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METASOURCE GROUP INC
Form 8-K
December 17, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 3, 2002

Commission File Number: 000-28005

MetaSource Group, Inc.

(Exact name of registrant as specified in its charter)

Nevada 88-0422028

(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

40 Exchange Place, Suite 1607, New York, New York 10005

(Address of principal executive offices) (Zip Code)

(646) 805-5141

(Registrant's Telephone Number, Including Area Code)

(Former name, if changed since last report)

(Former Address and Telephone Number of Principal Executive Offices)

ITEM 2. ACQUISITION OF ASSETS.

On December 3, 2002, the Registrant entered into a Definitive Acquisition Agreement entered with Sitaro Group, Ltd., a Delaware corporation ("Sitara"), dated December 3, 2002. Sitara builds and manages Marketing Process Solutions for large companies and leading advertising agencies. Its clients include IBM, Cisco, AT&T, Pfizer and Young and Rubicam. We anticipate the acquisition of Sitara will fit strategically with the other offerings of the Registrant. Sitara offers marketing software and consulting services to large enterprises with multiple marketing programs. We believe these enterprises use Sitara's services to lower their cost of marketing and more efficiently direct their marketing

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programs. The Registrant believes Sitaro's skill set will enhance services rendered to the Registrant's existing customers. Further, the Registrant believes it can enhance Sitaro's profitability by outsourcing software projects currently developed by Sitaro engineers through its MetaSource Systems subsidiary. The Registrant further believes it can add additional product/service offerings to Sitaro's clients from its various subsidiaries such as Kensington Group and Digit.

The Registrant believes the acquisition of these companies will complement its business of providing computer solutions and consulting. The Registrant intends to continue pursue further acquisitions with the goal of becoming a provider of software solutions and technology consulting.

ITEM 5. OTHER EVENTS.

References is made to the Registrant's press release dated December 4, 2002. The Registrant is in the process of completing its financial statements for the period ending September 30, 2002 and anticipates filing its Quarterly Report on Form 10-QSB as soon as those statements are complete.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

The financial information required by this Item will be filed by amendment no later than 75 days following the closing date of the Agreements.

Schedule A

Sitaro Group Income Statement

November 2001 through October 2002

Revenues	\$1,421,710
Expenses	
Advertising, dues, & Subcr	\$78,541
Cable access	\$259
Depreciation Expense	\$5,454
Donations	\$1,950
Entertainment	\$60,897
Equipment Lease	\$22,218
Fica Expense	\$23,021
Income Tax, NYC	\$449
Income Tax, Federal	\$0
Income Tax, NYS	\$435
Insurance, Health	\$20,203
Insurance, Officers dbl	\$7,198
Insurance, Officers life	\$3,537
Insurance, Other	\$10,954
Interest & Bank Charges	\$209
Internet Access	\$25,177
Miscellaneous	\$110,911
Office Supplies	\$30,639
Payroll Service	\$2,276
Payroll Taxes	\$18,691
Professional Fees	\$21,853
Programming, outside service	\$35,668
Rent	\$88,269
Repairs and Maintenance	\$2,172

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Salary, bonus	\$0
Salary, office	\$0
Salary, officers	\$267,561
Salary, Programming	\$308,471
Sui/Fui	\$2,178
Suspense	-\$490
Telephone	\$14,731
Travel	\$105,333
Total Expense	\$1,268,766
Net Ordinary Income	\$152,944
Other Income	\$23,318
Other Expense	\$288,272
Net Income Before Adjustments	-\$112,010
Adjustments	
Adjustments to Costs	
Advertising	\$70,000
Internet Access	\$10,000
Miscellaneous	\$90,000
Programming, outside service	\$20,000
Rent	\$40,000
Salary, Officers	\$72,666
Salary, Programming	\$59,640
Travel	\$76,637
Uncollected Recievables	
Wunderman status tracker	\$16,200
Wunderman EP/loop redesign	\$35,100
Wunderman EDI	\$28,000
Wunderman Dashboard	\$25,000
Cisco	\$30,000
Total Adjustments	\$573,243
Prior Year Earnings	\$461,232

Schedule B

Sitaro Group Balance Sheet as of 10/31/02

Assets

Cash and Equivalents
Accounts Recievables
Other Current Assets
Property/Plant & Equipment
Other Long Term Assets

Total Assets

Liabilities

Accounts Payables

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Other Current Liabilities
Debt

Total Liabilities

Shareholder's Equity

Index to Exhibits

2 Agreement with Sitaro Group, Ltd.

99 Press release dated December 4, 2002

SIGNATURES

Pursuant to 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.

MetaSource Group, Inc.

December 17, 2002

By: /s/ Courtney Smith

Courtney Smith, President