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BGR CORP  
Form 10QSB  
February 17, 2004

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

FORM 10-QSB

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE  
ACT OF 1934

For quarterly period ended December 31, 2003

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE  
ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 000-26887

BGR Corporation  
(exact name of registrant as specified in its charter)

Nevada  
(State or other jurisdiction of  
incorporation or organization)

98-0353403  
(IRS Employer Identification No.)

7263 E. San Alfredo, Scottsdale, AZ  
(Address of principal executive offices)

85258  
(Zip Code)

Registrant's telephone number, including area code: (480) 596-4014

Indicate by check mark whether the registrant: (1) has filed all reports  
required by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during  
the preceding 12 months (or for such shorter period that the registrant was  
required to file such reports), and (2) has been subject to such filing  
requirements for the past 90 days. Yes  No

The number of shares of the Registrant's Common Stock, as of February 4, 2004:  
22,013,800.

BGR CORPORATION  
FORM 10-QSB, QUARTER ENDED DECEMBER 31, 2003

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BGR CORPORATION  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2003  
(UNAUDITED)

ASSETS

CURRENT ASSETS

Cash	\$ 159
Accounts receivable	7,926
Prepaid expenses	24,963
Advance to affiliate	1,000
	-----
Total current assets	34,048

INTANGIBLE ASSETS (from business acquisitions) 920,350

TOTAL ASSETS \$ 954,398

=====

LIABILITIES AND STOCKHOLDERS' EQUITY:

CURRENT LIABILITIES

Accounts payable	\$ 54,669
Note payable - current portion	\$ 90,925
Advances from affiliate	20,059
	-----
Total current liabilities	165,653

NOTES PAYABLE - long term portion 1,388,880

TOTAL LIABILITIES 1,554,533

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STOCKHOLDERS' DEFICIT:	
Common stock, \$0.0001 par value, 25,000,000 shares authorized, 22,013,800 shares issued and outstanding	2,201
Additional paid-in capital	1,002,116
Treasury stock	(1,130,000)
Deficit accumulated during the development stage	(474,452)
Total stockholders' deficit	(600,135)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 954,398

See accompanying notes to the financial statements.

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BGR CORPORATION  
(A DEVELOPMENT STAGE COMPANY)  
STATEMENTS OF OPERATIONS  
(UNAUDITED)

	FOR THE THREE MONTHS ENDED DECEMBER 31, 2003	FOR THE THREE MONTHS ENDED DECEMBER 31, 2002	FOR THE SIX MONTHS ENDED DECEMBER 31, 2003	FOR THE SIX MONTHS ENDED DECEMBER 31, 2002
INCOME	\$ 8,407	\$ 120	\$ 8,407	\$ 295
COST OF GOODS SOLD	4,975	--	4,975	--
Gross profit	3,432	120	3,432	295
COSTS AND EXPENSES:				
Personnel costs	9,765	--	9,765	--
General and administrative expense	258,434	12,753	391,244	35,633
Total	268,199	12,753	401,009	35,633
INCOME (LOSS) FROM OPERATIONS	(264,767)	(12,633)	(397,577)	(35,338)
INCOME TAXES	--	--	--	--
NET INCOME (LOSS)	\$ (264,767)	\$ (12,633)	\$ (397,577)	\$ (35,338)
NET INCOME (LOSS) PER COMMON SHARE				
Basic	\$ (0.01)	\$ *	\$ (0.01)	\$ *
Diluted	\$ (0.01)	\$ *	\$ (0.01)	\$ *
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING (BASIC AND DILUTED)	21,557,527	34,573,800	27,934,157	34,573,800

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\* - less than \$0.01 per share

See accompanying notes to the financial statements.

