AMERICAN MILLENNIUM CORP INC
Form 10QSB
March 19, 2002

UNITED STATES	OMB APPROVAL
SECURITIES AND EXCHANGE COMMISSION	
Washington, D.C. 20549	OMB Number: 3235-0416
FORM 10-QSB	Expires: April 30,2003
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(Mark One)
[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 31, 2002

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from ______ to ______.

Commission File No. 0-10841

American Millennium Corporation, Inc.
(Exact name of small business issuer as specified in its charter)

New Mexico	85-0273340
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

1010 Tenth Street, Suite 100, Golden, CO 80401
(Address of principal executive offices)

(303) 279-2002
(Issuer's telephone number)

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

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after 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 the latest practicable date: 43,520,998 at March 18, 2002.

Transitional Small Business disclosure Format (check one): Yes [ ] No [ ]

AMERICAN MILLENNIUM CORPORATION, INC.

FORM 10-QSB

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PART I - FINANCIAL INFORMATION

Item 1-Financial Statements (Unaudited)

The financial statements in response to this item are as follows:

AMERICAN MILLENNIUM CORPORATION, INC.
BALANCE SHEET (Unaudited)

January 31, 2002

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 5,681
Accounts receivable, less allowance for doubtful accounts of $10,696	203,211
Inventories	67,884
Employee advances	3,888
Prepaid expenses	202
TOTAL CURRENT ASSETS	280,866
PROPERTY AND EQUIPMENT, NET	110,548
OTHER ASSETS	
Securities in closely-held corporation	3,040

Deposits		11,790
Other		760
Deferred income tax asset, less valuation allowance of $5,484,412		--
TOTAL OTHER ASSETS		15,590
TOTAL ASSETS	$	407,004

LIABILITIES AND DEFICIENCY IN ASSETS

CURRENT LIABILITIES		
Accounts payable	$	557,627
Accrued payroll and related taxes		148,357
Other accrued liabilities		90,309
Current portion of capitalized lease obligations		2,237
Notes payable to related parties		150,102
Notes payable to shareholder		200,000
TOTAL CURRENT LIABILITIES		1,148,632
LONG-TERM PORTION OF CAPITALIZED LEASE OBLIGATIONSns		7,440
INTEREST PAYABLE ON LONG-TERM LIABILITIES		97,617
SERIES 1 CONVERTIBLE NOTES		875,000
TOTAL LIABILITIES		2,128,689
DEFICIENCY IN ASSETS		
Preferred stock, 10,000,000 shares authorized; none issued		--
Common stock, $.001 par value, 60,000,000 shares authorized; 31,640,975 issued and outstanding		31,641
Additional paid-in capital		16,765,738
Stock subscription receivable		(131,616)
Accumulated deficit		(18,387,448)
TOTAL DEFICIENCY IN ASSETS		(1,721,685)
TOTAL LIABILITIES AND DEFICIENCY IN ASSETS	$	407,004

See accompanying notes.

AMERICAN MILLENNIUM CORPORATION, INC.
STATEMENTS OF OPERATIONS (Unaudited)

For the Three Months Ended January 31,		2002		2001
REVENUES	$	136,742	$	67,853
COST OF REVENUES		138,662		60,079
GROSS PROFIT		(1,920)		7,774
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES				
Compensation to officers and directors		121,375		151,750
Consulting - others		137,565		47,134
Professional		8,248		35,048

Employee salaries	66,250	112,855
Employee benefits and payroll taxes	31,108	37,408
Travel	17,951	27,384
Telephone and utilities	7,853	11,473
Depreciation and amortization	12,272	37,645
Equipment and property rental	19,601	20,740
Bad debts	46,432	--
Computer and internet	16,846	8,789
Other	16,915	25,178
TOTAL SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	502,416	515,404
LOSS FROM OPERATIONS	(504,336)	(507,630)
OTHER INCOME (EXPENSES)		
Interest expense	(31,423)	(37,822)
Impairment of asset	(20,417)	--
Other miscellaneous income	183	(2,603)
TOTAL OTHER INCOME (EXPENSES)	(51,657)	(40,425)
LOSS BEFORE INCOME TAXES	(555,993)	(548,055)
INCOME TAXES	--	--
NET LOSS	(555,993)	(548,055)
BASIC AND DILUTED NET LOSS PER COMMON SHARE	$(0.020)	$(0.025)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING (BASIC AND DILUTED)	27,556,504	21,638,252

See accompanying notes.

