MULTI SOFT INC
Form 10KSB
May 15, 2001

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-KSB

[X] ANNUAL REPORT UNDER TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended January 31, 2001
OR
[ ] TRANSITION REPORT UNDER TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File No. 0-15976

MULTI SOFT, INC
(Name of Small business issuer in its charter)

New Jersey	22-2588030
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

4262 US Route 1, Monmouth Junction, New Jersey	08852
(Address of principal executive offices)	(Zip Code)

Issuer's telephone number (732) 329-9200

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act, during the past 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 [X] No [ ]

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.[ ]

The Issuer's revenues for the fiscal year ended January 31, 2001 were $708,674

The aggregate market value of the voting stock held by non-affiliates (1) of the registrant based on the average of the closing ask ($.065) and ($.05) bid price of such stock, as of May 11, 2001 is $362,165, based upon ($.0575) multiplied by the 6,298,522 Shares of Registrant's Common Stock held by non-affiliates.

The number of shares outstanding of each of the registrant's classes of common stock, as of May 11, 2001, is 13,709,477 shares, all of one class of $.001 par value Common Stock.

DOCUMENTS INCORPORATED BY REFERENCE: None

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

MULTI SOFT, INC.
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Year Ended January 31, 2001

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PART I

Item 1. Business

General

We were incorporated in January 1985 as a wholly owned subsidiary of Multi Solutions, Inc. As of the date of this report, we are a 51.3% owned subsidiary of Multi Solutions.

We produce, market and maintain three communications front-ending, client-server and cooperative processing technologies called:

- COMRAD, which stands for Component Object Model Rapid Application Development, for 32 bit Windows 95, 98, and NT;

- The Windows Communications Library TM, commonly referred to as WCL, for Windows 3x, 95, 98 and NT; and

- INFRONT for DOS.

See the discussion below under "Our Product Line" for more details on these products.

OUR TECHNOLOGY

Our product line consists of tools for the development of client-server, front-ending, and Internet based applications using a mainframe or an Internet server.

There are four key elements to the real world development, delivery and production maintenance of these applications; and our product line supports them all:

- screen-based access to mainframe data and processes;
- message-based access to mainframe and server data and processes;
- integration of screen-based and message-based access to the mainframe in the same application; and
- control and distribution management.

SCREEN-BASED ACCESS TO MAINFRAME DATA AND PROCESSES, which includes front ending, allows the user to enhance existing mainframe applications through the integration of Internet and client technologies such as GUIs (graphical user interfaces), imaging and local data, without changing any mainframe code. This allows companies to leverage their PC capabilities to streamline user processes and for presenting mainframe data to users in a way that is intuitive, easy to use and productive. Screen-based access to a host is supported by all of our products.

MESSAGE-BASED ACCESS TO MAINFRAME DATA AND PROCESSES allows companies to create client-server applications, where they use the PC for the client portion of the application, which includes all user interaction, dialogue flow and access to local data, and they use the mainframe for the server portion of the application, which includes managing database interaction, data integrity and security). In this architecture, only data and messages are passed between the PC and host. This results in a streamlined and optimized production application. WCL's WCL/Enterprise Server Option, commonly referred to as WCL/ESO, supports message-based access to the mainframe.

INTEGRITY CONTROL AND DISTRIBUTION MANAGEMENT allows companies to use their mainframe system as a central location to manage the integrity of the workstation logic and distribute new version releases. In production client-server applications it is important to ensure that the programs, files and data residing on the PC are correct before the user starts the application. When changes are made to the workstation logic, the host also can be used to manage the distribution of these changes. WCL's WCL/Software Distribution Option, commonly referred to as WCL/SDO, supports integrity control and distribution management.

OUR PRODUCT LINE

Our Product line consists of three product sets:

1. COMRAD for 32 bit Windows 95, 98, and NT;
2. The WCL product set for Windows 3x, 95, 98 and NT; and
3. INFRONT for DOS and Windows 3x and 95.

COMRAD

COMRAD is a component-based development tool released in July 1998. It takes advantage of Microsoft's COM/DCOM (common object model/distributed common object model) technology and it generates both components and complete applications, not just applications as currently done by WCL. COMRAD allows you to build client server applications today and use the same code for your Internet/Intranet applications tomorrow. COMRAD generated components that interface with the mainframe can be used both by Visual Basic and your Internet browsers, on individual workstations or Windows NT servers, depending on the needs of your application. Microsoft's Internet Information Server and Active Server Pages provide persistence and security.

WCL

WCL is a toolkit and a set of dynamic linked libraries, commonly referred to as DLLs, which work in conjunction with Windows 3270 emulation products to provide easy integration of data and processing between local area networks, commonly referred to as PC/LANs, and the mainframe. Any of the standard Windows development tools such as PowerBuilder, Visual Basic, and C++, can be used with WCL to create the client application because WCL is an open architecture. WCL supports the development of GUI front-ends -- client-server applications that use the mainframe as a server and for integrity control and distribution management. The WCL toolkit provides an automated development environment that includes, among other things:

- a screen capture mechanism,
- screen maintenance and
- a screen matching facility.

In addition, it provides code generation to remove the complexity and development effort associated with building GUI front-end applications. We also have a 32-bit version of our WCL product for Windows 95 and Windows NT.

WCL/ESO is the host component to WCL and provides a message-based transport layer between client PC/LANs and the mainframe. The client application is created using any of the standard Windows tools and products, and the server application is created using a standard language, such as COBOL. Any mainframe file structure or database, such as VSAM, DB2, or IMS, can be accessed using WCL/ESO through an IBM mainframe operating environment called CICS. Client-server applications developed using WCL/ESO have the added advantage of using a company's existing mainframe skills and infrastructure, including:

- security,
- data integrity,
- backup and
- recovery and disaster recovery.

WCL/SDO is a WCL/ESO application created to centralize control and manage application code, data and software for distributed client-server applications. It allows companies to control, audit and distribute from central host-based master libraries to distributed PCs. These PCs can be clients and/or servers. WCL/SDO is used as a verification mechanism to ensure that all files and appropriate versions of files are present on a PC or in a host library. It will automatically update the PC or host with correct versions of files if any are found to be missing or invalid. This facility is important for the successful production management of large-scale distributed applications.