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BGR CORPORATION  
(A DEVELOPMENT STAGE COMPANY)  
STATEMENTS OF CASH FLOWS  
(UNAUDITED)

	FOR THE SIX MONTHS ENDED DECEMBER 31, 2003 -----	FOR THE SIX MONTHS ENDED DECEMBER 31, 2002 -----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss)	\$ (397,577)	\$ (35,338)
Adjustments to reconcile net income to net cash used in operating activities:		
Common stock issued as consideration for services	347,466	--
Write-off of Loan from Shareholder	--	--
Changes in assets and liabilities (net of business acquisition):		
Accounts receivable	2,307	--
Inventories	13,567	--
Prepaid expenses	(24,963)	--
Accounts payable and accrued liabilities	(18,319)	(34,474)
	-----	-----
Net cash used in operating activities	(77,519)	(69,812)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash acquired in business combination	3,619	--
Advances to affiliate	(1,000)	--
	-----	-----
	2,619	--
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of advances from shareholder	--	--
Proceeds from advances from shareholder	20,059	--
Common stock issued for cash	55,000	--
	-----	-----
	75,059	--
	-----	-----
INCREASE IN CASH AND EQUIVALENTS	159	(69,812)
CASH AND EQUIVALENTS, BEGINNING OF PERIOD	--	73,772
	-----	-----
CASH AND EQUIVALENTS, END OF PERIOD	\$ 159	\$ 3,960
	=====	=====
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	\$ --	\$ --
	=====	=====
Income taxes paid	\$ --	\$ --
	=====	=====

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NON-CASH INVESTING AND FINANCING ACTIVITIES:

Note payable issue to acquire business	\$ 349,805	\$ --
	=====	=====
Common stock issued to acquire businesses	\$ 525,000	\$ --
	=====	=====
Common stock issued to acquire treasury stock	\$ 1,130,000	\$ --
	=====	=====

See accompanying notes to the financial statements.

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BGR CORPORATION  
(A DEVELOPMENT STAGE COMPANY)  
NOTES TO UNAUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 2003

1. ORGANIZATION AND BASIS OF PRESENTATION

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and the instructions for Form 10-QSB and Regulation S-B. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. All adjustments that, in the opinion of management are necessary for a fair presentation of the results of operations for the interim periods have been made and are of a recurring nature unless otherwise disclosed herein. The results of operations for the three and six months ended December 31, 2003 are not necessarily indicative of the results that will be realized for the entire fiscal year. These financial statements should be read in conjunction with the Company's Annual Report on Form 10-KSB for the year ended June 30, 2003.

BGR Corporation (the "Company") a Nevada corporation, was incorporated on July 6, 2001. The Company is a development stage enterprise with a fiscal year ending June 30. The Company was formerly named Cortex Systems, Inc. The Company intends to develop and franchise casual dining restaurants. The Company is seeking to acquire assets within this industry and has acquired the rights to at least one concept. To date, the Company has had no revenues associated with these activities.

The Company faces many operating and industry challenges. There is no meaningful operating history to evaluate the Company's prospects for successful operations. Future losses for the Company are anticipated. The proposed plan of operations would include seeking an operating entity with which to merge. Even if successful, a merger may not result in cash flow sufficient to finance the continued expansion of a business.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As mentioned above, the Company intends to seek a merger candidate but has not yet identified possible candidates nor has the Company obtained capital needed to achieve management's plans and support its operations and there is no assurance that the Company will be able to raise such financing. These factors raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from this uncertainty.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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CASH AND CASH EQUIVALENTS - Cash and cash equivalents include all short-term liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less.

INCOME TAXES - The Company provides for income taxes based on the provisions of Statement of Financial Accounting Standards No. 109, ACCOUNTING FOR INCOME TAXES, which among other things, requires that recognition of deferred income taxes be measured by the provisions of enacted tax laws in effect at the date of financial statements.

USE OF 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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INCOME (LOSS) PER COMMON SHARE - Basic income per share is computed using the weighted average number of shares of common stock outstanding for the period. The Company has a simple capital structure and therefore there is no presentation for diluted loss per share.

### RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS -

In October 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations," which requires companies to record the fair value of a liability for asset retirement obligations in the period in which they are incurred. The statement applies to a company's legal obligations associated with the retirement of a tangible long-lived asset that results from the acquisition, construction, and development or through the normal operation of a long-lived asset. When a liability is initially recorded, the company would capitalize the cost, thereby increasing the carrying amount of the related asset. The capitalized asset retirement cost is depreciated over the life of the respective asset while the liability is accreted to its present value. Upon settlement of the liability, the obligation is settled at its recorded amount or the company incurs a gain or loss. The statement is effective for fiscal years beginning after June 30, 2002. The Company does not expect the adoption to have a material impact to the Company's financial position or results of operations.

In October 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". Statement 144 addresses the accounting and reporting for the impairment or disposal of long-lived assets. The statement provides a single accounting model for long-lived assets to be disposed of. New criteria must be met to classify the asset as an asset held-for-sale. This statement also focuses on reporting the effects of a disposal of a segment of a business. This statement is effective for fiscal years beginning after December 15, 2001. The Company does not expect the adoption to have a material impact to the Company's financial position or results of operations.

In July 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated With Exit or Disposal Activities". This Standard requires costs associated with exit or disposal activities to be recognized when they are incurred. The requirements of SFAS No. 146 apply prospectively after December 31, 2002, and as such, the Company cannot reasonably estimate the impact of adopting these new rules.

In December 2002, the FASB issued SFAS No. 148, Accounting for Stock-Based Compensation - Transaction and Disclosure, which provides alternative methods

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of transition for a voluntary change to fair value based method of accounting for stock-based employee compensation as prescribed in SFAS 123, Accounting for Stock-Based Compensation. Additionally, SFAS No. 148 requires more prominent and more frequent disclosures in financial statements about the effects of stock-based compensation. The provisions of this statement are effective for fiscal years ending after December 15, 2002, with early application permitted in certain circumstances.

In November 2002, the FASB issued Interpretation No. 45 ("FIN 45"), Guarantor's Accounting and Disclosure Requirements for Guarantees, including Indirect Guarantees of Indebtedness of Others. FIN 45 requires a company, at the time it issues a guarantee, to recognize an initial liability for the fair value of obligations assumed under the guarantees and elaborates on existing disclosure requirements related to guarantees and warranties. The initial recognition requirements are effective for the Company during the third quarter ending March 31, 2003. The adoption of FIN 45 did not have an impact on the Company's financial position or results of operations.

In January 2003, the FASB issued FASB Interpretation No. 46 ("FIN 46"), Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51. FIN 46 requires certain variable interest entities to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do

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not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN 46 is effective for all new variable interest entities created or acquired after January 31, 2003. For variable interest entities created or acquired prior to February 1, 2003, the provisions of FIN 46 must be applied for the first interim or annual period beginning after June 15, 2003. The adoption of FIN 46 did not have an impact on the Company's financial position or results of operations.

### 3. CAPITAL STOCK

The Company declared a 6 for 1 stock split during the year ended June 30, 2003. The number of shares presented in these financial statements has been retroactively restated for all periods to reflect this stock split.

During the three months ended September 30, 2003, the Company sold 125,000 shares of its common stock for \$55,000. In connection with this sale of common stock, the Company also granted 137,500 warrants to acquire the Company's common stock at \$0.50 per share.

Also during the three months ended September 30, 2003, the Company granted 275,000 shares of its common stock to consultants as consideration for services rendered. The shares were valued at the trading price of the common shares aggregating to \$99,966.

Additionally, during the three months ended December 31, 2003, the Company granted 675,000 shares of its common stock to consultants as consideration for services rendered. The shares were valued at the trading price of the common shares aggregating to \$247,500.

