

Edgar Filing: PARK CITY GROUP INC - Form 10QSB

PARK CITY GROUP INC  
Form 10QSB  
February 21, 2003

FORM 10-QSB

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

For the Quarterly Period Ended December 31, 2002

Commission File Number 000-03718

PARK CITY GROUP, INC.

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

Nevada

37-1454128

-----  
(State or other jurisdiction of  
incorporation or organization)

-----  
(IRS Employer  
Identification No.)

333 Main Street, Park City, Utah 84060

-----  
(Address of principal executive offices)  
(Zip Code)

(435) 649-2221

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

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 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.

Class	Outstanding as of February 18, 2003
----- Common Stock, \$.01 par value	----- 199,719,400; 2,326 shareholders

1

PARK CITY GROUP, INC. AND SUBSIDIARIES  
Index to Consolidated Condensed Financial Statements

Part 1 - Financial Information

Item 1 - Financial Statements

## Edgar Filing: PARK CITY GROUP INC - Form 10QSB

Consolidated Condensed Balance Sheet as of December 31, 2002 (unaudited)	3
Consolidated Condensed Statement of Operations for the three and six months ended December 31, 2002 and 2001 (unaudited)	4
Consolidated Condensed Statement of Cash Flows for the six months ended December 31, 2002 and 2001 (unaudited)	5
Notes to Consolidated Condensed Financial Statements	6
Item 2 - Management's Discussion and Analysis of Financial Condition and results of Operations	7
Item 3 - Quantitative and Qualitative disclosures about Market Risk	7
Item 4 - Controls and Procedures	8
Part 2 - Other Information	10
Item 1 - Legal Information	10
Item 2 - Changes in the Securities	10
Item 3 - Defaults Upon Senior Securities	10
Item 4 - Submission of Matter to Vote of Security Holders	10
Item 5 - Other Information	10
Item 6 - Exhibits	10

2

### PARK CITY GROUP, INC. AND SUBSIDIARIES Consolidated Condensed Balance Sheet (Unaudited)

#### Assets

##### Current assets

Cash and cash equivalents

Trade receivables, net of allowance of \$48,683

Prepaid expenses and other current assets

Total current assets

Property and equipment, net

##### Other assets

Deposits and other assets

Capitalized software costs, net

Edgar Filing: PARK CITY GROUP INC - Form 10QSB

Total assets

Liabilities and Stockholders' Deficit

Current liabilities

Note payable net of discount of \$646,437

Accounts payable

Accrued liabilities

Deferred revenue

Total current liabilities

Long-term liabilities

Related parties net of discount of \$179,711

Notes payable

Accrued interest on related party notes payable

Total long-term liabilities

Total liabilities

Commitments and contingencies

Stockholders' deficit

Preferred stock, \$.01 par value 30,000,000 shares authorized,  
no shares issued

Common stock, \$.01 par value, 300,000,000 shares authorized,  
205,533,709 shares issued and outstanding

Additional paid-in capital

Stock subscriptions receivable

Treasury stock

Accumulated deficit

Total stockholders' deficit

See accompanying notes to consolidated financial statements.

3

PARK CITY GROUP, INC. AND SUBSIDIARIES  
Consolidated Condensed Statement of Operations  
(Unaudited)

