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REWARD ENTERPRISES INC
Form DEF 14C
July 01, 2004

SCHEDULE 14C
(Rule 14c-101)

INFORMATION REQUIRED IN INFORMATION STATEMENT
SCHEDULE 14C INFORMATION

Information Statement Pursuant to Section 14(c)
of the Securities Exchange Act of 1934

Check the appropriate box:

- Confidential, for use of the Commission only
(as permitted by Rule 14c-5(d)(2))
- Preliminary information statement
- Definitive information statement

REWARD ENTERPRISES, INC.

(Name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check the appropriate box):

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(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

Definitive Information Statement
Dated: July 1, 2004

REWARD ENTERPRISES, INC.
2033 Main Street, Suite 500
Sarasota, Florida 34237
(941) 928-7394
INFORMATION STATEMENT

This information statement (the "Information Statement") is furnished to the shareholders of Reward Enterprises, Inc., a Nevada corporation (the "Company"), with respect to certain corporate actions of the Company. This information is first being provided to shareholders on or about July 12, 2004.

The corporate action involves two (2) proposals (the "Proposals"):

1. To approve an amendment to the Company's Articles of Incorporation to increase the authorized common stock, par value \$0.001 per share, of the Company from 200,000,000 shares to 5,000,000,000 shares.
2. To approve an amendment to the Company's Articles of Incorporation to authorize 10,000,000 shares of preferred stock, par value \$0.001 per share, of the Company.

ONLY THE COMPANY'S SHAREHOLDERS OF RECORD AT THE CLOSE OF BUSINESS ON JULY 1, 2004 (THE "RECORD DATE") ARE ENTITLED TO NOTICE OF THE PROPOSALS. PRINCIPAL SHAREHOLDERS WHO, AS OF THE RECORD DATE, WILL COLLECTIVELY HOLD IN EXCESS OF 50% OF THE COMPANY'S 44,165,000 ISSUED AND OUTSTANDING SHARES ENTITLED TO VOTE ON THE PROPOSALS HAVE INDICATED THAT THEY WILL VOTE IN FAVOR OF THE PROPOSALS. AS A RESULT, THE PROPOSALS SHOULD BE APPROVED WITHOUT THE AFFIRMATIVE VOTE OF ANY OTHER SHAREHOLDERS OF THE COMPANY. THIS ACTION IS EXPECTED TO BE TAKEN NOT LESS THAN TWENTY (20) DAYS FROM THE MAILING OF THIS INFORMATION STATEMENT, BUT AS SOON THEREAFTER AS PRACTICABLE.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Earl Ingarfield

Earl Ingarfield, President, Chief Executive Officer and Director

Sarasota, Florida
July 1, 2004

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Reward Enterprises, Inc.
2033 Main Street, Suite 500
Sarasota, Florida 34237
(941) 928-7394

INFORMATION STATEMENT

July 1, 2004

This information statement contains information related to certain corporate actions of Reward Enterprises, Inc., a Nevada corporation (the "Company"), and is expected to be mailed to shareholders on or about July 12, 2004.

ABOUT THE INFORMATION STATEMENT

What is the purpose of the information statement?

This information statement is being provided pursuant to Section 14 of the Securities Exchange Act of 1934 to notify the Company's shareholders as of the close of business on the Record Date of corporate action expected to be taken pursuant to the consents or authorizations of principle shareholders.

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Shareholders holding a majority of the Company's outstanding common stock are expected to act upon certain corporate matters outlined in this information statement, which action is expected to take place August 6, 2004, consisting of the approval of an amendment to the Company's Articles of Incorporation to increase the authorized common stock to 5,000,000,000 shares and the authorization of 10,000,000 shares of preferred stock.

Who is entitled to notice?

Each holder of an outstanding share of common stock of record on the close of business on the Record Date, July 1, 2004, will be entitled to notice of each matter to be voted upon pursuant to consents or authorizations. Shareholders as of the close of business on the Record Date that hold in excess of fifty percent (50%) of the Company's 44,165,000 issued and outstanding shares of common stock have indicated that they will vote in favor of the Proposals. Under Nevada corporate law, all the activities requiring shareholder approval may be taken by obtaining the written consent and approval of more than 50% of the holders of voting stock in lieu of a meeting of the shareholders. No action by the minority shareholders in connection with the Proposals is required.