INFRONT

INFRONT is a comprehensive and integrated development environment for building PC front-ends and client-server applications with the mainframe. The development environment includes:

- an intelligent forms subsystem with
  - screen capture,
  - screen painting,
  - editing and validation assignment facilities and
  - a data dictionary;
- a fourth generation language, commonly referred to as 4GL;
- an intelligent editor with language templates and reusable code library;
- a PC-resident database, including database maintenance facilities such as sorting and reorganizing;
- sophisticated debugging facilities, including a source-level language debugger; and
- other utilities such as code libraries and forms libraries.

KEY SERVICES PROVIDED BY US

We offer training and consulting services designed to help our new customers get a fast start in client/server development and to help existing customers with additional resources to facilitate successful production application roll-outs. We also offer contract technical consulting services.

TRAINING SERVICES include basic and advanced product training, as well as courses such as "Design and Development Methodologies," which cover the major issues companies need to understand for successfully developing applications running on distributed platforms.

CONSULTING SERVICES range from human factors design and project management to assisting licensees with application development and/or the development of complete applications.

TECHNICAL SUPPORT SERVICES include a telephone hotline, fax, e-mail and Internet support staffed by knowledgeable personnel trained and experienced with Multi Soft's product line.

CONTRACT TECHNICAL CONSULTING SERVICES include services related to the technical expertise of our staff. In the past, we have provided technical consulting services on a contract basis to our affiliate, NetCast, and we currently are providing technical consulting services on a contract basis to our affiliate, FreeTrek, Inc. We hope to provide such services to unaffiliated companies as well.

CLIENTS

Our past and current client base spans over 40,000 users throughout approximately 125 Fortune 500 companies. Customers that have licensed our products include*:

- American Cyanamid,
- Bell Atlantic,
- ITT Hartford,
- Honda,
- Con Edison,
- Hoechst,
- American International Group,
- Ciba Geigy,
- Comdisco,
- EDS,
- Exxon,
- General Electric,
- Hilton,
- Lever Brothers,
- Teachers Insurance,
- Chicago Northwestern and
- US West Business.

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* We cannot confirm which of these clients is actively using our products.

IN-HOUSE MARKETING AND SALES

Charles Lombardo and Miriam Jarney, two of our officers and directors, are responsible for sales and marketing of our products and services. At present, in-house sales are generally made through telemarketing. If we obtain additional funds from operations or otherwise, we plan to further market our products and services through advertisements in trade publications and targeted mailings. No assurance can be given that we will have sufficient funds to increase our in-house sales and marketing activities.

DISTRIBUTORS AND VARS

Multi Soft uses international distributors and VARs on a non-exclusive basis to supplement its domestic sales and marketing efforts.

IBM

In September 1994, we entered into an international software licensing agreement with IBM's Personal Communications 3270 division. This agreement allows IBM to logo and market a P-Comm specific version of certain of our products. This IBM agreement was effective for a term of two years and was renewable by IBM for two more one-year periods. The Agreement was terminable by IBM or us upon 90 days notice in the event of a default by the other party. As of November 1996, the contract with IBM was extended for two more years and IBM paid us monthly maintenance and royalties through December 1998. On January 31, 1999, the contract with IBM was extended for one year and IBM paid us monthly maintenance through December 1999. The contract was not extended beyond this one-year period. As of the date of this report, IBM has not renewed the contract.

Since fiscal 1994, IBM has represented a significant percentage of our revenues. The loss of revenues from IBM will have a materially adverse effect on our financial condition. However, we have offset the loss of revenues from IBM with revenues generated from our affiliate, FreeTrek, for work related to the prior and ongoing development, maintenance and enhancement of FreeTrek's products. For more details about the effect of the loss of IBM as a customer, see the discussion in Part II. Item 6. "Management's Discussion and Analysis of Financial Condition and Results of Operations." For more details about the business of FreeTrek, see the discussion below under the caption "FreeTrek, Inc."

Employees

We have eight full time employees, including two officers, one support personnel, four technical and engineering personnel plus several independent consultants, which work for us on an as needed basis. From time to time our officers and employees devote time to our parent, Multi Solutions, and Multi Solution's other subsidiaries.

Competition

We operate in a business composed of strong competitors, many of which have substantially greater resources, are better established, and have a longer history of operations than we do. In addition, many competitors have more extensive facilities than those which now or in the foreseeable future will become available to us.

We compete directly with computer manufacturers, large computer service companies and independent software suppliers. We believe that hundreds of firms that manufacture software applications products are significant competitors, and we are one of the smaller entities in the field.

NetCast, Inc.

NetCast, Inc. is a subsidiary of Multi Solutions and was incorporated in April of 1996 to develop new Internet technologies to create a series of products and businesses that would extend the power of advertising on the Internet. We provided services and office space to NetCast at cost for which we have

billed approximately $240,000 through January 31, 2000. We charged NetCast for this time. Multi Solutions has guaranteed NetCast's debt to us. In January 2000, Multi Solutions decided to discontinue any further operations of NetCast.

FreeTrek, Inc.

FreeTrek, Inc. (formerly FreeTrek.com, Inc.) is a majority owned subsidiary of Multi Solutions that was incorporated under the laws of the state of New Jersey in April 1999. FreeTrek is a business to business to consumer affinity group service company, commonly referred to as a B2B2C affinity group service company, that markets its products and services to businesses, referred to as sponsors, that want to create an Internet community of their current and future customers. FreeTrek refers to this as a virtual private community or VPC. FreeTrek's program is a complete turnkey service for a sponsor, which creates and maintains the sponsor's VPC on the Internet. FreeTrek has not made any sales to date.

We provided services and office space to FreeTrek at cost for which we have billed approximately $106,000 and $193,000 for the year ended January 31, 2001 and 2000, respectively. Since FreeTrek's incorporation, Charles J. Lombardo, our chairman, chief executive officer, chief financial officer and treasurer, has devoted and will continue to devote a substantial amount of his time to FreeTrek activities. We charge FreeTrek for this time.