Three Months Ended  
December 31,  
2002                      2001  
-----

Revenues

Edgar Filing: PARK CITY GROUP INC - Form 10QSB

Software licenses	\$ 279,081	\$ 362,102	\$ 1
Maintenance and support	483,522	473,929	
Consulting and other	217,971	6,588	
	-----	-----	-----
	980,574	842,619	2
Cost of revenues	179,467	162,952	
	-----	-----	-----
Gross Profit	801,107	679,667	2
	-----	-----	-----
Research and development	205,764	142,946	
Sales and marketing	336,345	426,756	
General & administrative expenses	704,233	405,712	1
Income (loss) from operations	(445,235)	(295,747)	
	-----	-----	-----
Other income (expense)			
Interest Income (expense)	(524,134)	(169,761)	
	-----	-----	-----
(Loss) before income taxes	(969,369)	(465,508)	(1
	-----	-----	-----
(Provision) benefit for income taxes			
Current	-	-	
Deferred	-	164,000	
	-----	-----	-----
Net (loss)	\$ (969,369)	\$ (301,508)	\$ (1
Weighted average shares, basic	196,103,000	150,392,000	189
	=====	=====	=====
Weighted average shares, diluted	196,103,000	150,392,000	189
	=====	=====	=====
Basic (loss) per share	\$ 0.00	\$ 0.00	\$
	=====	=====	=====
Diluted (loss) per share	\$ 0.00	\$ 0.00	\$
	=====	=====	=====

See accompanying notes to consolidated financial statements

4

PARK CITY GROUP, INC. AND SUBSIDIARIES  
Consolidated Condensed Statement of Cash Flows  
(Unaudited)

			Si
			2002
		-----	
Cash flows from operating activities:			
Net loss		\$ (1,048,	

## Edgar Filing: PARK CITY GROUP INC - Form 10QSB

Adjustments to reconcile net loss to net	
Cash provided by operating activities:	
Depreciation and amortization	52,
Bad debt expense	(8,
Loss on sale of assets	
Compensation expense on issuance of stock and stock options	372,
Repricing of warrants	11,
Amortization of discounts on debt	375,
Decrease (increase) in:	
Trade receivables	(243,
Related party receivables	
Prepaid expenses and other current assets	(22,
(Decrease) increase in:	
Accrued interest on long-term related party notes payable	324,
Accrued liabilities	(137,
Accounts payable	141,
Deferred revenue	102,
	-----
Net cash used in by operating activities	(78,
	-----
Cash flows from investing activities:	
Purchases of property and equipment	
Capitalization of software costs	(650,
	-----
Net cash used in investing activities	(650,
	-----
Cash flows from financing activities:	
Proceeds from issuance of common stock	
Proceeds from collection of common stock subscriptions	
Net (payments) proceeds on line of credit	(62,
Principal payments on capital leases	(3,
Principal payments on notes payable	(132,
Proceeds from Issuance of debt	1,010,
Deposits for unissued stock	
	-----
Net cash provided by financing activities	811,
	-----
Net increase in cash and cash equivalents	83,
Cash and cash equivalents, beginning of period	140,
	-----
Cash and cash equivalents, end of period	\$ 224,
	=====

See accompanying notes to consolidated financial statements.

5

PARK CITY GROUP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2002

Note 1 - Unaudited Financial Statements  
-----

## Edgar Filing: PARK CITY GROUP INC - Form 10QSB

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for quarterly financial statements. Although the Company believes that the disclosures in these unaudited financial statements are adequate to make the information presented for the interim periods not misleading, certain information and footnote information normally included in quarterly financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission, and these financial statements should be read in conjunction with the Company's audited annual financial statements included in the Company's June 30, 2002 Annual Report on Form 10-KSB.

### Note 2 - Non Cash Transactions

-----

In connection with the Bridge Notes issued in November 2002 (see note 3), Bridge Note A was repayed and the Company recorded a \$59,917 discount related to the 7.5% interest discount at which the notes were financed. The Company also recorded a \$738,981 discount related to the warrants. For the period from the date of the Bridge Notes to December 31, 2002, the Company amortized \$223,378 and \$152,461 of the interest and warrants discounts on Bridge Note A & B respectively. The Company issued 8,625,000 shares of common stock issued pursuant to anti-dilution rights to AW Fields Acquisition (see note 3), and was recorded as an increase to common stock and decrease to additional paid-in capital of \$86,250. Thus increasing the shares issued under anti-dilution for AW Fields to 17,083,334

The Company issued 4,189,285 shares of common stock pursuant to anti-dilution rights to an officer and directors (see note 3), which was recorded as an increase to common stock of \$41,893, an increase to additional paid-in capital of \$125,678 and an expense of shares issued for services of \$167,571, which was included in general and administrative expense during the six months ended December 31, 2002. Thus increasing the number of shares issued under anti-dilution for an officer and directors to 8,297,620 and total expense for these shares to \$372,988.