What corporate matters will the principal shareholders vote for and how will they vote?

Shareholders holding a majority of the outstanding stock have indicated that they will vote for the following matters:

- o For the approval of an amendment to the Company's Articles of Incorporation to increase the authorized shares of the Company's common stock from 200,000,000 to 5,000,000,000 shares. (see page 4).
- o For the approval of an amendment to the Company's Articles of Incorporation to authorize 10,000,000 shares of the Company's preferred stock. (see page 6).

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What vote is required to approve the proposals?

Increase Authorized Shares of Common Stock. For the approval of an amendment to the Company's Articles of Incorporation to increase the authorized shares of the Company's common stock from 200,000,000 to 5,000,000,000, the affirmative vote of a majority of the shares of common stock outstanding on the Record Date, or 22,082,501, will be required for approval. Shareholders holding in excess of 22,082,501 shares have indicated that they will vote for the approval of the amendment.

Authorize shares of preferred stock. For the approval of an amendment to the Company's Articles of Incorporation to authorize 10,000,000 shares of the Company's preferred stock, the affirmative vote of a majority of the shares of common stock outstanding on the Record Date, or 22,082,501, will be required for approval. Shareholders holding in excess of 22,082,501 shares have indicated that they will vote for the approval of the amendment.

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STOCK OWNERSHIP

Beneficial Owners

As of July 1, 2004 the Record Date, other than the persons identified below, no person owned beneficially more than five percent (5%) of the Company's common stock. Unless otherwise indicated, beneficial ownership is direct and the person indicated has sole voting and investment power. There are no other classes or series of capital stock outstanding. As of July 1, 2004, the Company had 44,165,000 shares of common stock outstanding.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

TITLE OF CLASS	NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND PERCENTAGE OF BENEFICIAL OWNERSHIP
Common	Bell Investments, LLC(2) 2033 Main Street - Suite 500 Sarasota, FL 34237	23,000,000

SECURITY OWNERSHIP OF MANAGEMENT

TITLE OF CLASS	NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND PERCENTAGE OF BENEFICIAL OWNERSHIP
Common	Earl Ingarfield(2) 2033 Main Street - Suite 500 Sarasota, FL 34237	23,000,000
ALL OFFICERS AND DIRECTORS AS A GROUP (1) PERSON		23,000,000

* Less than 1%.

(1) Applicable percentage of ownership is based on 44,165,000 shares of common stock outstanding as of July 1, 2004 for each stockholder. Beneficial ownership is determined in accordance within the rules of the Commission and generally includes voting of investment power with respect to securities. Shares of common stock subject to securities exercisable or convertible into shares of common stock that are currently exercisable or exercisable within 60 days of July 1, 2004 are deemed to be beneficially owned by the person holding such options for the purpose of computing the percentage of ownership of such persons, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

(2) Earl Ingarfield is the Manager of Bell Investments, LLC, and has the voting power and control over the 23,000,000 shares held by Bell

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Investments, LLC. Mr. Ingarfield is the President, Chief Executive Officer and sole Director of Reward Enterprises.

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PROPOSAL 1 - AMENDMENT TO THE ARTICLES OF INCORPORATION TO INCREASE THE COMPANY'S AUTHORIZED SHARES OF COMMON STOCK

The Company's sole director proposes an amendment to the Company's Articles of Incorporation to increase the number of authorized shares of common stock, par value \$0.001 per share, from 200,000,000 to 5,000,000,000 shares.

Purpose of Increasing Number of Authorized Shares of Common Stock

The Company's sole director believes that it is desirable to have additional authorized shares of common stock available for possible future financings, possible future acquisition transactions and other general corporate purposes. The Company's sole director believes that having such additional authorized shares of common stock available for issuance in the future should give the Company greater flexibility and may allow such shares to be issued without the expense and delay of a special shareholders' meeting. Although such issuance of additional shares with respect to future financings and acquisitions would dilute existing shareholders, the Company's sole director believes that such transactions would increase the value of the Company to its shareholders. The Company currently is not a party to any agreements or non-terminated letters of intent, nor is the Company currently contemplating the issuance of any shares of common stock for any future financing, any future acquisitions transactions or other general corporate purposes.

