

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 EXCHANGE ACT OF 1934 For the quarterly period ended March 31, 2002

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from to

Commission File No. **33-2783-S**

FRAMEWAVES, INC.

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

Nevada (State or other jurisdiction of incorporation or organization)	82-0404220 (IRS Employer Identification No.)
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1981 East 4800 South, Suite 100, Salt Lake City, Utah, 84117

(Address of principal executive offices)

(801) 272-9294

(Issuer's telephone number)

Not Applicable

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

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Check whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Exchange Act subsequent to the distribution of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

State the number of shares outstanding of each of the issuer's classes of common equity, as of March 31, 2002: 1,208,994 shares of common stock.

Transitional Small Business Format: Yes No

FORM 10-QSB

FRAMEWAVES, INC.

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(Inapplicable items have been omitted)

FRAMEWAVES, INC. AND SUBSIDIARY**(A Development Stage Company)****CONSOLIDATED BALANCE SHEETS****MARCH 31, 2002 AND DECEMBER 31, 2001**

	March 31,	December 31,
	2002	2001
Assets		
Current Assets:		
Cash	\$ 2,118	\$ 2,127
Total current assets	2,118	2,127
Total Assets	\$ 2,118	\$ 2,127
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	\$ 1,641	\$ 1,641
Total current liabilities	1,641	1,641
Stockholders' Equity:		
Common stock, \$.001 par value 100,000,000 shares authorized, 1,208,994 issued and outstanding	1,209	1,209
Additional paid-in capital	21,639	21,639
Deficit accumulated during the development stage	(22,371)	(22,362)
Total Stockholders' Equity	477	486
Total Liabilities and Stockholders' Equity	\$ 2,118	\$ 2,127

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

FRAMEWAVES, INC. AND SUBSIDIARY**(A Development Stage Company)****CONSOLIDATED STATEMENTS OF OPERATIONS****FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001**

	For the Three Months Ended March 31,	For the Three Months Ended March 31,	For the period December 31, 1993 (Quasi - Reorganization) Through March 31,
--	---	---	--

	2002	2001	2000
Revenues	\$ --	\$ --	\$ 1,267
Expenses, general and administrative	9	5,020	23,638
Operating loss	(9)	(5,020)	(22,371)
Other income (expense)	--	--	--
Net Loss	\$ (9)	\$(5,020)	\$(22,371)
Net loss per share	\$ --	\$ --	\$ (.02)

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

FRAMEWAVES, INC. AND SUBSIDIARY

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

FOR THE PERIOD DECEMBER 31, 1993 (Quasi - Reorganization)

THROUGH MARCH 31, 2002

	Common Stock		Additional Paid-in Capital	Deficit Accumulated During the Development Stage
	Shares	Amount		
Balance, December 31, 1993	65,600	\$ 66	\$ (66)	\$ --
Net loss accumulated for the period December 31, 1993 (quasi-reorganization) through December 31, 1999	--	--	--	--
Balance, December 31, 1999	65,600	66	(66)	--
Common stock issued for cash and services at \$.10/ share on November 3, 2000	100,000	100	9,900	--
Contribution by shareholder for Company expenses paid directly by shareholder	--	--	9,817	--
Common stock issued in acquisition of subsidiary, Corners, Inc. on December 27, 2000	1,000,000	1,000	(90)	--
Common stock issued due to rounding up shareholders with less than 100 shares after 100 for 1 reverse stock split effective December 27, 2000	42,969	43	(43)	--
Net loss for the year ended December 31, 2000	--	--	--	(16,379)
Balance, December 31, 2000	1,208,569	1,209	19,518	(16,379)
Common stock issued due to stock split adjustment	425	--	--	--

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

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY - CONTINUED

FOR THE PERIOD DECEMBER 31, 1993 (Quasi - Reorganization)

THROUGH MARCH 31, 2002

	Common Stock		Additional Paid-in Capital	Deficit Accumulated During the Development Stage
	Shares	Amount		
Contribution by shareholder for Company expenses paid directly by shareholder	--	--	2,121	--
Net loss for the year ended December 31, 2001	--	--	--	(5,983)
Balance, December 31, 2001	1,208,994	1,209	21,639	(22,362)
Net loss for the three months ended March 31, 2002	--	--	--	(9)
Balance, March 31, 2002	1,208,994	\$ 1,209	\$ 21,639	\$(22,371)