The modification of Bridge Note A warrants from an exercise price of \$.07 to \$.04 resulted in an expense of \$11,178 (see note 3).

During the period ending December 31, 2002 the Company obtained a \$2,000,000 note payable from an entity controlled by a shareholder, a \$250,000 advance from an officer and majority shareholder and a credit facility of \$200,000 from an officer and majority shareholder. The proceeds were used to repay other outstanding notes payable of approximately \$2,119,000 and accrued interest. As a result of the new \$2,000,000 note payable, the Company incurred a finders fee paid in 3,809,524 shares of common stock and a warrant to purchase 7,142,857 shares of common stock. The shares of common stock have a fair market value of \$152,381 which was recorded as a prepaid expense and will be amortized into expense over the two-year term of the note payable. The fair value of the warrants of \$179,711 was recorded as a discount on the note payable and will be amortized into interest expense over the two-year term of the note payable.

### Note 3 - Related party Transactions

-----

In November 2002 the Company issued a second Bridge Note repaying Bridge Note A and replacing it with a new Bridge Note B valued at approximately \$739,000. The new Bridge Note carries an interest rate of 10% per annum, a due date of July 31, 2003 and was issued at a 7.5% discount. This financing carried warrants to purchase 19,972,451 common shares at \$.04 per share, expiring in November 2007. The discount from the warrants was determined to be \$738,981, which is to be

## Edgar Filing: PARK CITY GROUP INC - Form 10QSB

amortized into interest over the term of the Bridge Notes. Total interest expense including the 7.5% interest discount, 10% interest and \$738,981 warrants discount is \$848,829, or an effective annual interest rate of 110%. The bridge note participants are previous investors, current directors, and an officer of the Company. The officer advanced \$230,000 to the Company, holds an approximate \$270,500 bridge note payable and was issued 6,761,614 of the attached warrants.

As a result of the price of Bridge Note B warrants being issued at \$.04 per share the anti-dilution rights associated with the warrants of the first Bridge Note and the anti-dilution rights associated with the sale of shares made earlier in the year ( AW Fields Acquisition and private placement including directors and officer) were triggered. This resulted in 12,814,286 additional shares being issued, and the number of shares to be purchased under warrants with anti-dilution rights increased by 8,625,000 shares. The warrant price to purchase a total of 28,750,001 and 5,350,000 common shares were reduced to \$.07 and \$.04 per share, respectively. The AW Fields Acquisition agreement allows for the further anti-dilution right to \$.04 per share level, but AW Fields Acquisition has waived this right for this transaction.

In December 2002, the Company obtained a \$2,000,000 note payable funding from an entity controlled by a shareholder, a \$250,000 advance from an officer and majority shareholder and a credit facility of \$200,000 from an officer and majority shareholder. The proceeds were used to repay other outstanding notes payable of approximately \$2,119,000, and to fund working capital needs. The \$2,000,000 note payable has an interest rate of 18%, a due date of December 24, 2004, and monthly interest only payments until the due date. The \$250,000 advance and the \$200,000 credit facility have an interest rate that shall be no greater than 18% and a due date no sooner than December 24, 2004. As a result of the new \$2,000,000 note payable, the Company incurred a fee paid in 3,809,524 shares of common stock and a warrant to purchase 7,142,857 shares of common stock, exercisable at \$0.07 per share, immediately exercisable and expiring in December 2004. The discount from the warrants was determined to be \$179,711, which is to be amortized into interest expense over the two-year term of the note. The value of the shares of common stock issued as a finders fee have a fair market value of \$152,381, which is to be amortized into expense over the two-year term of the note. Total interest expense to be incurred over the note term including the 18% interest and \$179,711 warrants discount is \$899,711, or an effective annual interest rate of 23%.

Effective September 1, 2002 and in consideration for an extension of terms, the interest rate on the long-term related party payable to an entity controlled by an officer and majority shareholder increased from 10% to 12%, and interest is now calculated on a compounded basis instead of a simple basis, adjusted retroactively.