The non-binding letter of intent entered into by the Company to acquire all of the outstanding shares of common stock of Magna Yachts, Inc., a Canadian corporation, in exchange for the issuance of 1,100,000,000 shares of the Company's common stock to the current shareholders of Magna Yachts, Inc. was terminated by the parties on April 28, 2004.

The amendment to the Company's Articles of Incorporation provides for the authorization of 4,800,000,000 additional shares of the Company's common stock. As of July 1, 2004, 44,165,000 shares of the Company's common stock were issued and outstanding.

The amendment to the Company's Articles of Incorporation relating to the increase in authorized shares of common stock shall be filed with the Nevada Secretary of State so that Article VI of the Articles of Incorporation shall be, in part, as follows:

ARTICLE SIX- AUTHORIZED SHARES

The Corporation shall have the authority to issue Five Billion (5,000,000,000) shares of Common Stock, \$.001 par value per share....

There are certain advantages and disadvantages of voting for an increase in the Company's authorized common stock. The advantages include:

- o The ability to raise capital by issuing capital stock through possible financing transactions, if any.
- o To have shares of common stock available to pursue business expansion opportunities, if any.

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The disadvantages include:

- o Dilution to the existing shareholders, including a decrease in our net income per share in future periods. This could cause the market price of our stock to decline.

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PROPOSAL 2 - AMENDMENT TO THE ARTICLES OF INCORPORATION TO AUTHORIZE SHARES OF PREFERRED STOCK

The Company's sole director proposes an amendment to the Company's Articles of Incorporation to authorize 10,000,000 shares of preferred stock. The power to determine the voting powers, designations, preferences, limitations, restrictions and relative rights of each class or series of preferred stock shall be vested with the board of directors under the proposed amendment.

Purpose of Authorizing Shares of Preferred Stock

The Company's sole director believes that it is also desirable to have authorized shares of preferred stock available for possible future financings, possible future acquisition transactions and other general corporate purposes. The Company's sole director believes that having authorized shares of preferred stock available for issuance in the future should give the Company greater flexibility, as the voting powers, designations, preferences and rights of the shares of preferred stock, as well as the issuance of such shares of preferred stock may be established without the expense and delay of a special shareholders' meeting. Although such issuance of preferred shares with respect to future financings and acquisitions would dilute existing shareholders if the shares are convertible into shares of common shares, the sole director believes that such transactions would increase the value of the Company to its shareholders. The Company currently is not a party to any agreements or non-terminated letters of intent, nor is the Company currently contemplating the issuance of any shares of preferred stock for any future financing, any future acquisitions transactions or other general corporate purposes.

The amendment to the Company's Articles of Incorporation shall be filed with the Nevada Secretary of State so that Article VI of the Certificate of Incorporation shall be as follows:

ARTICLE SIX- AUTHORIZED SHARES

The Corporation shall have the authority to issue Five Billion (5,000,000,000) shares of Common Stock, \$.001 par value per share and Ten Million (10,000,000) shares of Preferred Stock, \$.001 par value per share. The Board of Directors is expressly vested the authority to determine and establish, from time to time by duly adopted resolution, the voting powers, designations, preferences, limitations, restrictions and relative rights of each class or series of preferred stock.

There are certain advantages and disadvantages of voting for the authorization of shares of preferred stock. The advantages include:

- o The ability to raise capital by issuing preferred stock under possible financing transactions, if any.
- o To have shares of preferred stock available to pursue business expansion opportunities, if any.

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The disadvantages include:

- o Dilution to the existing shareholders, which could cause the market price of our stock to decline.
- o The issuance of authorized but unissued preferred stock could be used to deter a potential takeover of the Company that may otherwise be beneficial to shareholders by diluting the shares held by a potential suitor or issuing shares to a shareholder that will vote in accordance with the desires of the Company's Board of Directors, at that time. A takeover may be beneficial to independent shareholders because, among other reasons, a potential suitor may offer such shareholders a premium for their shares of stock compared to the then-existing market price. The Company does not have any plans or proposals to adopt provisions or enter into agreements that may have material anti-takeover consequences.

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Description Of Securities

General

The Company's authorized capital consists of 200,000,000 shares of common stock, par value \$0.001 per share. At July 1, 2004, there were 44,165,000 outstanding shares of common stock and no authorized shares of preferred stock. Set forth below is a description of certain provisions relating to the Company's capital stock. For additional information, please refer to the Company's Articles of Incorporation and By-Laws and the Nevada General Corporate Laws.

