

Edgar Filing: M B A HOLDINGS INC - Form 10-Q

M B A HOLDINGS INC  
Form 10-Q  
March 07, 2003

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended January 31, 2003.

or

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: 0-28221

M.B.A. HOLDINGS, INC.

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

Nevada 87-0522680  
(State or other jurisdiction of (I.R.S. Employer Identification No.)  
incorporation or organization)

9419 E. San Salvador, Suite 105  
Scottsdale, AZ 85258-5510  
(Address of principal executive offices) (Zip Code)

(480)-860-2288  
(Registrant's telephone number, including area code)

None  
(Former name, former address and former fiscal year,  
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Number of Common Stock shares (\$0.001 par value) outstanding at March 1, 2003:  
1,980,187 shares.

MBA Holdings, Inc

PART I - FINANCIAL INFORMATION

ITEM 1 FINANCIAL STATEMENTS (UNAUDITED)

Condensed Consolidated Balance Sheets as of January 31, 2003

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M.B.A. HOLDINGS, INC. AND SUBSIDIARY	
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)	
JANUARY 31, 2003 AND OCTOBER 31, 2002	

ASSETS	JANUARY 31, 2003	OCTOBER 31, 2002
	-----	-----
CURRENT ASSETS:		
Cash and cash equivalents	\$ 772,967	\$ 611,520
Restricted cash	66,599	284,966
Investments	112,417	159,042
Accounts receivable	415,594	182,300
Prepaid expenses and other assets	3,546	10,429
Deferred direct costs	4,106,377	4,206,456
Income taxes receivable	100,664	436,778
Deferred income tax asset	262,411	283,271
Total current assets	5,840,575	6,174,762
	-----	-----
PROPERTY AND EQUIPMENT:		
Computer equipment	286,574	285,894
Office equipment and furniture	140,259	140,259
Vehicle	15,000	16,400
Leasehold improvements	80,182	80,182
Total property and equipment	522,015	522,735
Accumulated depreciation and amortization	(384,571)	(368,065)
Property and equipment - net	137,444	154,670
	-----	-----
Deferred direct costs	4,698,970	4,599,368
Deferred income tax asset	251,373	284,175
	-----	-----
TOTAL	\$ 10,928,362	\$ 11,212,975

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(CONTINUED)

See notes to condensed consolidated financial statements.

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M.B.A. HOLDINGS, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)  
 JANUARY 31, 2003 AND OCTOBER 31, 2002

LIABILITIES AND STOCKHOLDERS' DEFICIT	JANUARY 31, 2003	OCTOBER 31, 2002
	-----	-----
CURRENT LIABILITIES:		
Net premiums payable to insurance companies	\$ 723,645	\$ 793,389
Accounts payable and accrued expenses	683,071	632,519
Note payable - officer (Note 7)	106,548	106,548
Capital lease obligation - current portion	5,283	8,222
Deferred revenues	4,669,823	4,783,991
	-----	-----
Total current liabilities	6,188,370	6,324,669
Other liabilities	49,572	49,572
Deferred rent	24,500	31,064
Deferred revenues	5,408,936	5,338,994
	-----	-----
Total liabilities	11,671,378	11,744,299
COMMITMENTS AND CONTINGENCIES (Note 6)		
STOCKHOLDERS' DEFICIT:		
Preferred stock, \$.001 par value; 20,000,000 shares authorized; none issued and outstanding		
Common stock, \$.001 par value; 80,000,000 shares authorized; 2,011,787 (2003 and 2002) shares issued; 1,980,187 (2003 and 2002) shares outstanding	2,012	2,012
Additional paid-in-capital	200,851	200,851
Accumulated other comprehensive loss	(4,567)	(5,418)
Retained earnings	(885,812)	(673,269)
Less: 31,600 shares of common stock in treasury, at cost	(55,500)	(55,500)
	-----	-----
Total stockholders' deficit	(743,016)	(531,324)
	-----	-----
TOTAL	\$ 10,928,362	\$ 11,212,975
	=====	=====

See notes to condensed consolidated financial statements.