Item 2. Description of Properties

We sublease approximately 3,300 square feet of office space at 4262 US Route 1, Monmouth Junction, New Jersey 08852 from C&S Consulting, Inc., a company owned by our chairman and his wife. C&S Consulting, Inc. leases the space from an unaffiliated party. The lease commenced on December 1, 1993 and is terminable at any time on three months notice. Monthly rent was increased from $5,200 to $5,600 beginning in November 1999. We are responsible for all utilities.

Item 3. Legal Proceedings

We are not presently a party to any material litigation; however, certain federal, state taxes, interest and penalties aggregating approximately $13,000 remain unpaid at January 31, 2001.

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

No matters were submitted to a vote of our security holders in the last quarter of our fiscal year ended January 31, 2001.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters.

(a) Market Information -- Our common stock are traded in the over-the-counter market, and are quoted on The OTC Bulletin Board (symbol: "MSOF").

The following tables set forth the range of high and low closing bid prices for our common stock on a quarterly basis for the past two fiscal years as reported by the Pink Sheets LLC (which reflect inter-dealer prices, without retail mark-up, mark-down, or commission and may not necessarily represent actual transactions).

Bid Prices

Period - Fiscal Year 2000	High	Low
First Quarter ending April 30, 1999	.16	.07
Second Quarter ending July 31, 1999	.105	.06
Third Quarter ending October 31, 1999	.10	.06
Fourth Quarter ending January 31, 2000	.875	.06

Period - Fiscal Year 2001	High	Low
First Quarter ending April 30, 2000	.94	.25
Second Quarter ending July 31, 2000	.36	.15
Third Quarter ending October 31, 2000	.44	.125
Fourth Quarter ending January 31, 2001	.16	.03

(b) Holders -- There were approximately 244 holders of record of the our common stock as of May 9, 2001 inclusive of those brokerage firms and/or clearing houses holding our securities for their clientele (with each such brokerage house and/or clearing house being considered as one holder).

(c) Dividends -- We have not paid or declared any dividends upon our common stock since inception and, by reason of our present financial status and our contemplated financial requirements, we do not contemplate or anticipate paying any dividends upon our common stock in the foreseeable future.

Issuance of Unregistered Securities

We did not issue any securities during the last quarter of the year ended January 31, 2001 and all prior issuances during that fiscal year were reported in our quarterly reports on form 10-QSB.

Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Fiscal Year Ended January 31, 2001 Compared to Fiscal Year Ended January 31, 2000

We generated revenues for the fiscal year ended January 31, 2001 of $708,674 compared to revenues of $822,162 in fiscal year 2000. We believe that the decrease of $113,488, or approximately 13.8%, was due primarily to a decrease in our license and maintenance fees offset in part by increases in consulting fees, primarily to our affiliate, Freetrek. Com. License fee revenue decreased $91,356, or approximately 51.6%, and maintenance fees decreased $307,524, or approximately 69.1%. Consulting and other fees, primarily from our affiliate, Freetrek increased $285,392, or approximately 142.7%.

Please note that we have included income derived from consulting and administrative charges to our affiliate Freetrek in the amount of $423,033 in revenues for the fiscal year ended January 31, 2001. Previously this income was reported as other income in the Statement of Operations. We have restated our Statement of Operations for the fiscal year ended January 31, 2000 to reflect this change. As a result of this restatement, income derived from consulting and administrative charges to Freetrek in the amount of $193,000 are included in revenues for the fiscal year ended January 31, 2000.

Our principal sources of revenues were maintenance fees and consulting fees which represented approximately 87.9% or $622,931 of revenues for the fiscal year ended January 31, 2001. Maintenance fees and consulting fees represented approximately 78.5% or $645,063 for the fiscal year ended January 31, 2000.

We believe that the overall decrease in licensing fees was due primarily to a reduction in software sales. We believe that the decrease in maintenance fees was due to the non-renewal of older maintenance contracts by customers. We believe that the increase in consulting and other fees was due to charges for consulting and administrative fees to our affiliate Freetrek. See the discussion below under "Major Customers."

Our operating expenses were $910,473 for the fiscal year ended January 31, 2001 compared to $729,377 for the fiscal year ended January 31, 2000, an increase of $181,096, or approximately 24.8%. We believe that the increase was primarily due to costs associated with consulting services provided to our affiliate Freetrek as well as higher selling and administrative costs charged to operations for the fiscal year ended January 31, 2001.

As a result of all of the foregoing, we incurred a net loss for the fiscal year ended January 31, 2001 of $201,799 compared to our net income of $93,981 for the fiscal year ended January 31, 2000, a decline of $295,780.

Major Customers

In Fiscal 2001, no individual customer accounted for a significant portion of revenues. In fiscal 2000, IBM accounted for 14% of our total revenues prior to restatement of revenues from consulting and administrative charges to our affiliate, Freetrek. After restatement, IBM accounted for 10.7% of revenues. IBM extended its contract with us through December 31, 1999; however, IBM has not renewed the contract. The loss of revenues from IBM will have a materially adverse effect on our financial condition. We have offset the loss of revenues from IBM with revenues generated from our affiliate, FreeTrek, for work related to the prior and ongoing development, maintenance and enhancement of FreeTrek's products. However, FreeTrek is a development stage company and, although it is marketing its products and services, it has yet to make its first sale. Fees paid by FreeTrek have come from the proceeds of private placements of FreeTrek's securities and of Multi Solutions' securities. If FreeTrek is unable to generate substantial revenues or continue to raise funds, revenues received by us from FreeTrek most likely will decrease and eventually cease. For more details about our contract with IBM, see the discussion in Part I. Item 1. "Description of Business."

Liquidity and Capital Resources

At January 31, 2001, we had a working capital deficiency of ($215,932) and we continue to experience cash flow problems.

We have taken various steps to correct this situation, including:

- extending our product line to operate within the Internet environment;

- performing work for our affiliate, FreeTrek, related to the prior and ongoing development, maintenance and enhancement of FreeTrek's products; and
- performing contract consulting services for others.