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AMERICAN MILLENNIUM CORPORATION, INC.
STATEMENTS OF OPERATIONS (Unaudited)

For the Six Months Ended January 31,	2002	2001
REVENUES	$ 380,398	$ 142,264
COST OF REVENUES	333,670	134,155
GROSS PROFIT	46,728	8,109
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES		
Compensation to officers and directors	259,625	274,750
Consulting - others	156,025	208,685
Professional	22,766	73,077
Employee salaries	130,000	258,111
Employee benefits and payroll taxes	60,497	89,377
Travel	36,922	62,528
Telephone and utilities	15,304	23,948
Depreciation and amortization	50,236	52,515
Equipment and property rental	40,605	41,023
Bad debts	48,009	383
Computer and internet	31,572	16,772
Other	38,944	51,567
TOTAL SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	890,505	1,152,736

LOSS FROM OPERATIONS	(843,777)	(1,144,627)
OTHER INCOME (EXPENSES)		
Interest expense	(58,844)	(52,917)
Loan costs	--	(41,875)
Impairment of asset	(20,417)	--
Other miscellaneous income	191	24,615
TOTAL OTHER INCOME (EXPENSES)	(79,070)	(70,177)
LOSS BEFORE INCOME TAXES	(922,847)	(1,214,804)
INCOME TAXES	--	--
NET LOSS	(922,847)	(1,214,804)
BASIC AND DILUTED NET LOSS PER COMMON SHARE	$(0.035)	$(0.056)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING (BASIC AND DILUTED)	26,492,605	21,638,252

See accompanying notes.

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AMERICAN MILLENNIUM CORPORATION, INC.
STATEMENTS OF CASH FLOWS

	(Unaudited)	(Unaudited)
For the Six Months Ended January 31,	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss)	$ (922,847)	$(1,214,804)
Adjustments to reconcile net (loss) to net cash used by operating activities:		
Depreciation and amortization	50,236	59,715
Amortization of loan costs	--	45,041
Provision for bad debts	48,009	1,200
Common stock exchanged for services	20,000	54,691
Impairment of asset	20,417	--
(Increase) decrease in assets:		
Accounts receivable	(150,181)	(40,107)
Inventory	(30,126)	10,591
Prepaid expenses	8,022	(25,684)
Other assets	963	(3,964)
Increase (decrease) in liabilities:		
Accounts payable	236,677	133,929
Accrued payroll and related taxes	68,996	83,086
Accrued liabilities	(50,694)	(56,861)
NET CASH USED BY OPERATING ACTIVITIES	(700,528)	(953,167)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Receipts		
Proceeds from disposal of property and equipment	--	400
RECEIPTS FROM INVESTING ACTIVITIES	--	400
Disbursements		
Acquisition of property and equipment	(3,105)	(127,781)

DISBURSEMENTS FROM INVESTING ACTIVITIES	(3,105)	(127,781)
NET CASH USED BY INVESTING ACTIVITIES	(3,105)	(127,381)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Receipts		
Proceeds from notes payable to officers	--	114,500
Proceeds from note payable stockholder	30,130	850,000
Proceeds from issuance of common stock, net	675,000	175,000
RECEIPTS FROM FINANCING ACTIVITIES	705,130	1,139,500
Disbursements	--	--
Payments on notes due related parties	--	(150,000)
DISBURSEMENTS FROM FINANCING ACTIVITIES	--	(150,000)
NET CASH PROVIDED BY FINANCING ACTIVITIES	--	989,500
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS ...	1,497	(91,048)
CASH AND CASH EQUIVALENTS - BEGINNING	4,184	105,148
CASH AND CASH EQUIVALENTS - ENDING ....$	5,681	$ 14,100
SUPPLEMENTAL DISCLOSURES:		
Cash paid during the period for:		
Interest ....$	--	$ --
Income taxes ....$	--	$ --
In addition to amounts reflected above, common stock was issued for:		
Notes payable to related parties ....$	--	$ 6,250
In exchange for services $	20,000	54,691

See accompanying notes.