6

### Forward-Looking Statements

-----  
This quarterly report on Form 10-QSB contains 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. The words or phrases "would be," "will allow," "intends to," "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from those projected in the forward looking statements as a result of a number of risks and uncertainties, including those risks factors contained in our Form 10-KSB annual report at June 30, 2002. Statements made herein are as of the date of the filing of this Form 10-QSB with the Securities and Exchange Commission and should not be relied upon as of any subsequent date. Unless otherwise

## Edgar Filing: PARK CITY GROUP INC - Form 10QSB

required by applicable law, we do not undertake, and specifically disclaim any obligation, to update any forward-looking statements to reflect occurrences, developments, unanticipated events or circumstances after the date of such statement.

7

Item 2. Management's Discussion and Analysis or Plan of Operation.

-----  
Reference 10-KSB for year ending 06/30/02 - Exhibit to this filing.  
-----

Three Months Ending December 31, 2002 and 2001  
-----

During the three months ending December 31,2002, we had total revenues of \$980,574 compared to \$842,619 for the same period in 2001. As the Fresh Market Manager application reached market readiness, the focus of the sales organization was directed specifically to cultivating prospects in the perishable departments of the supermarket and grocery segment. Recognized software license revenue decreased in the quarter ended December 31, 2002 over the previous quarter and the previous year comparable quarter due to a more time consuming education process for prospective customers in understanding the benefits of the Fresh Market Manager products and the unsettled national economy. There was no relevant change in Maintenance and Support revenue. The average customer of Park City Group purchases maintenance support services for 5 years. Consulting revenue in the three months ending December 31,2002 increased to \$217,971 vs. \$6,588 for the same period in 2001. The consulting organization experienced an increase in revenues generated due to the services provided to customers who had entered into Fresh Market Manager implementations that requested data input and product configurations to meet specific business requirements.

Research and development expenses after capitalization of software development costs, for the three months ended December 31,2002 were \$205,764 compared with \$142,946 during the comparable period in 2001. The increase in R&D expense during this period over the prior year period can be attributed to the addition of resources to bring Fresh Market Manager software to a market ready state and the Company no longer capitalized costs as the product was being sold. Sales and Marketing expenses in the period ending December 31, 2002 were \$336,345 as compared to \$426,756 for the same period in 2001. This decrease can be attributed to a Sales team reorganization and subsequent headcount reduction. The Quarter ended December 31, 2002 had selling, general and administrative expenses of \$704,233 as compared to \$405,712 for the same period ended 2001. The increase in expenses is attributed primarily to 4,189,286 shares of common stock issued to certain directors and an officer and majority shareholder valued at \$167,571 pursuant to anti-dilution provisions held by those individuals. Interest expense for the three months ended December 31, 2002 was \$524,124 compared to \$169,761 in the comparable period in the prior year, an increase of \$354,373 or 208.7%. The increase is partially due to the amortization of the interest and warrants discount on the bridge notes payable. For the three months ended December 31, 2002, a total of \$152,461 of interest and warrants discounts on the bridge notes payable was amortized into interest expense. The remainder of the increase in interest expense for the three months ended December 31, 2002 compared to the comparable period in the prior year is mostly due to interest expense incurred on the long-term related party note payable to an entity controlled by an officer and majority shareholder. Effective September 1, 2002 and in consideration for an extension of terms, the interest rate increased from 10% to 12%, and interest is now calculated on a compounded basis instead of a simple basis, adjusted retroactively.



## Edgar Filing: PARK CITY GROUP INC - Form 10QSB

Six Months Ending December 31, 2002 and 2001  
-----

During the six months ending December 31, 2002, we had total revenues of \$2,419,370 compared to \$2,580,661 for the same period in 2001 a decrease of \$161,291 or approximately 6.2%. We attribute this decrease to delays in the prospective customer buying cycles due to the unsettled national economy, the anticipated affect of the economic conservatism on holiday sales (which has a very strong impact on the conditions in the retail market) and the time involved to educate prospective users of Fresh Market Manager as to its benefits. There was no relevant change in Maintenance and Support revenue. Consulting revenue in the six months ending December 31, 2002 increased to \$320,650 from \$52,132 for the same period in 2001 or an increase of \$268,518 or 515.1%. This increase is due to new customers having shown an increased interest in the use of consulting resources directly from the vendor and an increased number of proofs of concept for the Fresh Market Manager application.