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M.B.A. HOLDINGS, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (UNAUDITED)  
 THREE MONTHS ENDED JANUARY 31, 2003 AND 2002

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	JANUARY 31,	
	2003	2002
	-----	-----
REVENUES:		
Vehicle service contract gross income	\$ 1,348,584	\$ 1,652,046
Net mechanical breakdown insurance income	24,200	125,196
MBI administrative service revenue	67,990	90,506
	-----	-----
Total net revenues	1,440,774	1,867,748
	-----	-----
OPERATING EXPENSES:		
Direct acquisition costs of vehicle service contracts	1,266,436	1,557,431
Salaries and employee benefits	252,058	322,307
Mailings and postage	2,022	24,518
Rent and lease expense	71,620	66,756
Professional fees	35,120	18,494
Telephone	25,266	17,710
Depreciation and amortization	17,905	20,434
Merchant and bank charges	1,783	1,406
Insurance	2,162	7,930
Supplies	4,293	5,338
License and fees	4,551	4,390
Other operating expenses	20,896	39,263
	-----	-----
Total operating expenses	1,704,112	2,085,977
	-----	-----
OPERATING LOSS	(263,338)	(218,229)
	-----	-----
OTHER INCOME (EXPENSE):		
Finance and other fee income	10,157	6,783
Interest income	2,289	4,765
Interest expense and fees	(1,518)	(910)
	-----	-----
Other income - net	10,928	10,638
	-----	-----
LOSS BEFORE INCOME TAXES	(252,410)	(207,591)
INCOME TAXES	(39,867)	(49,685)
	-----	-----
NET LOSS	\$ (212,543)	\$ (157,906)
	=====	=====
BASIC AND DILUTED NET LOSS PER SHARE		
	\$ (0.11)	\$ (0.08)
	=====	=====
AVERAGE NUMBER OF COMMON SHARES		
OUTSTANDING - BASIC AND DILUTED	1,980,187	1,980,187
	=====	=====
Net loss	\$ (212,543)	\$ (157,906)
Other comprehensive (loss) gain net of tax:		
Net unrealized (loss) gain on available-for-sale securities	1,416	(164)
	-----	-----
Comprehensive loss	\$ (211,127)	\$ (158,070)
	=====	=====

See notes to condensed consolidated financial statements.

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M.B.A. HOLDINGS, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)  
THREE MONTHS ENDED JANUARY 31, 2003 AND 2002

	JANUARY 31,	
	2003	2002
<hr/>		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (212,543)	\$ (157,906)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	17,906	20,434
Unrealized (gain) loss on available-for-sale securities	851	(164)
Deferred income taxes	53,662	13,838
Changes in assets and liabilities:		
Restricted cash	218,367	(2,827)
Accounts receivable	(233,294)	102,556
Prepaid expenses and other assets	6,883	30,042
Deferred direct costs	477	(983,695)
Net premiums payable to insurance companies	(69,744)	141,269
Accounts payable and accrued expenses	50,552	(9,826)
Income taxes receivable	336,114	(64,643)
Other liabilities	0	(24,766)
Deferred rent	(6,564)	(2,799)
Deferred revenues	(44,226)	928,502
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	118,441	(9,985)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(680)	(5,890)
Sale of short-term investments	46,625	206
	<hr/>	<hr/>
Net cash provided by (used in) investing activities	45,945	(5,684)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Drawings on line of credit	185,288	--
Repayments of line of credit drawings	(185,288)	--
Payments on capital lease obligation	(2,939)	(2,539)
	<hr/>	<hr/>
Net cash (used in) financing activities	(2,939)	(2,539)
	<hr/>	<hr/>
NET DECREASE IN CASH AND CASH EQUIVALENTS	161,447	(18,208)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	611,520	1,083,024
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 772,967	\$ 1,064,816
	<hr/>	<hr/>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for interest	\$ 1,087	\$ --
	<hr/>	<hr/>
Cash received from income tax refunds	\$ 431,186	\$ --
	<hr/>	<hr/>

See notes to condensed consolidated financial statements.

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M.B.A. HOLDINGS, INC. AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
THREE MONTHS ENDED JANUARY 31, 2003 AND 2002

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## 1. BASIS OF PRESENTATION

In accordance with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X, the accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information. Accordingly, not all of the information and notes required by generally accepted accounting principles for complete financial statements are included. The unaudited interim financial statements furnished herein reflect all adjustments (which include only normal, recurring adjustments), in the opinion of management, necessary for a fair statement of the results for the interim periods presented. Operating results for the three months ended January 31, 2003 may not be indicative of the results that may be expected for the year ending October 31, 2003. For further information, please refer to the consolidated financial statements and notes thereto included in the Company's Form 10-K for the year ended October 31, 2002.