The Company reacquired 15,535,000 shares of its common stock in the three month period ended December 31, 2003. The Company entered into an agreement to acquire all of the outstanding shares of "ICEBERG FOOD SYSTEMS, CORP." ("IFSC"). IFSC was owned by a former officer and director of the Company. The only holdings of IFSC were 30,000,000 shares of the Company's common stock. As part of the agreement, IFSC distributed 14,465,000 shares of the Company's

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common stock to its shareholder. IFSC then became a wholly owned subsidiary of the Company with its only holdings being the remaining 15,535,000 shares of the Company's common stock. Effectively, the transaction was an acquisition of treasury stock by the Company. In exchange, the Company would assume a commitment to raise capital and develop the Iceberg Drive-In concept. The rights to develop that concept were previously held by IFSC. The Company is to assist IFSC in providing up to \$1,130,000. The Company has accounted for this transaction as an acquisition of treasury stock through the issuance of a note payable of \$1,130,000.

In conjunction with the transactions discussed in Note 4, the Company issued an aggregate of 1,750,000 shares of its common stock.

#### 4. BUSINESS ACQUISITIONS

In the three month period ended December 31, 2003, the Company entered into an agreement to acquire all of the outstanding voting shares of Deville, Inc., a developer of "LUCKY LOU'S" restaurants, offering to the public steaks, hamburgers, sandwiches, pasta, beverages, including alcohol, french fries and other limited-menu casual food restaurant items. The terms of the purchase agreement, require the issuance of 1,000,000 of the Company's common shares and a note payable with a face amount of \$400,000. The note was discounted at 8% on the basis of its repayment terms resulting in a principal

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amount of \$349,805. The terms also call for an ongoing payment to the seller based on royalty revenues generated from "LUCKY LOU'S" restaurants. The total purchase price of Deville was \$649,805. There were no tangible assets or liabilities acquired in the purchase.

Also in the three month period ended December 31, 2003, the Company entered into an agreement to acquire all of the outstanding voting shares of Fathom Business Systems, Inc. ("FBS"). FBS specializes in the sale, installation and service of restaurant 'Point-of-Sale' equipment. FBS was a single employee business. The Company issued 750,000 shares of its common stock to acquire all of the outstanding shares of FBS. On the basis of the trading price of the Company's common stock at the time of the acquisition, the purchase price was \$225,000. The purchase price was allocated as follows:

Cash	\$ 3,619
Accounts receivable	10,232
Inventory	13,567
Accounts payable	(72,963)
Intangible assets	270,545
	-----
	\$ 225,000
	=====

All revenue recognized in the three months ended December 31, 2003 relate to services provided by the Fathom subsidiary.

In connection with both of these acquisitions the Company is in the process of allocating the purchase price in excess of the tangible assets and liabilities acquired. It is probable that the amounts allocated to intangible assets will be reallocated among depreciated and non-depreciated assets.

#### 5. NOTES PAYABLE

The Company issued a note payable to the owner of Deville, Inc. in connection with the acquisition of that company. The note has a stated face value of



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\$400,000 and stated interest rate of 8% per annum. The note is unsecured. The note calls for quarterly payments of \$40,000 beginning on June 30, 2004. When the payment stream is discounted at 8%, the discounted principal balance of the note is \$349,805.

The Company issued a note payable in the amount of \$1,130,000 in connection with the purchase of IFSC as described in Note 3. There are no repayment terms nor is there a stated interest rate.

### ITEM 2. MANAGEMENT'S DISCUSSION AND PLAN OF OPERATION

#### FORWARD LOOKING STATEMENTS

This Quarterly Report contains forward-looking statements about the Company's business, financial condition and prospects that reflect its assumptions and beliefs based on information currently available. The Company can give no assurance that the expectations indicated by such forward-looking statements will be realized. If any of the Company's assumptions should prove incorrect, or if any of the risks and uncertainties underlying such expectations should materialize, its actual results may differ materially from those indicated by the forward-looking statements.

The key factors that are not within the Company's control and that may have a direct bearing on operating results include, but are not limited to, The availability of a suitable merger candidate, the acceptance of the Company's or services when they have been identified, its ability to raise capital in the future, and the retention of key employees.

