to anticipate that the primary uses of working capital will include general and administrative expenses and costs associated with seeking to locate and consummate a business combination. The Company believes that its operating funds will be sufficient for its cash expenses for at least the next twelve months.

PLAN OF OPERATION

Management of the Company intends to continue devoting substantially all of its time to consummating a merger or acquisition with an operating business and has evaluated numerous companies and other business combinations since July 2001. The Company has focused its efforts on businesses operating in selected industries including aircraft maintenance and related service companies, health care, pharmaceutical, banking and financial services. In the event the Company locates an acceptable operating business, the Company intends to effect the transaction utilizing any combination of its common stock, cash on hand, or other funding sources that the Company reasonably believes are available. The Company currently has no contractual commitment with regard to effecting an acquisition or other business combination with an

operating company.

Although the Company believes that it will be successful in consummating a business combination with an operating company, there can be no assurances that the Company will enter into such a transaction in the near term or on terms favorable to the Company, or that other funding sources will be available.

ITEM 3. CONTROLS AND PROCEDURES

On May 5, 2003, the Company's management concluded its evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures. As of the Evaluation Date, the Company's President and Chief Executive Officer and its Acting Chief Financial Officer concluded that the Company maintains disclosure controls and procedures that are effective in providing reasonable assurance that information required to be disclosed in the Company's reports under the Securities Exchange Act of 1934 (Exchange Act) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its President and Chief Executive Officer and its Acting Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Company's management necessarily applied its judgment in assessing the costs and benefits of such controls and procedures, which, by their nature, can provide only reasonable assurance regarding management's control objectives. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the Evaluation Date.

2

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

During the quarter ended March 31, 2003, no matters were submitted to a vote of security holders of the Company through the solicitation of proxies or otherwise.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

Exhibit 99.1: Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 99.2: Certification of Acting Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

None.

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ORTHODONTIX, INC.
(Registrant)

Dated: May 12, 2003

By: /s/ Glenn L. Halpryn

Glenn L. Halpryn
Chairman and President (Principal
Executive Officer)

Dated: May 12, 2003

By: /s/ Alan Jay Weisberg

Alan Jay Weisberg
Acting Chief Financial Officer
(Principal Financial and
Accounting Officer)

I, Glenn L. Halpryn, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Orthodontix, Inc.;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly 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 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly 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 functions):

a) all significant deficiencies in the 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 quarterly 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.

Dated: May 12, 2003

By: /s/ Glenn L. Halpryn

Glenn L. Halpryn
Chief Executive Officer

5

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Alan Jay Weisberg, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Orthodontix, Inc.;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly 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 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly 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 functions):

a) all significant deficiencies in the 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 quarterly 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.

Dated: May 12, 2003

By: /s/ Alan Jay Weisberg

Alan Jay Weisberg
Acting Chief Financial Officer

6

INDEX TO FINANCIAL STATEMENTS

	Pages
Condensed Balance Sheets as of March 31, 2003 (Unaudited) and December 31, 2002	F-2
Condensed Statements of Operations for the Three Months Ended March 31, 2003 and 2002 (Unaudited)	F-3
Condensed Statement of Changes in Stockholders' Equity for the Three Months Ended March 31, 2003 (Unaudited)	F-4
Condensed Statements of Cash Flows for the Three Months Ended March 31, 2003 and 2002 (Unaudited)	F-5
Notes to the Condensed Financial Statements	F-6

ORTHODONTIX, INC.
CONDENSED BALANCE SHEETS

ASSETS	MARCH 31, 2003 (UNAUDITED)	DECEMBER 31, 2002
Current assets:		
Cash and cash equivalents	\$ 819,368	\$ 807,639
Prepaid expenses and other current assets	25,368	24,323
Total current assets	844,736	831,962
Notes and other receivables	-	43,258
Total assets	\$ 844,736	\$ 875,220
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 81,077	\$ 79,074
Total current liabilities	81,077	79,074
Commitments		
Stockholders' equity:		
Preferred stock, \$.0001 par value, 100,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, \$.0001 par value, 100,000,000 shares authorized, 2,915,428 shares issued and outstanding at March 31, 2003 and December 31, 2002	292	292
Additional paid-in capital	4,232,821	4,232,821
Accumulated deficit	(3,469,454)	(3,436,967)
Total stockholders' equity	763,659	796,146
Total liabilities and stockholders' equity	\$ 844,736	\$ 875,220
	=====	=====

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

CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
General and administrative expenses	\$ 30,301	\$ 40,623
Other operating expense	4,250	-
Net operating loss	(34,551)	(40,623)
Other income (expense):		
Interest income	2,064	4,715
Other income	-	150
Total other income	2,064	4,865
Net loss	\$ (32,487)	\$ (35,758)
Loss per common and common equivalent share:		
Basic	\$ (0.01)	\$ (0.01)
Diluted	\$ (0.01)	\$ (0.01)
Weighted average number of common and common equivalent shares outstanding - basic and diluted	2,915,428	2,915,428