## 2. NET LOSS PER SHARE

Net loss per share is calculated in accordance with SFAS No. 128, EARNINGS PER SHARE that requires dual presentation of BASIC and DILUTED EPS on the face of the statements of loss and requires a reconciliation of the numerator and denominator of basic and diluted EPS calculations. Basic loss per common share is computed on the weighted average number of shares of common stock outstanding during each period. Loss per common share assuming dilution is computed on the weighted average number of shares of common stock outstanding plus additional shares representing the exercise of outstanding common stock options using the treasury stock method. As the company has a net loss for the three months ended January 31, 2003 and 2002, the average number of outstanding shares for basic and dilutive net loss per share is 1,980,187.

## 3. OTHER COMPREHENSIVE GAIN (LOSS)

Other comprehensive gain for the three months ended January 31, 2003 resulted from unrealized gains of \$1,416 on available-for-sale investments. At January 31, 2002, there was \$164 of unrealized losses on available-for-sale investments.

## 4. INVESTMENTS

All of the Company's investments (U.S. treasury bonds and certificates of deposits) are classified as available-for-sale and are stated at estimated fair value determined by the quoted market price.

## 5. INCOME TAXES

Provision for income taxes and related income tax receivable in the period ended January 31, 2003 reflect the Company's intent to carry back the current year losses to recover federal income taxes paid in previous years. Similar provisions for recoverable state income taxes were not provided, as Arizona law does not allow for loss carry back.

Deferred income taxes are recorded based on differences between the financial statement and tax basis of assets and liabilities based on income tax rates currently in effect.

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### 6. RELATED PARTY TRANSACTIONS

The Company leases its office space from Cactus Partnership. The managing partner of Cactus Partnership is Gaylen Brotherson, the Chief Executive Officer. Rent expense for this office space was \$71,620 and \$66,756 for the three months ended January 31, 2003 and 2002, respectively. The current lease expires on December 31, 2003.

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On February 13, 2002, Gaylen Brotherson, the Chief Executive Officer, loaned the Company \$73,398 and on October 31, 2002 loaned an additional \$30,000. The loans mature on the anniversary date of the separate notes and the bear interest at a rate of 6%.

### 7. TREASURY STOCK

As of January 31, 2003 and 2002, the Company has purchased 31,600 shares of the Company's common stock. These shares were purchased for the purpose of retirement and bonuses to employees. Management will explore additional uses of the stock.

### 8. COMMITMENTS AND CONTINGENCIES

The Company is subject to claims and lawsuits that arise in the ordinary course of business, consisting principally of alleged errors and omissions in connection with the sale of insurance and personnel matters and of disputes over outstanding accounts. The Company is currently involved in a dispute with one of its associated insurance companies over alleged wrongdoing, an alleged breach of its Administrative Agreement and over reimbursement for claims and cancellation expenditures. The Company maintains a \$40,000 reserve for claims arising in the ordinary course of business and believes that this reserve is sufficient to cover the costs of such claims. On the basis of information presently available, management does not believe the settlement of any such claims or lawsuits will have a material adverse effect on the financial position, results of operations or cash flows of the Company.

The Company has available a \$300,000 working capital line of credit which was renewed on February 28, 2002 and expires on February 28, 2003. Borrowings under the line of credit bear interest at a variable rate per annum equal to the sum of 3.15 % plus the thirty day dealer commercial paper rate, as published in The Wall Street Journal and are collateralized by the Company's investments. There were no borrowings outstanding at January 31, 2003.

### 9. NEW ACCOUNTING PRONOUNCEMENTS

In August 2001, the FASB issued SFAS No. 144, ACCOUNTING FOR THE IMPAIRMENT OR DISPOSAL OF LONG-LIVED ASSETS, which supercedes SFAS No. 121, ACCOUNTING FOR THE IMPAIRMENT OF LONG-LIVED ASSETS AND FOR LONG-LIVED ASSETS TO BE DISPOSED OF and amends Accounting Principles Board Opinion No. 30, REPORTING THE RESULTS OF OPERATIONS -- REPORTING THE EFFECTS OF DISPOSAL OF A SEGMENT OF A BUSINESS, AND EXTRAORDINARY, UNUSUAL AND INFREQUENTLY OCCURRING EVENTS AND TRANSACTIONS. The new rules apply to the classification and impairment analysis conducted on long-lived assets other than certain intangible assets, resolve existing conflicting treatment on the impairment of long-lived assets and provide implementation guidance regarding impairment calculations. SFAS No. 144 also expands the scope to include all distinguishable components of an entity that will be eliminated from ongoing operations in a disposal transaction. The Company adopted the standard beginning November 1, 2002. The adoption will not have a significant impact on the Company's financial position or results of operations.