AMERICAN MILLENNIUM CORPORATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1. GENERAL BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying unaudited financial statements of American Millennium Corporation, Inc. (AMCI) have been prepared in accordance with Rule 10-01 of Regulation S-X promulgated by the Securities and Exchange Commission and do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the Company has made all adjustments necessary for a fair presentation of the results of the interim periods, and such adjustments consist of only normal recurring adjustments. The results of operations for such interim periods are not necessarily indicative of results of operations for a full year.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Basic and diluted net loss per common share

Basic net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding during each period. Available stock options at January 31, 2002, to purchase 11,917,923 shares were anti-dilutive and not considered common stock equivalents for purposes of computing loss per common share. In periods where losses are reported, the weighted average number of common shares outstanding excludes common stock equivalents, because their inclusion would be anti-dilutive

Revenue Recognition

AMCI develops and sells satellite communication systems.
Revenue from sales of satellite communication systems is recorded at the time the goods are shipped or access is granted to the service. The Company provides satellite airtime to its customers on a month-to-month basis, which is recognized as revenue at the time the service is provided.

NOTE 2. RECLASSIFICATIONS AND RESTATEMENTS

Amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation of the current period financial statements.

NOTE 3. RELATED PARTY TRANSACTIONS

On December 19, 2001, the Board of Directors authorized the termination of the Company's employment contract with Robert Buntin. The Company has recognized a loss on impairment of assets of $20,417 during the six months ended January 31, 2002, relating to this termination. This amount represents the unamortized amount of a $150,000 non-compete agreement with Mr. Buntin dated July 18, 2000.

NOTE 4. COMMON STOCK

On November 5, 2001, the Board of Directors authorized the issuance of 2,000,000 shares of restricted common stock to one private investor. The Company received net proceeds of $200,000 from the sale of these shares. Each of the shares issued carried a warrant to purchase one additional share of the Company's common stock for $0.10 per share for a period of five years.

On December 14, 2001, the Board of Directors authorized the issuance of 117,647 shares of restricted common stock to two individual independent consultants in settlement of accounts payable for consulting services in the amount of $20,000.

On December 28, 2001, the Board of Directors authorized the issuance of 2,000,000 shares of restricted common stock to one private investor. The Company received net proceeds of $200,000 from the sale of these shares. Each of the shares issued carried a warrant to purchase one additional share of the Company's common stock for $0.10 per share for a period of five years.

On January 22, 2002, the Board of Directors authorized the right to issue 1,000,000 shares of restricted common stock on or before February 1, 2002 to one private investor. The Board also issued the same investor the right to purchase an additional 1,000,000 shares of restricted common stock on or before March 31, 2002 only if the first purchase occurred.

On January 31, 2002, the investor excercised the first stock purchase.
The investor was credited with $68,384, which represented a prior note from the Company, including accrued interest. A promissory note was signed for the

remainder $31,616. The note carries interest at a rate equal to the 30 day LIBOR and is payable in full on or before April 30, 2002. Each of the shares issued carried a warrant to purchase an additional share of the Company's common stock for $.10 for a period of five years.

On January 31, 2002, the above investor exercised the right to purchase an additional 1,000,000 shares of restricted common stock. The investor issued a promissory note to the Company for the entire $100,000. The note carries interest at a rate equal to the 30 day LIBOR and is payable in full on or before April 30, 2002. Each of the shares issued carried a warrant to purchase an additional share of the Company's common stock for $.10 for a period of five years.

NOTE 5. OPERATING AND ECONOMIC CONDITIONS

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplates continuation of the Company as a going concern. However, conditions have limited the ability of the Company to market its products and services at amounts sufficient to recover its operating and administrative costs. The Company has continued to incur operating losses ($922,847 for the six months ending January 31, 2002). In addition, the Company has used substantial working capital in its operations. As of January 31, 2002, current liabilities exceeded current assets by $867,766. Because of these factors, there is substantial doubt as to our ability to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts or classifications of liabilities that might be necessary in the event the Company cannot continue in existence.