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

F-3

ORTHODONTIX, INC.
CONDENSED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)
for the three months ended March 31, 2003

	Common Stock Shares	Amounts	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
Balance, December 31, 2002	2,915,428	\$ 292	\$ 4,232,821	\$ (3,436,967)	\$ 796,146
Net loss for the period	-	-	-	(32,487)	(32,487)
Balance, March 31, 2003	2,915,428	\$ 292	\$ 4,232,821	\$ (3,469,454)	\$ 763,659

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

ORTHODONTIX, INC.
 CONDENSED STATEMENTS OF CASH FLOWS
 (UNAUDITED)

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
Cash flows from operating activities:		
Net loss	\$ (32,487)	\$ (35,758)
Loss on collection of notes receivable	4,250	-
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in assets and liabilities	(20,915)	(26,498)
Net cash used in operating activities	(49,152)	(62,256)
Cash flows from investing activities:		
Payment of notes receivable	60,881	9,233
Proceeds from the sale of fixed assets	-	150
Net cash provided by investing activities	60,881	9,383
Net increase (decrease) in cash and cash equivalents	11,729	(52,873)
Cash and cash equivalents, beginning of period	807,639	915,635
Cash and cash equivalents, end of period	\$ 819,368	\$ 862,762

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

ORTHODONTIX, INC.
 NOTES TO CONDENSED FINANCIAL STATEMENTS
 MARCH 31, 2003
 (UNAUDITED)

1. BASIS OF PRESENTATION:

The accompanying unaudited condensed financial statements of Orthodontix, Inc. ("Orthodontix" or the "Company") presented herein do not include all disclosures required by accounting principles generally accepted in the United States of America for a complete set of financial statements. In the opinion of management, these financial statements include all adjustments, including normal recurring adjustments, necessary for a fair presentation of the results of interim periods.

The results of operations for the three months ended March 31, 2003 are not necessarily indicative of the results of operations to be expected for the year ending December 31, 2003. The unaudited condensed financial statements should be read in conjunction with the financial statements and footnotes thereto included in the Company's Annual Report on Form 10-KSB as filed with the Securities and Exchange Commission on March 28, 2003.

2. ACCOUNTS PAYABLE AND ACCRUED EXPENSES:

Accounts payable and accrued expenses consist of the following:

	March 31, 2003 (Unaudited)	December 31, 2002
	-----	-----
Accounts payable	\$ 4,214	\$ 4,214
Accrued expenses	76,863	74,860
	-----	-----
	\$ 81,077	\$ 79,074
	=====	=====

3. EARNINGS PER SHARE:

Basic earnings per share is calculated by dividing the net income or loss by the weighted average number of common and potential common shares outstanding during the period. Diluted earnings per share is calculated by dividing net income or loss by the weighted average number of common shares and potential common equivalent shares outstanding during the period. Potential common equivalent shares consist of the dilutive effect of outstanding options calculated using the treasury stock method. There are no potential common equivalent shares for the three months ended March 31, 2003 and 2002.

ORTHODONTIX, INC.
 NOTES TO CONDENSED FINANCIAL STATEMENTS
 MARCH 31, 2003, Continued
 (UNAUDITED)

4. LOSS ON COLLECTION OF NOTE RECEIVABLE:

At December 31, 2002, the Company had a note receivable as a result of the termination of the affiliation with a Founding Practice with an outstanding balance of approximately \$65,000. Such note receivable was due in monthly payments through August 2004. On March 31, 2003, the Company entered into an agreement for the Founding Practice to settle the outstanding balance on the note receivable for a payment of approximately \$60,900. As a result of the agreement, the Company recorded other operating expenses in the amount \$4,250 for the three months ended March 31, 2003.

F-7

EXHIBIT INDEX

Exhibit No.	Description
99.1	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.2	Statement of Acting Chief Financial Officer, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 99.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report on Form 10-QSB of Orthodontix, Inc. for the period ended March 31, 2003 as filed with the Securities and Exchange Commission (the "Report"), I, Glenn L. Halpryn, Chief Executive Officer of Orthodontix, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Orthodontix, Inc.

Dated: May 12, 2003

By: /s/ Glenn L. Halpryn

Glenn L. Halpryn
Chief Executive Officer

provided to Orthodontix, Inc. and will be retained by Orthodontix, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 99.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report on Form 10-QSB of Orthodontix, Inc. for the period ended March 31, 2003 as filed with the Securities and Exchange Commission (the "Report"), I, Alan Jay Weisberg, Acting Chief Financial Officer of Orthodontix, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Orthodontix, Inc.

Dated: May 12, 2003

By: /s/ Alan Jay Weisberg

Alan Jay Weisberg
Acting Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Orthodontix, Inc. and will be retained by Orthodontix, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.