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In May 2002, the FASB issued SFAS No. 145, "RESCISSION OF FASB STATEMENTS NO. 4, 44, AND 64, AMENDMENT OF FASB STATEMENT NO. 13, AND TECHNICAL CORRECTIONS AS OF APRIL 2002", that, among other things, rescinded SFAS No. 4, "REPORTING GAINS AND LOSSES FROM EXTINGUISHMENT OF DEBT." With the rescission of SFAS No. 4, companies generally will no longer classify early extinguishment of debt as an extraordinary item. The provision related to the rescission is effective for fiscal years beginning after May 15, 2002, and early application is encouraged. The Company adopted the standard beginning November 1, 2002. The adoption will not have a significant impact on the Company's financial position or results of operations.

In July, 2002, the FASB issued SFAS No. 146, "ACCOUNTING FOR COSTS ASSOCIATED WITH EXIT OR DISPOSAL ACTIVITIES", which replaces Emerging Issues Task Force Issue No. 94-3, "LIABILITY RECOGNITION FOR CERTAIN EMPLOYEE TERMINATION BENEFITS AND OTHER COSTS TO EXIT AN ACTIVITY (INCLUDING CERTAIN COSTS INCURRED IN A RESTRUCTURING)." The new standard requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. The provisions of SFAS 146 are effective for disposals after December 31, 2002. The Company adopted the standard beginning November 1, 2002. The adoption will not have a significant impact on the Company's financial position or results of operations.

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### 10. RECLASSIFICATIONS

Certain prior period amounts have been reclassified to conform to the current period presentation.

### ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the financial statements and footnotes that appear elsewhere in this report.

#### FORWARD-LOOKING STATEMENTS:

This report on Form 10-Q contains forward-looking statements. Additional written or oral forward-looking statements may be made by us from time to time in filings with the Securities and Exchange Commission or otherwise. The words "believe," "expect," "anticipate," and "project," and similar expressions identify forward-looking statements, which speak only as of the date the statement was made. Such forward-looking statements are within the meaning of that term in section 27A of the Securities and Exchange Act of 1934, as amended. Such statements may include, but not be limited to, projections of revenues, income or loss, capital expenditures, plans for future operations, financing needs or plans, the impact of inflation, and plans relating to our products or services, as well as assumptions relating to the foregoing. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Future events and actual results could differ materially from those set forth in, contemplated by, or underlying the forward-looking statements. Statements in this Report, including the Notes to Condensed Consolidated Financial Statements (Unaudited) and "Management's Discussion and Analysis of Financial Condition and Results of Operations," describe factors, among others, that could contribute to or cause such differences.

### RESULTS OF OPERATIONS



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COMPARISON OF THREE MONTHS ENDED JANUARY 31, 2003 AND 2002

### NET REVENUES

Net revenues for the fiscal quarter ended January 31, 2003 totaled \$1,441,000, a decrease of \$427,000 from the comparable 2002 quarter. The decline occurred in all areas of the Company's business and is the result of continued competition from vehicle manufacturers and others. The Company traditionally derives a large portion of its business from Credit Unions. These institutions are experiencing difficulty in competing with the zero percent interest programs being offered by manufacturers. Further hindering the revenue stream is the decrease in economic activity in the United States economy as a whole.

### OPERATING EXPENSES

Operating costs decreased to \$1,704,000 in the quarter ended January 31, 2003 down \$382,000 from the \$2,086,000 expended in the quarter ended January 31, 2002. The decrease is the result of a continuation of the Company's actions to curtail expenses wherever possible. The Company has incurred additional professional fee expenses in order to defend itself in a dispute with one of its associated insurance companies. The dispute alleges wrongdoing, a breach of its Administrative Agreement and over reimbursement for claims and cancellation expenditures. The Company maintains a reserve for claims arising in the ordinary course of business and believes that this reserve is sufficient to cover the costs of such claims.