NOTE 6. SUBSEQUENT EVENTS

On February 11, 2002 the Company entered into a Teaming Agreement with Telespazio Brasil. The parties have determined that it may be mutually beneficial to enter into this agreement to pursue a South American initiative involving satellite telecommunications.

On March 1, 2002, 5,800,000 warrants for the purchase of the Company's restricted common stock were exercised. The Company received net proceeds of $100,000 on March 1, 2002 along with a $150,000 promissory note receivable pursuant to a Letter Agreement dated February 28, 2002.

There are certain conditions subsequent to this warrant exercise and payment which, if they occur, would require the investor to return a substantial amount of these shares back to the Company.

As part of this warrant exercise, this investor signed a stock purchase agreement whereas the investor will purchase 1,000,000 shares of common stock at $0.75 per share. This purchase agreement is contingent upon cetain agreements being signed and executed by the Company. As part of the agreement, the investor will have the option to purchase additional shares for a period of five years as follows: 1,000,000 shares of common stock at a price of $1.00 per share; 1,000,000 shares of common stock at a price of $1.50 per share; and 1,000,000 shares of common stock at a price of $2.00 per share.

On March 15, 2002, the holder of the Company's $875,000 convertible debenditures converted all debt to the Company's restricted common stock. 1,377,551 shares were converted at $0.49 per share pursuant to a November 9, 2000 Convertible Note Agreement, and 909,090 shares were converted at $0.22 per share pursuant to a Convertible Note Agreement dated April 18, 2001. The holder also exercised all available options and warrants associated with these convertible notes as follows: Two (2) 175,000 share options dated December 28, 2000 were exercised at a price of $.05 per share; 502,500 warrants were exercised at a price of $.05 per share pursuant to an agreement dated April 7, 2000; 352,941 warrants were exercised at a price of $.05 per share pursuant to an agreement dated June 7, 2000; 1,377,551 warrants were exercised at a price of $.05 per share pursuant to an agreement dated November 9, 2000 and 909,090 warrants were exercised at a price of $.05 per share pursuant to an agreement dated April 18, 2001. The Company received net proceeds of $30,633 from the options exercised and warrants, after paying in full a short term note owed to the note holder of $125,000 plus accrued interest of $18,971.

On March 18, 2002, the holder of a $30,130 short term note of the Company converted the note into 301,300 shares ofthe Company's restricted common stock pursuant to a Short Term Note dated August 8, 2001.

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

SAFE HARBOR STATEMENT

Certain statements in this Form 10-QSB, including information set forth under this Item 2 - Management's Discussion and Analysis or Plan of Operations constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the Act). American Millennium Corporation, Inc. desires to avail itself of certain 'safe harbor' provisions of the Act and is therefore including this special note to enable us to do so. Forward-looking statements in this Form 10-QSB or hereafter included in other publicly available documents filed with the Securities and Exchange Commission, reports to our stockholders and other publicly available statements issued or released by us involve known and unknown risks, uncertainties and other factors which could cause our actual results, performance (financial or operating) or achievements to differ from the future results, performance (financial or operating) or achievements expressed or implied by such forward-looking statements. Such future results are based upon management's best estimates based upon current conditions and most recent results of operations.

OVERVIEW

AMCI provides easy, convenient and cost-effective Internet based services where customers can access information about various fixed and mobile assets through a custom internet based software application. With our SatAlarm backend server software application, customers can use their existing PC and Internet connection to select a particular asset, and obtain information from sensors located at that asset.

Through utilization of newly available two-way satellite communication, we can monitor currently isolated facilities and equipment. We have activated over four hundred of our Sentry systems for satellite monitoring of oil and gas production and pipeline equipment.

RECENT DEVELOPMENTS

In the six months ended January 31, 2002, we have continued to implement our current product line and business strategy to enhance our ability to achieve profitability by focusing on our core business of remote asset monitoring.

In the six months ended January 31, 2002, we shipped approximately 350 of our Sentry units to new and existing oil and gas customers. These shipments produced one time revenues of approximately $305,000 and will produce monthly recurring revenues of approximately $10,500.