We intend to remain a technology provider of products and services and search out multiple distribution channels, with increasing emphasis on the use of the Internet for marketing, rather than to try and grow via an expensive direct sales force. This allows the focus to stay on technology, with a low overhead cost for each distribution channel used. However, if we obtain additional funds from operations or otherwise, we plan to expand in-house marketing activities by advertising in trade publications and by conducting targeted mailing. For more details, see "Part I. Item 1. Description of Business - In-House Marketing and Sales."

Working Capital and Current Ratios:

Descriptions	January 31, 2001	January 31, 2000
Working capital (deficiency)	($215,932)	($175,162)
Current ratios	0.38:1	0.53:1

Dividend Policy

We have not declared or paid any dividends on our common stock since inception and we do not anticipate that we will be declaring or paying cash dividends in the foreseeable future. We intend to

retain earnings, if any, to finance the development and expansion of our business. Future dividend policy will be subject to the discretion of our Board of Directors and will be contingent upon future earnings, if any, our financial condition, capital requirements, general business conditions and other factors. Therefore, we cannot assure that dividends of any kind will ever be paid.

Effect of Inflation

We believe that inflation has not had a material effect on our operations for the periods presented.

CAUTIONARY STATEMENT

This annual report on form 10-KSB contains certain forward-looking statements regarding, among other things, our anticipated financial and operating results and those of our subsidiaries. For this purpose, forward-looking statements are any statements contained in this report that are not statements of historical fact and include, but are not limited to, those preceded by or that include the words, "believes," " expects," or similar expressions. In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, we are including this cautionary statement identifying important factors that could cause our or our subsidiaries' actual results to differ materially from those projected in forward looking statements made by, or on behalf of, us. These factors, many of which are beyond our control or the control of our subsidiaries, include our ability to:

- o continue to receive royalties from our existing licensing and consulting arrangements,
- o develop additional marketable software and technology,
- o compete with larger, better capitalized competitors, and
- o reverse ongoing liquidity and cash flow problems;

Item 7. Financial Statements

The following financial statements are attached to this report and have been prepared in accordance with the requirements of Item 310(a) of Regulation S-B.

MULTI SOFT, INC.
FINANCIAL STATEMENTS
FISCAL YEAR ENDED January 31, 2001

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Schedules

All schedules have been omitted because they are inapplicable or not required, or the information is included elsewhere in the financial statements or notes thereto.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures.

There have been no changes in, or disagreements with our independent accountants with respect to accounting and/or financial disclosure, during the past two fiscal years.

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons;

Compliance with Section 16(a) of the Exchange Act

Name	Position(s) Held
Charles J. Lombardo	Chairman of the Board of Directors, Chief Executive Officer, Chief Financial Officer and Treasurer
Miriam G. Jarney	Executive Vice President, Secretary and Director
Larry Spatz	Director

Our directors are elected to serve until the next annual meeting of stockholders and until their successors have been elected and have qualified. Our officers are appointed to serve until the meeting of the Board of Directors following the next annual meeting of stockholders and until their successors have been elected and have qualified.

A summary of the business experience for each of our officers and directors is as follows:

CHARLES J. LOMBARDO, age 58, has been our Chairman of the Board of Directors, Chief Executive Officer, Chief Financial Officer and Treasurer since January 1985. He has been Multi Solution's Chief Executive Officer and Treasurer since August 1982. From 1972 to 1993, Mr. Lombardo also served as the President of Petro-Art, Ltd., an inactive publicly owned company and its wholly owned subsidiary JCT Enterprises, Inc. Mr. Lombardo was President of Hopewell Graphic Industries from 1969 through 1971 and from 1967 to 1969 was associated with Keystone Computer Associates as a staff member in the Physics Section of the Systems Analysis Department. From 1965 to 1967, Mr. Lombardo served as a scientist in the Plasma Physics Department of Raytheon Space and Information

Systems Division. Mr. Lombardo has a Bachelor of Science degree in Physics from Worcester Polytechnic Institute (1964), a Master of Science degree in Physics from Northeastern University (1966) and has continued studies toward a Ph.D. in Theoretical Physics. Mr. Lombardo is a Member of the American Physical Society, The American Mathematical Society, The Society for Industrial and Applied Mathematics, The American Association of Physics Teachers, and the Philosophy of Science Association.

MIRIAM G. JARNEY, age 60, has been our Executive Vice President and Secretary and a member of our Board of Directors since January 1985. She has been Executive Vice President, Secretary and a Director of Multi Solutions since January 1982. From 1973 to February 1982, Ms. Jarney was a marketing representative for National CSS, Inc., a computer services company that has since been acquired by Dun & Cst, Inc. From 1972 through 1973, Ms. Jarney was associated with Mathematica, Inc., which originated a Data Base Management System called RAMIS, for which National CSS has exclusive marketing rights. Ms. Jarney has also worked as a computer systems analyst for Western Electric Company and Exxon Corporation. She graduated from the Hebrew University in Jerusalem with a degree in Economics and Statistics and has a Master's degree in Computer Science from Stevens Institute of Technology.

LARRY SPATZ, age 58, as been a member of our Board of Directors since May 12, 1986, and a director of Multi Solutions since July 14, 1989. He has been Chief Executive Officer and Chairman of the Board of Heartthrob Enterprises, Inc., a restaurant and nightclub management and development company since

September 1985. From 1982 to 1984, Mr. Spatz was President of Universal Petroleum, Inc. From 1979 to 1982, he was Vice President and a director of Mercantile Trading Company. Mr. Spatz is also a director of Centrex Communications Systems, Inc. and Ultramed, Inc.

Section 16(a) Beneficial Ownership Reporting Compliance

To our knowledge, based solely on a review of such materials as are required by the Securities and Exchange Commission, none of our officers, directors or beneficial holders of more than ten percent of our issued and outstanding shares of Common Stock has failed to timely file with the Securities and Exchange Commission any form or report required to be so filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 during the fiscal year ended January 31, 2001, except that Miriam Jarney failed to timely file a Form 5 with regard to the gifting of shares to her daughter.

Item 10. Executive Compensation

The following table shows all the cash compensation paid or to be paid by us or our parent, as well as certain other compensation paid or accrued, during the fiscal years indicated, to the Chief Executive Officer and Executive Vice President (collectively, "Principal Officers") for such period in all capacities in which they served. No other Executive Officer received total annual salary and bonus in excess of $100,000.