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

FRAMEWAVES, INC. AND SUBSIDIARY

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001

	For the Three Months Ended March 31, 2002	For the Three Months Ended March 31, 2001	For the period December 31, 1993 (Quasi - Reorganization) Through March 31, 2002
Cash flows from operating activities:			
Net loss	\$ (9)	\$(5,020)	\$(22,371)
Adjustments to reconcile net income to cash provided by operating activities:			
Contribution from shareholder	--	--	11,938
Common stock issued for services	--	--	5,000
Increase in accounts payable	--	--	1,641
Net cash used by operating activities:	(9)	(5,020)	(3,792)
Cash flows from investing activities:			
Cash received in acquisition of subsidiary	--	--	910
Cash flows from financing activities:			
Issuance of common stock	--	--	5,000
Net increase in cash	(9)	(5,020)	2,118

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

FRAMEWAVES, INC. AND SUBSIDIARY

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED

FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001

	For the Three Months Ended March 31,	For the Three Months Ended March 31,	For the period December 31, 1993 (Quasi - Reorganization) Through March 31,
	2002	2001	2002
Cash, beginning of period	2,127	5,910	--
Cash, end of period	\$ 2,118	\$ 890	\$ 2,118
Interest paid	\$ --	\$ --	\$ --
Income taxes paid	\$ --	\$ --	\$ --

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

FRAMEWAVES, INC. AND SUBSIDIARY

(A Development Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Business and Significant Accounting Policies

a. Summary of Business

The Company was incorporated under the laws of the State of Nevada on December 23, 1985. The Company was formed to pursue business opportunities. The Company was unsuccessful in its operations. During 1993, Management determined it was in the best interest of the Company to discontinue its previous operations. The Company is considered to have re-entered into a new development stage on December 31, 1993. Because the Company discontinued its previous operations and is selling new potential business opportunities, the Company adopted quasi-reorganization accounting procedures to provide the Company a "fresh start" for accounting purposes.

b. Principles of Consolidation

The consolidated financial statements contain the accounts of the Company and its wholly-owned subsidiary, Corners, Inc. All significant intercompany balances and transactions have been eliminated.

c. Cash Flows

For purposes of the statement of cash flows, the Company considers all highly liquid investments purchased with a maturity of three months or less to be cash or cash equivalents.

d. Net Loss Per Share

The net loss per share calculation is based on the weighted average number of shares outstanding during the period.

e. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FRAMEWAVES, INC. AND SUBSIDIARY

(A Development Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Notes to Financial Statements - Continued

2. Quasi-Reorganization

December 7, 2000, the shareholders of the Company approved to adopt quasi-reorganization accounting procedures. Quasi-reorganization accounting allowed the Company to eliminate its previous accumulated deficit of approximately \$235,000 against additional paid-in capital. Therefore, the adoption of quasi-reorganization accounting procedures gave the Company a "fresh start" for accounting purposes. The Company is also considered as re-entering a new development stage on December 31, 1993, as it discontinued all of its previous operations. These financial statements have been restated to reflect the change.

Stock Split

On December 27, 2000, the Company approved a 100 for 1 reverse split of the issued and outstanding common stock but no shareholder's ownership shall be less than 100 shares. An additional 43,394 shares were issued as a result of rounding up to the 100 share minimum.

The 100 for 1 reverse split has been retroactively applied in the accompanying financial statements.

Amended Articles of Incorporation

On December 27, 2000, the Company amended its articles of incorporation to change its name from Messidor Limited to FrameWaves, Inc. In addition, the Company decreased its authorized shares from 500,000,000 to 110,000,000 shares of stock of which 100,000,000 shall be designated common stock and 10,000,000 shall be designated preferred stock. At March 31, 2001, no preferred stock has been issued by the Company. The Company has the authorization to issue the preferred stock in one or more series and to determine the voting rights, preferences as to dividends and liquidation, conversion rights, and other rights of each series.