RESULTS OF OPERATIONS

Revenue. Revenue consists of hardware and airtime sales and custom development of products for our customers. During the six months ended January 31, 2002, revenues increased approximately 267% to $380,398 compared to the same period in 2001. This increase in year over year revenue was due to a higher number of subscribers to our service.

Cost of Revenues. Costs of revenues principally consists of manufacturing costs and the purchase of satellite airtime. Cost of revenues was $333,670 for the six months ended January 31, 2002, compared to $134,155 for the six months ended January 31, 2001. Our cost of revenue increased primarily due to the increase in hardware and airtime costs relating to the increased revenue.

Payroll, Payroll Taxes and Related Benefits. Payroll, payroll taxes, and related benefits decreased by $172,126 in the six months ended January 31, 2002, as compared to January 31, 2001. This is attributable to the fact that we had three less employees during the six months ended January 31, 2002. The total number of employees as of January 31, 2002, is 11.

Consulting fees. Consulting fees decreased 25% from $208,685 to $156,025 for the six months ended January 31, 2001 and 2002, respectively. The large decrease is primarily due to the fact that we have narrowed our development to the Sentry and Satalarm products, which are now commercially available.

Selling, General and Administrative. Selling, general and administrative expenses principally consist of compensation and related costs for personnel, fees for legal and other professional services and depreciation of equipment and software used for general corporate purposes. There was an approximate 23% decrease in total selling, general and administrative expenses compared to the six-month period a year ago. Selling, general and administrative expenses for the six months ended January 31, 2002 and 2001 were $890,505 and $1,152,736, respectively. The decrease is primarily due to increased cost control efforts and the reduction in headcount.

Other Income and Expenses. Other income (expenses) consisted of income from cash equivalents and short term investments, less interest expense related to financing obligations. Other income (expenses) for the six months ended January 31, 2002 and 2001 was ($79,070) and ($70,177), respectively. The difference is due to the amortization of loan costs we incurred for the period ended January 31, 2001 and the impairment of asset of $20,417 related to non-compete agreement with Mr. Buntin during the quarter ended January 31, 2002.

Net Loss. We had a net loss of $922,847 (or $0.0348 per share) on revenues of $380,398 for the six months ended January 31, 2002 compared to a net loss of $1,214,804 (or $0.0561 per share) on revenues of $142,264 for the period ended January 31, 2001. The decrease in net loss was primarily attributable to increased revenues and a decrease in selling, general and administrative expenses.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

We understand that cash and equivalents on hand at January 31, 2002, are not adequate to meet even our short-term capital needs. As a result of net losses incurred, we have used substantial working capital in our operations. As of January 31, 2002, current liabilities exceeded current assets by $867,766. There is substantial doubt as to our ability to continue as a going concern without additional financing or capital infusion.

During the last three months we have sold 6,000,000 shares of our common stock for net proceeds of $600,000. Although we believe that our current and several new investors are committed to our future success, there can be no assurance that additional funds will be available when needed on commercially reasonable terms.

On March 1, 2002, 5,800,000 warrants for the purchase of the Company's restricted common stock were exercised. The Company received net proceeds of $100,000 on March 1, 2002 along with a $150,000 promissory note receivable pursuant to a Letter Agreement dated February 28, 2002.

On March 15, 2002, all of the Company's convertible debt was converted into the Company's restricted common stock. 1,377,551 shares were converted at $.49 per share pursuant to a November 9, 2000 Convertible Note Agreement and 909,090 shares were converted at $.22 per share pursuant to an April 18, 2000 Convertible Note Agreement. Also on the same date, 3,492,082 options and warrants were exercised at a price of $.05 per share for the Company's restricted common stock.

On March 18, 2002, the holder of a $30,130 short term note of the Company converted the note into 301,300 shares ofthe Company's restricted common stock pursuant to a Short Term Note dated August 8, 2001.

Conditions have existed to limit our ability to market our products and services at amounts sufficient to recover an acceptable amount of operating and administrative costs. However, we anticipate that newly instituted controls and new products may reverse this condition within the next fiscal year.