SUMMARY COMPENSATION TABLE

	ANNUAL COMPENSATION				LONG TERM COMPENSAT		
					AWARDS		P
NAME & PRINCIPLE POSITION	FISCAL YEAR	SALARY ($)	BONUS ($)	OTHER ANNUAL COMPENSATION ($)	RESTRICTED STOCK AWARD ($)	OPTIONS SARS	LTIP PAYOUT ($)
CHARLES J.	2001	$50,000	$0	(B) $ 4,167	$0	$0	$0
LOMBARDO CEO	2000	$54,167	$0	(B) $16,700	$0	$0	$0
	1999	$12,500	$0	(A) $34,550	$0	$0	$0
MIRIAM JARNEY	2001	$54,167	$0	$0	$0	$0	$0
EXEC. VP	2000	$54,167	$0	$0	$0	$0	$0
	1999	$25,000	$0	(C) $16,000	$0	$0	$0

(A) Consisting of $19,950 in consulting fees and common stock valued at $14,600.
(B) Consulting fees.
(C) Common stock valued at $16,000.

The following table sets forth information with respect to the Principal Officers concerning the grants of options and Stock Appreciation Rights ("SAR") during the past fiscal year:

OPTION/SAR GRANTS IN LAST FISCAL YEAR
INDIVIDUAL GRANTS

NAME	OPTIONS/SARS GRANTED	PERCENT OF TOTAL OPTIONS/SARS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE OR BASE PRICE ($/SH)	E
CHARLES J. LOMBARDO	-0-	-	-	
MIRIAM JARNEY	-0-	-	-	

The following table sets forth information with respect to the Principal Officers concerning exercise of options during the last fiscal year and unexercised options and SARs held as of the end of the fiscal year:

AGGREGATED OPTION/SAR EXERCISES AND FISCAL YEAR-END OPTION/SAR VALUES

NAME	SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED ($)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS/SARS AT FY-END (#)	VALUE OF U IN-THE OPTION AT FY-
CHARLES J. LOMBARDO	-0-	-0-	-0-	-
MIRIAM JARNEY	-0-	-0-	-0-	-

Directors' Compensation

Our directors are not compensated for acting in their capacity as directors. Our directors are reimbursed for their accountable expenses incurred in attending meetings and conducting their duties.

Employment Agreements

On July 14, 1989, we entered into a five-year employment agreement with our Chairman of the Board and Chief Executive Officer, Charles J. Lombardo, which is which is automatically renewed for successive periods unless terminated by us on twelve months notice or by Mr. Lombardo on six months notice. Mr. Lombardo is our Chairman of the Board, Chief Executive Officer, Chief Financial Officer and Treasurer. The agreement contains non-disclosure provisions and a one-year restrictive covenant preventing Mr. Lombardo from becoming employed by a similar company in any state or country in which we do business, or engaging in a competitive business for his own account. Mr. Lombardo is entitled to annual salary increases of at least 10%, plus additional annual compensation equal to 2% of our after tax profits. Under Mr. Lombardo's contract he may assign any part of his salary to a third party as a consulting fee.

Mr. Lombardo also is entitled to a salary from Multi Solutions of $25,000 per year, which he has agreed to forego since fiscal 1997.

On August 1, 1989, we entered into a five-year employment agreement with Miriam Jarney, Executive Vice-President and a Director of both Multi Soft and Multi Solutions, which is automatically renewed for additional periods, unless terminated by us on twelve months notice or Ms. Jarney on six months notice. Ms. Jarney is entitled to annual salary increases of at least 10%, plus additional annual compensation equal to 1.5% of our after tax profits. The agreement also contains non-disclosure provisions and a one year restrictive covenant preventing Ms. Jarney from becoming employed by a similar company in any state or country in which we do business, or engaging in any competitive business for her own account.

During fiscal 1998, Mr. Lombardo and Ms. Jarney accrued a portion of their salaries. The balance due between both officers as of January 31, 2001 is $729,647 including deferred increases of $586,605.

Item 11. Security Ownership of Certain Beneficial Owners and Management

SECURITY OWNERSHIP OF MANAGEMENT -- The number and percentage of shares of our common stock owned of record and beneficially by each owner of 5% or more of our common stock, each of our officers and directors and by all of our officers and directors as a group are set forth on the chart below.

NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	PERCENT O
MULTI SOLUTIONS (1) 4262 US ROUTE 1, MONMOUTH JUNCTION, NJ 08852	7,026,722	51.
CHARLES J. LOMBARDO CHAIRMAN OF THE BOARD, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, & TREASURER 1511 LAURIE LANE, YARDLEY, PA 19067	7,210,955(1)	52.
MIRIAM G. JARNEY EXECUTIVE VICE PRESIDENT, SECRETARY, DIRECTOR 21 DOERING WAY, CRANFORD, NJ 07106	7,336,722(1)	53.
LARRY SPATZ DIRECTOR SUITE 332, 401 EAST ILLINOIS ST., CHICAGO, IL 60611	7,026,722(1)(2)	51.
ALL EXECUTIVE OFFICERS AND DIRECTORS AS A GROUP (3 PERSONS)	7,410,955(1)	54

* Except as indicated below in the footnotes, each person has sole voting and dispositive power over the Shares indicated. All numbers have been revised to give retroactively effect to the one-for-three reverse stock split,

which occurred on January 31, 1996.

(1) Messrs. Lombardo and Spatz and Ms. Jarney are also officers and/or directors of Multi Solutions. Therefore, together with the other directors of Multi Solutions, they share the voting power of the Multi Soft shares owned by Multi Solutions, and the shares owned by Multi Solutions have been deemed to be owned by our officers and directors. The shares listed as owned by Charles J. Lombardo, Miriam Jarney and Larry Spatz include the 7,026,722 shares owned by Multi Solutions.

(2) Excludes shares owned beneficially by a family trust of which Mr. Spatz's wife is one of the beneficiaries. Mr. Spatz has confirmed to us that neither he nor his wife has any voting or dispositive power with regard to the shares owned by the trust.