5. Issuance of Common Stock

On November 3, 2000, the Company issued 100,000 shares of its \$.001 par value common stock for an aggregate price of \$10,000. \$5,000 was received in cash and \$5,000 for services rendered.

6. Stock Options and Warrants

The Company has designated 2,000,000 shares of its authorized and unissued common stock to a future stock option plan. At March 31, 2002, there are no options or warrants outstanding to acquire the Company's common stock.

FRAMEWAVES, INC. AND SUBSIDIARY

(A Development Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Notes to Financial Statements - Continued

7. Acquisition of Subsidiary

On December 27, 2000, the Company acquired 100% of the outstanding common shares of Corners, Inc. in exchange for the issuance of 1,000,000 shares of its previously authorized but unissued common stock. Corners, Inc. was purchased at book value of \$910 or \$.001 per share. The acquisition has been accounted for on the purchase method and 100% of the purchase price was allocated to cash. Corners, Inc. did not have any significant revenues or expenses during the year ended December 31, 2000; therefore, pro forma condensed statement of operations is not presented.

8. Income Taxes

The Company has had no taxable income under Federal or State tax laws.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION OR PLAN OF OPERATION

Forward-Looking Statement Notice

When used in this report, the words "may," "will," "expect," "anticipate," "continue," "estimate," "project," "intend," and similar expressions are intended to identify forward-looking statements within the meaning of Section 27a of the Securities Act of 1933 and Section 21e of the Securities Exchange Act of 1934 regarding events, conditions, and financial trends that may affect the Company's future plans of operations, business strategy, operating results, and financial position. Persons reviewing this report are cautioned that any forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties and that actual results may differ materially from those included within the forward-looking statements as a result of various factors. Such factors are discussed under the "Item 2. Management's Discussion and Analysis of Financial Condition or Plan of Operations," and also include general economic factors and conditions that may directly or indirectly impact the Company's financial condition or results of operations.

The Company's principal product and service consists of providing customized frames to interior designers and retail consumers. This will be accomplished by interfacing directly with designers and consumers where they will be presented with a selection of FrameWaves' materials and styles in order to determine the type and quality of frame desired. FrameWaves will then customize frames to the clients' specifications. Such

customization might entail the ordering, designing, manufacturing, or the subcontracting of work in order to meet the clients' needs. This product and service will allow FrameWaves to be a complete and professional supplier of customized frames to the interior designers and retail customers. However, the Company is a development stage company with limited operations and has yet to generate revenue from any contract negotiations with frame suppliers, interior designers or retail consumers.

Three Month periods Ended March 31, 2002 and 2001

The Company had no revenue for the three-month periods ended March, 31, 2002 and 2001.

General and administrative expenses for the three month periods ended March 31, 2002 and 2001, consisted of general corporate administration, legal and professional expenses, and accounting and auditing costs. These expenses were \$5,020 and \$9 for the three-month periods ended March 31, 2002 and 2001 respectively. Expenses were higher for this period in 2002 because the Company began limited operations.

As a result of the foregoing factors, the Company realized a net loss of \$5,020 for the three months ended March 31, 2002 as compared to a net loss of \$9 for the same period in 2001.

Liquidity and Capital Resources

At March 31, 2002 the Company had \$2,118 cash in hand and total current liabilities of \$1,641 compared to \$2,127 cash in hand and \$1,641 in current liabilities for the period ending December 31, 2001.

The Company anticipates it will begin to generate revenue in the near future, and believes that its current cash needs can be met with the cash on hand and continued operations. However, should the Company find it necessary to raise additional capital, the Company may sell common stock of the Company, take loans from officers, directors or shareholders or enter into debt financing agreements.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

Reports on Form 8-K: No reports on Form 8-K were filed by the Company during the quarter ended Sept. 30, 2001.

Exhibits: None

SIGNATURES

In accordance with the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FRAMEWAVES, INC.

Date: March 9, 2002 By: /s/ Thomas A. Thomsen

Thomas A. Thomsen

President

Date: March 9, 2002 By: /s/ Susan Santage

Susan Santage

Treasurer