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There may be other risks and circumstances that the Company may be unable to predict. When used in this Quarterly Report, words such as, "believes," "expects," "intends," "plans," "anticipates," "estimates" and similar expressions are intended to identify forward-looking statements, although there may be certain forward-looking statements not accompanied by such expressions. All forward-looking statements are intended to be covered by the safe harbor created by Section 21E of the Securities Exchange Act of 1934.

#### GENERAL

The Company was formed as a Nevada corporation on July 6, 2001 under the name Cortex Systems, Inc. They were originally a development stage company that intended to establish memory clinics in several different locations in North America. Unfortunately, the Company was unable to successfully execute its business plan. In July of 2003, the Company changed its name to BGR Corporation.

Along with the name change, came a new management and ownership team. The intention of management is to acquire new innovative fast-casual restaurant concepts, develop them into a profitable working design, and franchise them across the country. The Corporation is currently developing a team of principles that have extensive experience in the industry that consist of professional restaurant designers, franchisers, and professionals in restaurant management.

#### PLAN OF OPERATION

On October 7th of 2003, the Company entered into an agreement with Iceberg Food Systems Corp. As per the agreement, the Company acquired a controlling interest of all the issued and outstanding shares of Iceberg Food Systems Corp. In exchange the Company will provide up to one million one hundred and thirty thousand dollars that Iceberg Food Systems Corp is currently seeking for the acquisition of a fast-casual restaurant concept. As part of the agreement, Iceberg Food Systems Corp cancelled fifteen million five hundred and thirty-five

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thousand shares of BGR Corporation common stock that was controlled by Iceberg Food Systems Corp.

On November 1st of 2003, the Company acquired Deville, Inc. and its Lucky Lou's concept. Lucky Lou's is a new fast casual restaurant concept with its first restaurant opening in March of 2004. Current plans are to open four more within the next fourteen months. Lucky Lou's will sport a Las Vegas style decor with polished concrete floors, dark wood, an open horseshoe bar, plenty of televisions for viewing sporting events, a comfortable sound system for music, and a beautiful roulette wheel behind the bar that will provide a bustling atmosphere for all to enjoy. In addition, an open kitchen along the back end of the bar will allow the customer to see the quality that goes into preparing each and every meal. Their quality menu will consist of hand-cut steaks, homemade soups, fresh sandwiches, burgers, and onion rings, cut and battered fresh daily. Dr. Collin Campbell, CFO for BGR Corporation, is a controlling share holder of Deville, Inc. BGR Corporation looks to start selling franchises the summer of this year.

On November 4th of 2003 the Company acquired Fathom Business Systems. Fathom Business Systems is a company specializing in restaurant point of sales equipment. This equipment is designed for the restaurant staff in mind and is very user friendly. In addition, the equipment can easily be networked so all receipts can be monitored from one central location. Fathom generates additional revenue by providing its customers with the supplies and service needed for the equipment.

On January 20th of this year the Company contracted with American Restaurant Development Corporation (ARDC) to grow restaurant concepts into a fully viable franchise system and to expand each restaurant concepts nationwide. The management of ARDC has been active in franchising for the past nine years. They have opened or sold the rights to others to open over 1,000 units, generating over \$400 million in cumulative sales. In doing so, they built a database of highly qualified franchisees and created systems and models to guide the franchises through the startup phase and ongoing processes. Realizing that this

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knowledge and contact base was a valuable resource for new and expanding franchise organizations ARDC set out to provide development services across multiple concepts simultaneously, versus one at a time by combining this proven dynamic sales engine with a scalable franchise development system. Built from ARDC's managements prior success at franchise development, the idea of BGR Corporation is simply to grow several of restaurant concepts at the same time.