Item 12. Certain Relationships and Related Transactions

Although there is no written agreement between Multi Solutions and us granting Multi Solutions preemptive rights with regard to Multi Solutions' majority ownership of our common stock, in practice, Multi Solutions has and plans to continue to acquire sufficient shares of our common stock to assure its continued majority ownership.

We sublease our office space from C&S Consulting, Inc., a company owned by our Chairman and his wife. For more information, see "Part I. Item 2. Description of Properties."

PART IV

Item 13. Exhibits, Lists and Reports on Form 8-K.

Exhibits

3.a	Certificate of Incorporation and Certificate of Correction (1)
3.b	By-Laws (1)
10.a	Employment Agreement with Charles J. Lombardo (4)
10.b	Employment Agreement with Miriam G. Jarney (4)
10.c	Facility sublease (5)
10.d	IBM Agreement executed October 1993*(5)
10.e	IBM Agreement executed August 1994*(5)
10.f	IBM Amendment executed May 15, 1995 (5)
10.g	Multi Solutions' Non-Qualified Stock Option Plan, Stock Grant Program and Employee Incentive Stock Option Plan (2)
10.h	Amendments to Multi Solutions' Non-Qualified Stock Option and Stock Grant Program (3)

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* Certain information contained in these exhibits has been omitted and filed separately with the Commission.

(1) Previously filed as an Exhibit to our Registration Statement on Form S-1, SEC File No. 33-3133, filed with the Commission on February 4, 1986, and incorporated herein by reference.

(2) Previously filed as an Exhibit to Multi Solutions' Form 10-K for the fiscal

year ended January 31, 1984 as filed with the Commission on or about May 15, 1984, and incorporated herein by reference.

(3) Previously filed as part of the Multi Solutions' proxy materials for the Annual Meeting of Stockholders held on July 9, 1985, as filed with the Commission on or about May 24, 1985, and incorporated herein by reference.

(4) Previously filed as an Exhibit to our Form 10-K for the fiscal year ended January 31, 1990 as filed with the Commission on or about April 29, 1990, under SEC File No. 33-3133-NY, and incorporated herein by reference.

(5) Previously filed as an Exhibit to our Registration Statement on Form SB-2, SEC File No. 33-87460, filed with the Commission on March 15, 1995, and incorporated herein by reference.

Reports of Form 8-K

No reports on Form 8-K were filed during the last quarter of the fiscal year ended January 31, 2001.

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, thereunto duly authorized.

MULTI SOFT, INC.

Dated: May 11, 2001

By: /S/ Charles J. Lombardo
Charles J. Lombardo,
Chief Executive Officer,
Chief Financial Officer
and Treasurer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURES	TITLE	DATE
/S/ Charles J. Lombardo Charles J. Lombardo	Chairman of the Board of Directors, Chief Executive Officer, Financial Officer, and Treasurer	May 11, 2001
/S/ Miriam Jarney Miriam Jarney	Executive Vice President, Secretary, and Director	May 11, 2001
/S/ Larry Spatz		May 11, 2001

Larry Spatz Director

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SUPPLEMENTAL INFORMATION

Supplemental Information to be Furnished With Reports Filed Pursuant to Section 15(d) of the Act by Registrants Which Have Not Registered Securities Pursuant to Section 12 of the Act.

Not Applicable.

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STEWART W. ROBINSON
CERTIFIED PUBLIC ACCOUNTANT
70-09 AUSTIN STREET, SUITE 206
FOREST HILLS, NY 11375
TEL: 718 793-0500
FAX: 718 793-7529

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

To the Board of Directors
MULTI SOFT, INC.

I have audited the accompanying balance sheets of MULTI SOFT, INC. (a New Jersey corporation and 51.3% owned subsidiary of Multi Solutions, Inc.) as of January 31, 2001 and 2000 and the related statements of operations, changes in stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for our opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MULTI SOFT, INC. as of January 31, 2001 and 2000 and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note A to the financial statements, the Company suffered a loss from operations and has working capital deficiency, raising substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note A. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amounts and classifications of liabilities that might result should the Company be unable to continue as a going concern.

STEWART W. ROBINSON

New York, New York
April 25, 2001

MULTI SOFT, INC.
a 51.3% owned subsidiary of Multi Solutions, Inc.
BALANCE SHEETS
January 31, 2001 and 2000

	2001	2000
ASSETS		
CURRENT ASSETS		
Cash	$ --	$ 13,205
Accounts Receivable (net of allowance of $49,212 and $37,486 for 2001 and 2000 respectively)	110,224	139,610
Prepaid expenses and other current assets	21,675	44,991
Total current assets	131,899	197,806
FURNITURE AND EQUIPMENT		
Research and Development Equipment	8,868	8,868
Office furniture and other equipment	26,575	13,824
	35,443	22,692
Less: Accumulated Depreciation	(19,999)	(15,439)
	15,444	7,253
OTHER ASSETS		
Capitalized software development costs	1,512,489	1,371,387
Less accumulated amortization	(892,588)	(712,776)
	619,901	658,611
Due from Solutions	335,559	448,039
Due from Freetrek	7,227	
Due from NetCast -- Note H	234,592	234,592
	$ 1,344,622	$ 1,546,301

See notes to financial statements

MULTI SOFT, INC.
a 51.3% owned subsidiary of Multi Solutions, Inc.
BALANCE SHEETS
January 31, 2001 and 2000

LIABILITIES AND STOCKHOLDERS' EQUITY	2001	2000
CURRENT LIABILITIES		
Accrued payroll	$ 14,783	$ 14,783
Payroll and other taxes payable	18,497	19,048
Accounts Payable, Accrued expenses and other Current Liabilities	66,295	50,215
Accrued officer compensation	143,042	161,390
Deferred Revenues	105,214	127,532
Total current liabilities	347,831	372,968
DEFERRED COMPENSATION DUE OFFICERS/SHAREHOLDERS	586,605	586,605
COMMITMENTS AND CONTINGENCIES -- Note E		
STOCKHOLDERS' EQUITY		
Common stock, authorized 30,000,000 shares $.001 par value, issued and outstanding 13,709,477 in 2001 and 2000	13,709	13,709
Additional paid-in capital, net of deferred compensation $25,257 in 2000	6,039,221	6,013,964
Accumulated deficit	(5,642,744)	(5,440,945)
	410,186	586,728
	$ 1,344,622	$ 1,546,301