Research and development expenses after capitalization of software development costs, for the six months ended December 31, 2002 decreased \$54,881 or approximately 14.4% and were \$325,328 as compared to \$380,209 in the same period in 2001. We attribute this decrease in the current year to the reduction in resource requirements when compared with the prior year for development activities for Fresh Market Manager product.

Sales and Marketing expenses in the six month period ending December 31, 2002 were \$716,766 as compared to \$780,648 for the same period in 2001, a decrease of \$63,882 or approximately 8.2%. This decreased can be attributed to a Sales team reorganization and subsequent headcount reduction as well as reclassification of a portion of an officer's salary/compensation to the newly defined category of Sales, General and Administrative expenses.

The six months ended December 31, 2002 had selling, general and administrative expenses of \$1,274,797 as compared to \$778,875 for the same period ended 2001. The increase in expenses of \$495,922 or approximately 63.7% is mainly attributed to shares of common stock issued to certain directors and an officer and majority shareholder due to anti-dilution provisions held by those individuals. Other reasons include organization changes necessary to support the sales and strategic alliances efforts of the Company and a portion of the increase has been due to the reclassification of a portion of an officer's salary/compensation.

Interest expense for the six months ended December 31, 2002 was \$888,740 compared to \$330,178 in the comparable period in the prior year, an increase of \$558,562 or 169.2%. The increase is partially due to the amortization of the interest and warrants discount on the bridge notes payable. For the six months ended December 31, 2002, a total of \$375,839 of interest and warrants discounts on the bridge notes payable was amortized into interest expense. The remainder of the increase in interest expense for the six months ended December 31, 2002 compared to the comparable period in the prior year is mostly due to interest expense incurred on the long-term related party note payable to an entity controlled by an officer and majority shareholder. Effective September 1, 2002 and in consideration for an extension of terms, the interest rate increased from 10% to 12%, and interest is now calculated on a compounded basis instead of a simple basis, adjusted retroactively.

Liquidity and Capital Resources  
-----

## Edgar Filing: PARK CITY GROUP INC - Form 10QSB

Reference 10-KSB for year ending 06/30/02. The Company completed during the quarter ended December 31, 2002 a key transaction to address significant outstanding obligations and provide for increased working capital. In December 2002, the Company obtained a \$2,000,000 note payable funding from a related party, a \$250,000 advance from an officer and a credit facility of \$200,000 from an officer. The proceeds were used to repay other outstanding notes payable of approximately \$2,119,000, and to fund working capital needs. Additional description may be viewed in the 8-K dated December 31, 2002.

In February, 2003, the Company received \$1,000,000 under terms of a multi year contract from an entity that will be the exclusive re-seller of the Company's Fresh Market Manager to the grocery industry. The Company believes this exclusive re-seller agreement will provide additional resources to improve the Company's liquidity and capital constraints.

### Item 3 - Quantitative and Qualitative Disclosures about Market Risk

-----

Reference 10-KSB for year ending 06/30/02.

### Item 4 - Controls and Procedures

-----

#### (a) Evaluation of disclosure controls and procedures.

Randall K. Fields who serves as Park City Group's chief executive officer and Edward Dmytryk who serves as Park City Group's chief financial officer, after evaluating the effectiveness of Park City Group's disclosure controls and procedures (as defined in Exchange Act Rules 13a-14(c) and 15d-14(c) as of a date within 90 days of the filing date of the quarterly report (the "Evaluation Date") concluded that as of the Evaluation Date, Park City Group's disclosure controls and procedures were adequate and effective to ensure that material information relating to Park City Group and its consolidated subsidiaries would be made known to them by others within those entities, particularly during the period in which this quarterly report was being prepared.