### OTHER INCOME (EXPENSE)

Other income (expense) remained essentially unchanged in the quarter ended January 31, 2003 at approximately \$11,000. There were no significant income or expense items in either of the comparative periods.

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### INCOME TAXES

Provision for income taxes of \$40,000 was recorded recognizing the Company's intent to carry back the current year losses to recover federal income taxes paid in prior years. This reduced tax has been partially offset by changes in the temporary differences created by the fluctuation in the deferred revenue and cost balances. Similar provisions for recoverable state income taxes were not recorded, as Arizona law does not allow for loss carryback.

### LIQUIDITY AND CAPITAL RESOURCES

COMPARISON OF JANUARY 31, 2003 AND OCTOBER 31, 2002

Working capital at January 31, 2003 consisted of current assets of \$5,841,000 and current liabilities of \$6,188,000, or a current ratio of 0.94 : 1. At October 31, 2002 the working capital ratio was 0.98 : 1 with current assets of \$6,175,000 and current liabilities of \$6,325,000. Cash, cash equivalents and restricted cash decreased \$57,000 primarily as a result of a change in the Company's claims cutoff procedures. The Company make all outstanding claims payments at the end of each month in order to prepare timely billings to its insurance companies. Accounts receivable decreased \$234,000 as a result of these timely billings.

Deferred Revenues decreased \$44,000 and Deferred Direct Costs remained essentially unchanged from balances at October 31, 2002. Deferred revenues consist of VSC gross sales and estimated administrative service fees related to MBI policies. Deferred direct costs are costs that are directly related to the sale of VSCs. Both revenues and costs are deferred and amortized over the

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periods of the policy term. The change is not significant.

The Company collects funds throughout the year and remits a portion of the funds to the insurance companies. As of January 31, 2003, the amount owed to insurance companies decreased \$70,000 over the balance at October 31, 2002. The change is due to the timing of payments remitted to the insurance companies.

### ITEM 3 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Since the Company does not underwrite its own policies, a change in the current rates of inflation is not expected to have a material effect on the Company. However, the precise effect of inflation on operations cannot be determined.

Under the terms of the Company's VSC contracts that are reinsured with highly rated insurance companies such as Fireman's Fund Insurance Company and Heritage RRG, the Company is primarily responsible for liability under these contracts. In the unlikely event that the third party reinsuring companies were unable to meet their contractual commitments to the Company, the Company itself would be required to perform under the contracts. Such an event could have a material adverse effect on the Company's operations.

The Company does not have any outstanding debt or long-term receivables. Therefore, it is not subject to significant interest rate risk.

### ITEM 4 CONTROLS AND PROCEDURES

In the quarter ended January 31, 2003, we did not make any significant changes in, nor take any corrective actions regarding our internal controls or other factors that could significantly affect these controls. We periodically review our internal controls for effectiveness and we have performed an evaluation of disclosure controls and procedures during this quarter. We will conduct a similar evaluation each quarter.

## PART II - OTHER INFORMATION

### Item 1 Legal Proceedings

The Company is subject to claims and lawsuits that arise in the ordinary course of business, consisting principally of alleged errors and omissions in connection with the sale of insurance and personnel matters and of disputes over outstanding accounts. The Company is currently involved in a dispute with one of its associated insurance companies over alleged wrongdoing, an alleged breach of its Administrative Agreement and over reimbursement for claims and cancellation expenditures. The Company maintains a \$40,000 reserve for claims arising in the

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ordinary course of business and believes that this reserve is sufficient to cover the costs of such claims. On the basis of information presently available, management does not believe the settlement of any such claims or lawsuits will have a material adverse effect on the financial position, results of operations or cash flows of the Company.

### Item 2 Changes in Securities and Use of Proceeds

None

### Item 3 Defaults upon Senior Securities

None

### Item 4 Submissions of Matters to a Vote of Security Holders

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None

Item 5 Other Information

None

Item 6 Exhibits and Reports on form 8-K

(a) Exhibit Index

Exhibit 99.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Exhibit 99.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Exhibit 99.3 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 99.4 Certification of 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

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SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereto duly authorized.

MBA Holdings, Inc.

Dated: March 6, 2003

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By: /s/ Gaylen Brotherson

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Gaylen Brotherson  
Chairman of the Board and Chief  
Executive Officer

Dated: March 6, 2003

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By: /s/ Dennis M. O'Connor

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Dennis M. O'Connor  
Chief Financial Officer

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