See notes to financial statements

MULTI SOFT, INC
a 51.3% owned subsidiary of Multi Solutions, Inc.
STATEMENTS OF OPERATIONS
Years ended January 31, 2001 and 2000

	2001	(As Restated) 2000
REVENUES		
License fees	$ 85,743	$ 177,099
Maintenance fees	137,468	444,992
Consulting and Other fees	485,463	200,071
Total revenues	708,674	822,162
EXPENSES		
Software development and technical support	404,131	228,944
Selling and administrative	506,342	500,433

Total expenses	910,473	729,377
(Loss) Income from operations	(201,799)	92,785
OTHER INCOME (EXPENSE)		
Interest	--	1,196
Total other income	--	1,196
Net (loss) income	$ (201,799)	$ 93,981
Weighted average shares outstanding	13,709,477	13,542,806
(Loss) income per share	$ (0.02)	(a)

(a) less than $.01 per share

See notes to financial statements

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MULTI SOFT, INC.
a 51.3% owned subsidiary of Multi Solutions, Inc.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
Years ended January 31, 2001 and 2000

	Common Stock		Total paid in	Deferred
	Shares	Amount	capital	Compensation
Balance at January 31, 1999	13,509,477	$ 13,509	$ 6,027,421	($ 41,365
Issuance of restricted common stock	200,000	200	11,800	(12,000
Amortization of deferred compensation				28,108
Net Income				
Balance at January 31, 1999	13,709,477	13,709	6,039,221	(25,257
Amortization of deferred compensation				25,257
Net Loss				
Balance at January 31, 2000	13,709,477	$ 13,709	$ 6,039,221	$ 0

See notes to financial statements

MULTI -SOFT, INC.
a 51.3% owned subsidiary of Multi Solutions, Inc.
STATEMENTS OF CASH FLOWS
Years ended January 31, 2001 and 2000

	2001	2000
Cash flows from operating activities		
Net Income	$ (201,799)	$ 93,981
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	184,373	230,362
Changes in assets and liabilities		
Due to / from Multi Solutions	112,480	--
Due to/ from Freetrek	(7,227)	
Accounts receivable	29,386	(8,954)
Prepaid expenses and other current assets	23,316	(31,606)
Accrued payroll	--	14,783
Note Payable	--	(6,565)
Payroll and other taxes payable	(551)	(432)
Accounts payable and accrued expenses	16,079	(36,508)
Accrued officer compensation	(18,348)	8,333
Deferred revenues	(22,318)	(60,116)
Net cash provided by operating activities	115,391	203,278
Cash flows from investing activities		
Capital expenditures	(12,751)	
Capitalized software development costs	(141,102)	(235,520)
Net cash used in investing activities	(153,853)	(235,520)
Cash flows from financing activities		
Net repayments under loan and line of credit agreements	--	(796)
Amortization of stock grants	25,257	28,109
Net cash provided by financing activities	25,257	27,313
NET (DECREASE) IN CASH	(13,205)	(4,929)
Cash at beginning of year	13,205	18,134
Cash at end of year	$ --	$ 13,205

See notes to financial statements

Multi Soft, Inc.

NOTES TO FINANCIAL STATEMENTS

January 31, 2001 and 2000

NOTE A - DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Multi Soft, Inc. "Company" was incorporated on January 29, 1985 under the laws of the State of New Jersey. At January 31, 2001, the Company was 51.3 % owned by Multi Solutions, Inc. ("Solutions"). The Company is principally involved in the design, production and delivery of computer applications development software for sale primarily to large corporate customers throughout the United States and overseas.

The Company's financial statements have been presented on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The liquidity of the Company was adversely affected in the past year by significant losses from operations. As of January 31, 2001, the Company's current liabilities exceeded current assets by $215,932 and a net loss of $201,799 was incurred for the year then ended. Additionally, since January 31, 2001 (for the quarter ended April 30, 2001), revenues from license fees and maintenance contracts have declined approximately 55% from the quarter ended April 30. 2000, raising doubt that the Company will recover its investment in software development costs ($619,901 as of January 31, 2001 - see note B).

The Company intends to market its products, control operating costs and broaden its product base through enhancements of products. Additionally, Solutions' subsidiary, FreeTrek, Inc. ("FreeTrek") provided additional income and liquidity to support Solutions, which has enhanced Solutions' ability to support the Company financially. The Company also provides consulting and administrative services to FreeTrek, providing additional income and cash flow to defray operating costs.

The Company believes that these measures will provide sufficient liquidity for it to continue as a going concern in its present form. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amount and classification of liabilities or any other adjustments that might be necessary should the Company be unable to continue as a going concern in its present form.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Furniture and Equipment

Furniture and equipment are stated at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the assets, which range from three to seven years.

Depreciation expense was $4,560 and $3,187 for the years ended January 31, 2001 and 2000 respectively.

2. Capitalization of Computer Software

Capitalized software development costs relating to products for which technological feasibility has been established qualify for capitalization under Statement of Financial Accounting Standards (SFAS) No. 86, "Accounting for the Costs of Computer Software to be Sold, Leased, or Otherwise Marketed."

Research and development costs associated with the creation of computer software prior to reaching technological feasibility are expensed as incurred, except for related computer equipment expenditures such as personal computers and other hardware components, which are capitalized and depreciated over their useful lives if the equipment is deemed to have alternative future use.

Capitalized software development costs are amortized to operations when the product is available for general release to customers. Amortization is calculated using (a) the ratio of current gross revenues for the product to the total of current and anticipated gross revenues for the product or (b) the straight-line method over the remaining useful life of the product, whichever is greater.

The Company is amortizing, over a 60-month period, the capitalized software costs for its Windows-based products. The Company's Windows products are compatible with Windows 98, 2000 and NT. The Company's software

engineers are continually modifying and enhancing the existing software products and developing new versions. Un-amortized costs relating to Windows products as of January 31, 2001 and 2000 are $619,901 and $658,611 respectively.

Amortization expense for 2001 and 2000, for all products, was $179,812 and $228,944 respectively.