Common Stock

Each outstanding share of common stock has one vote on all matters requiring a vote of the stockholders. There is no right to cumulative voting; thus, the holder of fifty percent or more of the shares outstanding can, if they choose to do so, elect all of the directors. In the event of a voluntary or involuntary liquidation, all stockholders are entitled to a pro rata distribution after payment of liabilities and after provision has been made for each class of stock, if any, having preference over the common stock. The holders of the common stock have no preemptive rights with respect to future offerings of shares of common stock. Holders of common stock are entitled to dividends if, as and when declared by the Board of Directors out of the funds legally available therefore at that time. It is the Company's present intention to retain earnings, if any, for use in its business. The payment of dividends on the common stock are, therefore, unlikely in the foreseeable future.

Warrants

The Company has no outstanding warrants.

Options

The Company has no outstanding options.

Dividends

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The Company has not declared or paid cash dividends on its common stock since its inception and does not anticipate paying such dividends in the foreseeable future. The payment of dividends may be made at the discretion of the Board of Directors at that time and will depend upon, among other factors, on the Company's operations, its capital requirements, and its overall financial condition.

Transfer Agent

Transfer Agent and Registrar. The Company's transfer agent is Pacific Stock Transfer Company, 500 East Warm Springs Road, Suite 240, Las Vegas, Nevada 89119. Its telephone number is (702) 361-3033.

Anti-Takeover Effects Of Provisions Of The Articles of Incorporation

Authorized And Unissued Stock. Authorized but unissued shares of common stock and preferred stock would be available for future issuance without our shareholders' approval. These additional shares may be utilized for a variety of corporate purposes including but not limited to future public or direct offerings to raise additional capital, corporate acquisitions and employee incentive plans. The issuance of such shares may also be used to deter a potential takeover of the Company that may otherwise be beneficial to shareholders by diluting the shares held by a potential suitor or issuing shares to a shareholder that will vote in accordance with the Company's Board of Directors' desires at that time. A takeover may be beneficial to shareholders because, among other reasons, a potential suitor may offer shareholders a premium for their shares of stock compared to the then-existing market price.

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The existence of authorized but unissued and unreserved shares of preferred stock may enable the Board of Directors at that time to issue shares to persons friendly to current management, which would render more difficult or discourage an attempt to obtain control of the Company by means of a proxy contest, tender offer, merger or otherwise, and thereby protect the continuity of the Company's management.

Additional Information

Incorporation by Reference. Certain financial and other information required pursuant to Item 13 of the Proxy Rules is incorporated by reference to the Company's Annual Report on Form 10-KSB for the year ended June 30, 2003, and the Company's Quarterly Report on Form 10-QSB for the three months ended March 31, 2004, which are being delivered to the shareholders with this information statement. In order to facilitate compliance with Rule 2-02(a) of Regulation S-X, one copy of the definitive information statement will include a manually signed copy of the accountant's report.

INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON

(a) No officer or director of the Company has any substantial interest in the matters to be acted upon, other than his role as an officer or director of the Company.

(b) As the Company currently has one director, no director of the Company has informed the Company that he intends to oppose the proposed actions to be taken by the Company set forth in this information statement.

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PROPOSALS BY SECURITY HOLDERS

No security holder has requested the Company to included any proposals in this information statement.

DELIVERY OF DOCUMENTS TO SECURITY HOLDERS SHARING AN ADDRESS

Only one information statement is being delivered to multiple security holders sharing an address unless the Company has received contrary instructions from one or more of the security holders. The Company shall deliver promptly upon written or oral request a separate copy of the information statement to a security holder at a shared address to which a single copy of the documents was delivered. A security holder can notify the Company that the security holder wishes to receive a separate copy of the information statement by sending a written request to the Company at 2033 Main Street, Suite 500, Sarasota, Florida 34237; or by calling the Company at (941) 373-0171 and requesting a copy of the Information Statement. A security holder may utilize the same address and telephone number to request either separate copies or a single copy for a single address for all future information statements and annual reports.

By Order of the Board of Directors

/s/ Earl Ingarfield

Earl Ingarfield
President, Chief Executive Officer and Director

Sarasota, Florida
July 1, 2004