#### (b) Changes in internal controls.

There were no significant changes in Park City Group's internal controls or in other factors that could significantly affect Park City Group's disclosure controls and procedures subsequent to the Evaluation Date, nor any significant deficiencies or material weaknesses in such disclosure controls and procedures requiring corrective actions. As a result, no corrective actions were taken.

9

## PART II -- OTHER INFORMATION

### Item 1. Legal Proceedings.

-----

Debra Elenson vs. Fields Technologies, and Randall K. Fields (Filed -January 2002, in the Circuit Court of the 11th Judicial Circuit in and for Dade County, Florida): The plaintiff alleges, among other causes of actions, that a private placement memorandum pursuant to which the plaintiff had purchased shares of Fields Technologies, contained financial statements which were not prepared in accordance with generally accepted accounting principles and the requirements of SEC regulation S-X. The plaintiff alleges fraud, misrepresentation, unregistered sales of securities and other causes of actions. The plaintiff seeks a rescission of her investment in the company, damages and legal fees. The defendants deny each of plaintiff's allegations, believe that the plaintiff's

## Edgar Filing: PARK CITY GROUP INC - Form 10QSB

claims have no merit and will vigorously defend the matter. The case has been removed to the federal district court in Florida.

Lawrence A. Locke et al vs. Market Watch Corporation, and Fields Technologies, Inc. (Filed - September 2001, in the Circuit Court of Oregon in Multnomah County): The plaintiff alleges, among other causes of action, that the defendants sent or caused to be sent unsolicited facsimile advertisement in violation of the Telephone Consumer Protection Act. The plaintiff is seeking to have the case certified as a class action and is looking for damages caused by wear and tear of his facsimile machine and use of phone lines, toner, ink, paper, etc. This matter was settled in September 2002 for a nominal amount.

In August 2002, the Company filed legal action against The Yankee Companies, Inc. et al. The defendants were entities and individuals involved in the reorganization of Amerinet and its acquisition of control of Park City Group (Delaware). These causes of actions include: violation of Florida's Securities and Investor Protection Act, Fraud, negligent misrepresentation, violation of Federal Securities Acts 1933 and 1934 and breach of promissory note. This action has been filed in the State of Utah but is in the preliminary stages of discovery.

Approximately two weeks following the filing of the complaint against Yankee Companies, the Company was served with a complaint by Yankee Companies and others, alleging sales of unregistered securities, securities fraud, registration violations, fraud negligent misrepresentation, and breach of loan agreement. On or about February 5, 2003 the case was dismissed based on the fact that the Utah case filed by the Company was filed first and all issues can be argued in that case.

### Item 2 - Changes in Securities

-----

Please reference 10-KSB for year ending 6/30/02 incorporated by reference.

### Item 3 - Defaults Upon Senior Securities

-----

Please reference 10-KSB for year ending 6/30/02 incorporated by reference.

### Item 4 - Submission of Matters to Vote of Security Holders

-----

Please reference 10-KSB for year ending 6/30/02 incorporated by reference.

### Item 5 - Other Information

-----

Please reference 10-KSB for year ending 6/30/02 incorporated by reference.

### Item 6 - Exhibits and Reports on Form 8K (for period 7/1/02 through 9/30/02)

-----

Items below incorporated by reference.

Exhibit 1 - Please reference 10-KSB for year ending 6/30/02 as an exhibit to this filing

Exhibit 2 - On August 7, 2002 Fields Technologies Inc., issued the press release changing its name from Fields Technologies, Inc., to Park City Group, Inc. and reincorporated in Nevada. Incorporated by reference as an Exhibit to this filing.

## Edgar Filing: PARK CITY GROUP INC - Form 10QSB

Exhibit 3 - On August 16, 2002, the Company completed a private offering consisting of \$535,000 in promissory notes and warrants to purchase 5,350,000 of the Company's Common stock at \$.10 per share. The note and warrant are a non-registered offering made in reliance on Section 4(2) of the Securities Act of 1933, as amended, and/or Rule 506 promulgated thereunder. The Company intends to use the net proceeds generated from the notes for working capital, capital expenditures and debt reduction. Incorporated by reference as an Exhibit to this filing.