3. Revenue Recognition

In accordance with Statement of Position 97-2, "Software Revenue Recognition" (SOP 97-2), the Company recognizes license and maintenance fees when earned and consulting fee income when services are rendered. License fees are recognized upon shipment of the software while maintenance fees are recorded over the period covered by the related contract.

Consulting is performed on a time and material basis.

4. Deferred Compensation

Deferred compensation arising from the issuance of stock grants were amortized over the term of the related grant or employment agreements (one to five years). The amount of compensation attributable to stock grants is determined by the market price of the Company's stock on the date of grant.

5. Income Per Share

Income or loss per share is computed using the weighted average number of common shares outstanding during the period.

6. Income Taxes

The Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) NO. 109, "Accounting for Income Taxes," which significantly changed the accounting for deferred income taxes. The standard provides for a liability approach under which deferred income taxes are provided for based upon enacted tax laws and rates applicable to the periods in which the taxes become payable.

7. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Multi Soft, Inc.

NOTES TO FINANCIAL STATEMENTS

January 31, 2001 and 2000

NOTE C - INCOME TAXES

As a result of losses incurred in recent years, the Company has net operating loss carry forwards available to offset future federal taxable income of approximately $4.7 million. These losses expire at various dates through 2021. Therefore, there is no provision for income taxes.

Under the liability method specified by SFAS No 109, "Accounting for Income Taxes", deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities as measured by the enacted tax rates which will be in effect when these differences reverse. Deferred tax expense is the result of changes in deferred tax assets and liabilities. The principal types of differences between assets and liabilities for financial statement and tax return purposes are capitalized software development costs, deferred compensation, deferred income and allowance for uncollectible accounts. Due to the aforementioned net operating loss carryovers, there are no deferred or current tax expense, tax assets or tax liabilities.

NOTE D - STOCKHOLDERS' EQUITY

1. Stock Transactions

In the past, the Company had entered into various transactions with Solutions, which adjusted inter-company debt through the issuance of common stock of the respective companies. There have been no transactions of that nature during the reporting period of these financial statements.

2. Option and Stock Grant Program

In June 1993, the Company adopted an Employee, Consultant and Advisor Stock and Option Compensation Plan (the Plan). Pursuant to the terms of the Plan, an aggregate of up to 1,000,000 shares of common stock, .001 par value per share (the common stock), and/or options to purchase common stock may be granted to persons who are, at the time of issuance or grant, employees or officers of, or consultants or advisors to, the Company. Through January 31, 2001, an aggregate of 1,000,000 shares had been issued pursuant to the Plan.

Amortization of deferred compensation for the stock grants to employees was $26,257 and $28,108 for the years ended January 31, 2001 and 2000, respectively.

NOTE E - COMMITMENTS AND CONTINGENCIES

1. Leases

The Company is a subtenant in office space leased by an entity substantially owned by the Company's chairman and his wife. This lease is on a quarter-by-quarter term with a base rent of $5,200 per month, during fiscal year 2000 the rental amount was increased to $5,600 per month. Rental expense under the lease aggregated approximately $67,200 and $62,400 for the years ended January 31, 2001 and 2000 respectively.

The Company is a party to 2 equipment operating leases providing for the following aggregate minimum payments:

Year Ending January 31	Laser Copier	Color Copier	Total
2001	$ 4,380	$ 6,000	$ 10,380
2002	4,380	3,000	7,380
2003	3,285	-	3,285
	$ 12,045	$ 9,000	$ 21,045

2. Employment Agreements

The Company has employment agreements with two officers which provide aggregate minimum annual compensation of $200,000 through July 1999, and which are automatically renewed annually.

These officers, Charles Lombardo and Miriam Jarney, have each relinquished unpaid salaries for the years ended January 31, 2001 and 2000 as follows:

Year Ended January 31	Charles Lombardo	Miriam Jarney	Total Relinquished Salaries
2001	$ 150,000	$ 145,833	$295,833
2000	$ 145,833	$ 145,833	$291,666

In addition, the employment agreements entitle the two employees to 2% and 1.5% respectively, of each fiscal year's after tax profits of the Company. Mr. Lombardo and Ms. Jarney have agreed to forego this additional compensation since fiscal 1997.

3. Payroll Taxes

A state taxing authority has asserted a claim against the Company in the amount of approximately $36,000. Management believes that only a small portion has merit and intends to vigorously contest the claim. The financial statements include a reserve of $13,000 against this claim, which management believes is substantially higher than the expected settlement amount.

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Multi Soft, Inc.

NOTES TO FINANCIAL STATEMENTS

January 31, 2001 and 2000

4. Litigation

The Company and its parent, Multi Solutions, Inc. have been from time to time parties to legal actions arising in the normal course of their business. The disposition of these actions have not had a material effect on the financial position or results of operations of the Company taken as a whole.

NOTE F - MAJOR CUSTOMERS

In fiscal 2001, no individual customer accounted for a significant portion of revenues. In fiscal 2000, one customer accounted for 14% of total revenues.

NOTE G - SUPPLEMENTAL INFORMATION

Supplemental disclosures of cash flow information for the years ended January 31, 2001 and are as follows:

	2001	2000
Cash paid during the year for interest	$0	$0

NOTE H - RELATED PARTY TRANSACTIONS

The Company, from time to time, pays incidental expenses of Multi Solutions and allocates its share of certain expenses. These items are charged to intercompany receivable. Multi Soft received $112,480 in payments during the current fiscal year. The balance due from Multi Solutions was $335,559 and $448,039 at January 31, 2001 and 2000 respectively.

The Company provided certain services and office space to NetCast, Inc., a subsidiary of Multi Solutions. The balance due from NetCast, Inc., for such services was $234,592 as of January 31, 2001 and 2000. NetCast has discontinued operations. Although payment of this debt is not expected from Net Cast, Multi Solutions has guaranteed this debt to the Company.

The Company provides office space, consulting and administrative services to its affiliate, FreeTrek, Inc. a Subsidiary of Solutions. During the year ended January 31, 2001, the Company received payments from FreeTrek of $423,033 and $193,000 for the year ended January 31, 2000, and is included in Revenues on the Statement of Operations.