

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

Form 10-QSB

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

For the Quarterly Period Ended March 31, 2004

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

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 7, 2004, the number of shares of outstanding Common Stock of
the issuer was 2,915,428.

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

ORTHODONTIX, INC.
FORM 10-QSB
QUARTER ENDED March 31, 2004

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PART I

FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS	
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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, 2004, are not necessarily indicative of the results of operations expected for the year ending December 31, 2004.

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, 2004

For the quarter ended March 31, 2004, the Company recorded a net loss of approximately \$26,700 or \$0.01 per share. Included in the financial results for the quarter ended March 31, 2004, were general and administrative expenses of approximately \$29,700, and interest and other income of approximately \$3,000.

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.

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LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2004, the Company had cash and cash equivalents and investments of approximately \$668,500 and total liabilities of approximately \$61,600. The Company's cash is primarily invested in money market accounts. The Company's investments consist of certificates of deposit with maturities of 90 days or more at the date of purchase. 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

As of March 31, 2004, the Company's President and Chief Executive Officer and its Acting Chief Financial Officer evaluated the Company's disclosure controls and procedures and they concluded that the Company maintains effective disclosure controls and procedures. There have been no significant changes in internal control over financial reporting that have materially affected, or are likely to materially affect, the Company's internal control over financial reporting subsequent to the Evaluation Date.

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PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 2. CHANGES IN SECURITIES

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, 2004, 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 31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a)

Exhibit 31.2 Certification of Acting Chief Financial Officer pursuant to Rule 13a-14(a)

Exhibit 32 Certification pursuant to Rule 13a-14(b) and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Title 18, United States Code)

(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, 2004

By: /s/ Glenn L. Halpryn

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

Dated: May 12, 2004

By: /s/ Alan Jay Weisberg

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

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ORTHODONTIX, INC. CONDENSED BALANCE SHEETS

ASSETS	MARCH 31, 2004 (UNAUDITED)	DECEMBER 31, 2003
	-----	-----
Current assets:		
Cash and cash equivalents	\$ 113,258	\$ 179,479
Investments	555,229	552,359
Prepaid expenses and other current assets	21,860	2,417
	-----	-----
Total current assets	690,347	734,255
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable and accrued liabilities	\$ 61,608	\$ 78,823
	-----	-----
Total current liabilities	61,608	78,823
	-----	-----

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, 2004, and December 31, 2003	292	292
Additional paid-in capital	4,232,821	4,232,821
Accumulated deficit	(3,604,374)	(3,577,681)
	-----	-----
Total stockholders' equity	628,739	655,432
	-----	-----
Total liabilities and stockholders' equity	\$ 690,347	\$ 734,255
	=====	=====

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

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ORTHODONTIX, INC. CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED)

	THREE MONTHS ENDED MARCH 31	
	2004	2003
	-----	-----
General and administrative expenses	\$ 29,684	\$ 30,301
Other operating expense	-	4,250
	-----	-----
Net operating loss	(29,684)	(34,551)
	-----	-----
Other income:		
Interest income	2,991	2,064
	-----	-----
Total other income	2,991	2,064
	-----	-----
Net loss	\$ (26,693)	\$ (32,487)
	=====	=====
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.

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ORTHODONTIX, INC.
 CONDENSED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
 (UNAUDITED)
 for the three months ended March 31, 2004

	Common Shares	Stock Amounts	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	-----	-----	-----	-----	-----
Balance, December 31, 2003	2,915,428	\$ 292	\$ 4,232,821	\$ (3,577,681)	\$ 655,432
Net loss for the period	-	-	-	(26,693)	(26,693)
	-----	-----	-----	-----	-----
Balance, March 31, 2004	2,915,428	\$ 292	\$ 4,232,821	\$ (3,604,374)	\$ 628,739
	=====	=====	=====	=====	=====

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

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

THREE MONTHS ENDED
 MARCH 31,

	2004	2003
Cash flows from operating activities:		
Net loss	\$ (26,693)	\$ (32,487)
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	(39,528)	(20,915)
Net cash used in operating activities	(66,221)	(49,152)
Cash flows from investing activities:		
Payment of notes receivable	-	60,881
Net cash provided by investing activities	-	60,881
Net (decrease) increase in cash and cash equivalents	(66,221)	11,729
Cash and cash equivalents, beginning of period	179,479	807,639
Cash and cash equivalents, end of period	\$ 113,258	\$ 819,368

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

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ORTHODONTIX, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2004
(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, 2004 are not necessarily indicative of the results of operations to be expected for the year ending December 31, 2004. 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 amended, as filed with the Securities and Exchange Commission on April 22, 2004.

2. ACCOUNTS PAYABLE AND ACCRUED EXPENSES:

Accounts payable and accrued expenses consist of the following:

	March 31, 2004 (Unaudited)	December 31, 2003
Accounts payable	\$ 4,214	\$ 4,214
Other accrued expenses	57,394	74,609

\$	61,608	\$	78,823
=====		=====	

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 were no potential common equivalent shares for the three months ended March 31, 2004 and 2003.

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ORTHODONTIX, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2004, 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 of \$4,250 for the three months ended March 31, 2003.

EXHIBIT INDEX

Exhibit No.	Description
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)
31.2	Certification of Acting Chief Financial Officer pursuant to Rule 13a-14(a)
32	Certification pursuant to Rule 13a-14(b) and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Title 18, United States Code).

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE 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 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 report;

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

4. The small business issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Dated: May 12, 2004

By: /s/ Glenn L. Halpryn

Glenn L. Halpryn
Chief Executive Officer

Exhibit 31.2

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 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 report;

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

4. The small business issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the small business issuer's

disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Dated: May 12, 2004

By: /s/ Alan Jay Weisberg

Alan Jay Weisberg
Acting Chief Financial Officer

Exhibit 32

CERTIFICATION PURSUANT TO RULE 13a-14(b) AND SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (SUBSECTIONS (a) AND (b) OF SECTION 1350, TITLE 18, UNITED STATES CODE)

In connection with the Quarterly Report on Form 10-QSB of Orthodontix, Inc. for the period ended March 31, 2004, as filed with the Securities and Exchange Commission (the "Report"), we, Glenn L. Halpryn, Chief Executive Officer of Orthodontix, Inc., and 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, 2004

By: /s/ Glenn L. Halpryn

Glenn L. Halpryn
Chief Executive Officer

Dated: May 12, 2004

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.