We have over 500 Sentry units in the field currently being used for production purposes and under assessment by various customers and resellers. Within the next two calendar quarters, we anticipate several orders, which could have a significant impact on our net sales and income.

We believe that recurring revenues derived from monthly satellite and paging monitoring charges should continue to build value for the shareholders. Our principal marketing efforts are directed toward the oil and gas industry, which has a need for monitoring high value assets. We anticipate that during the latter part of fiscal year year 2002, revenues should increase from the enrollment of subscribers based on our various initiatives underway with manufacturers of gas compressors. We will continue to market our services to those companies for deployment of our system on a fleet basis in order to optimize upon subscriber enrollment. We currently have over 500 satellite subscriber communicators (the industry term for transceivers) deployed in field operations. These units are currently monitoring a variety of assets although the bulk of them are on gas compressors in the southwest Unites States.

We have made no material commitments for capital expenditures and expect no significant changes in the number of employees. We will continue to outsource production and manufacturing. Research, development, and major marketing efforts will be performed by our existing employees.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 2. Changes in Securities and Use of Proceeds

On November 5, 2001, the Board of Directors authorized the issuance of 2,000,000 shares of restricted common stock Jerry D. Kennett, MD. The Company received net proceeds of $200,000 from the sale of these shares. Each of the shares issued carried a warrant to purchase one additional share of the Company's common stock for $0.10 per share for a period of five years.

On December 14, 2001, the Board of Directors authorized the issuance of 84,035 shares of restricted common stock to Lindy Amyx and 33,612 shares of restricted common stock to John Robinson, two individual independent consultants, in settlement of an accounts payable for consulting services in the amount of $20,000.

On December 28, 2001, the Board of Directors authorized the issuance of 2,000,000 shares of restricted common stock to Jerry D. Kennett, MD. The Company received net proceeds of $200,000 from the sale of these shares. Each of the shares issued carried a warrant to purchase one additional share of the Company's common stock for $0.10 per share for a period of five years.

On January 22, 2002, the Board of Directors authorized the right to issue 1,000,000 shares of restricted common stock on or before February 1, 2002 to Arkad Co., LLC. The Board also issued the same investor the right to purchase an additional 1,000,000 shares of restricted common stock on or before March 31, 2002 only if the first purchase occurred.

On January 31, 2002 Arkad Co., LLC excercised the first stock purchase. Arkad Co., LLC was credited with $68,384, which represented a prior note from the Company, including accrued interest. The remainder of the purchase $31,616.44 was funded with a promissory note dated January 31, 2002. The note carries interest at a rate equal to the 30 day LIBOR and is payable in full on or before April 30, 2002. Each of the shares issued carried a warrant to purchase an additional share of the Company's common stock for $.10 for a period of five years.

On January 31, 2002, Arkad Co., LLC exercised the right to purchase an additional 1,000,000 shares of restricted common stock. The entire $100,000 net proceeds to the Company was funded with a $100,000 promissory note dated January 31, 2002. The note carries interest at a rate equal to the 30 day LIBOR and is payable in full on or before April 30, 2002. Each of the shares issued carried a warrant to purchase an additional share of the Company's common stock for $.10 for a period of five years.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Submission of Matters to a Vote of Securities Holders

No matters were submitted to a vote.

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K

(A) Reports on Form 8-K - None

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.

American Millennium Corporation, Inc.

DATED: March 19, 2002 By: /s/ Garrett L. Thomas

Garrett L. Thomas, President
(Chief Executive Officer)

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

DATED: March 19, 2002 By: /s/ Stephen F. Watwood

Stephen F. Watwood, Director, Chairman
of the Board, Vice President of
Business Development

DATED: March 19, 2002 By: /s/ Andrew F. Cauthen

Andrew F. Cauthen, Director,
Vice Chairman

DATED: March 19, 2002 By: /s/ Bruce R. Bacon

Bruce R. Bacon, Director, Chief
Technology Officer, Vice President
of Engineering

DATED: March 19, 2002 By: /s/ Shirley Harmon

Shirley Harmon, Director
(Corporate Secretary)

DATED: March 19, 2002 By: /s/ Ronald J. Corsentino

Ronald J. Corsentino, Controller, Treasurer
(Principal Accounting Officer)