Exhibit 4 - On October 15, 2002 the Company filed a Current Report on Form 8-K dated October 15, 2002 disclosing under Item 9 that Ed Dmytryk was appointed acting chief financial officer and will continue to fulfill his duties on the Board of Directors but resigned his position as Chairman and member of the Board's Audit Committee. In addition, Anthony E. Meyer was approved as new member of the Board of Directors, replacing the resigning Stephen D. Weinroth.

Exhibit 5 - On November 27, 2002 the Company filed a Current Report on Form 8-K dated November 27, 2002 disclosing under Item 9 the repayment of the August 16, 2002 bridge financing and replacing it with a private offering of \$798,898 in notes payable with warrants to purchase 19,972,451 shares of common stock at \$.04 per share in bridge financing.

Exhibit 6 - On January 2, 2003, the Company filed a Current Report on Form 8-K dated December 31, 2002 disclosing under Item 9 the restructuring of a portion of the company's long-term debt. The company has structured a \$2.25 million loan package that retired its debt to Cooper Capital Incorporated and to Bank One Corporation. The loan package was structured with Whale Investments, LTD.

10

### SIGNATURES

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

Date: February 20, 2003

FIELDS TECHNOLOGIES, INC.

By /s/ Randall K. Fields

-----  
Randall K. Fields, President and  
Chief Executive Officer

Date: February 20, 2003

By /s/ Edward C. Dmytryk

-----  
Edward C. Dmytryk,  
Director and acting Chief Financial  
Officer

11

Park City Group, Inc. & Subsidiaries  
Certification Of Chief Executive And Chief Financial Officer  
Pursuant To Section 302 Of The Sarbanes-Oxley Act Of 2002

I, Randall K. Fields certify that I have received this quarterly report on Form 10-Q of Park City Group, Inc.:

1. Based on my knowledge, this quarterly report does not contain any

## Edgar Filing: PARK CITY GROUP INC - Form 10QSB

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;

2. 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:

3. 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 we have:

- a. Designed such disclosure controls and procedures to ensure that materials 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;

4. 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 function):

- 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 weakness 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

5. 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.

Date: February 20, 2003

/s/ Randall K. Fields

-----  
President and Chief Executive Officer

## Edgar Filing: PARK CITY GROUP INC - Form 10QSB

Pursuant To Section 302 Of The Sarbanes-Oxley Act Of 2002

I, Edward C. Dmytryk I have received this quarterly report on Form 10-Q of Park City Group, Inc.:

1. 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;

2. 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:

3. 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 we have:

- a. Designed such disclosure controls and procedures to ensure that materials 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;

4. 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 function):

- 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 weakness 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

5. 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.

Date: February 20, 2003

/s/ Edward C. Dmytryk

-----  
Director and Acting Chief Financial Officer

Edgar Filing: PARK CITY GROUP INC - Form 10QSB

13

Park City Group, Inc. & Subsidiaries  
Certification Pursuant To  
18 U.S.C. Section 1350, As Adopted Pursuant To  
Section 906 Of The Sarbanes-Oxley Act Of 2002

In connection with the Quarterly Report of Park City Group, Inc. (the "Company") on form 10-Q for the three months ending December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Randall K. Fields, Chief Executive Officer, 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 result of operations of the Company.

Dated: February 20, 2003

/s/ Randall K. Fields

-----  
President and Chief Executive Officer

14

Park City Group, Inc. & Subsidiaries  
Certification Pursuant To  
18 U.S.C. Section 1350, As Adopted Pursuant To  
Section 906 Of The Sarbanes-Oxley Act Of 2002

In connection with the Quarterly Report of Park City Group, Inc. (the "Company") on form 10-Q for the three months ending December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Edward C. Dmytryk, Chief Financial Officer, 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 result of operations of the Company.

Dated: February 20, 2003

/s/ Edward C. Dmytryk

-----  
Director and Chief Financial Officer

15