On February 2nd of this year the Company signed an Operating Agreement with AZTECA Wrap Foods, LLC. (AZTECA). AZTECA is the owner and operator of KoKopelli's Mexican Grill. KoKopelli's is a fast casual Mexican restaurant specializing in made-to-order burritos, tacos, and other Mexican favorites. Customers choose from freshly grilled chicken, steak, shrimp and fish and proceed down the ordering line while their order is being prepared in front of them. For those customers that are concerned about their health and waistline, KoKopelli's offers a "Heart Smart" menu and is currently looking to add an Atkins friendly menu as well. The Mexican fast-casual concept was brought to BGR Corporation by ARDC. As per the Agreement, BGR Corporation will establish a new company that is equally controlled by both parties of the Agreement and provide the monies needed to start the immediate sale of franchises through ARDC. AZTECA will provide exclusive rights of the KoKopelli name, trade marks, trade dress, operating system and recipes to the newly formed company.

In addition to the acquisitions, the Company has appointed several new members as officers and to the Board of Directors who have substantial backgrounds in the restaurant and franchise industry. They include Dr. Colin Campbell as CFO.

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Dr. Campbell is the founder and President of Campbell and Company Financial Group Inc., an accounting and financial consulting firm in Scottsdale, Arizona. He has spent years in developing business plans, structuring business financial operations, administering budgets and carrying out all aspects of accounting and audits for a broad range of clients. His firms' primary emphasis has become corporate turn arounds with a special focus on clients in the restaurant and bar business.

Dr. Campbell was formerly an Institutional Bond trader with Prudential Bache Securities and is currently an adjunct professor of finance and accounting at the University of Phoenix.

Dr. Campbell has a Bachelor of Arts Degree in Economics from the University of Calgary, a Masters of Business Administration from the University of Miami (FL.) and a Doctorate of Business Administration from California Coast University.

Appointed to the Board of Directors was Louis Lukens and James M. Medeiros. Mr. Lukens has over twenty years experience in the restaurant and franchise industries. Over fourteen years with Carlson Restaurants Worldwide Inc. Carlson Restaurants is an 875 Million dollar company with over 700 restaurants worldwide including Pick-up Stix and casual restaurant giant TGI Fridays. Mr. Lukens has extensive experience in restaurant operations and training, menu development, financial budgeting, facility design, restaurant layouts, workflow design, and inventory control. Areas of special expertise include building operating systems, team building, and management. Mr. Lukens has been a driving force in the restaurant and bar industry in the Phoenix metro area for the past twenty years.

Mr. Medeiros has over twenty-five years experience in the restaurant industry. He has work in many capacities including general manager, bar manager, assistant manager, and corporate trainer for restaurant chains Pizza Hut, Roy's Restaurants, and Huggo's Restaurant to name a few. Mr. Medeiros is the founder and president of Fathom Business Systems. Fathom Business Systems sells equipment for the restaurant industry.

The Company had revenue of \$8,407 for the three months ending December 31, 2003. This revenue relates to services provided by the new Fathom business unit.

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Total general and administrative operating expenses for the three months ending December 31, 2003 were \$391,244. This increase from the prior quarter was due to a significant increase in consulting fees, which were primarily paid through the issuance of the Company's common stock..

The Company recorded a net loss for the three months ending December 31, 2003 of \$397,577. This loss was primarily due to the expense related to the issuance of stock to various consultants. The consultants provide such services and advice to the Company in business development, business strategy and corporate image. Without limiting the generality of the foregoing, Consultant will also assist the Company in developing, studying and evaluating acquisition proposals, prepare reports and studies thereon when advisable, and assist in matters of executive compensation and discussions pertaining thereof.

The Company has allocated the excess of the purchase price of Deville and Fathom over the amounts allocated to tangible assets acquired and liabilities assumed as intangible assets. The Company is in the process of analyzing that amount to determine what amounts are to be allocated to intangible assets that can be identified and recognized as assets apart from goodwill. Consequently, there will likely be a reallocation of the amount reported as intangible assets on the accompanying balance sheet as of December 31, 2003.

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### LIQUIDITY AND CAPITAL RESOURCES

The Company experienced a cash outflow of \$77,519 from continuing operations during the six months ending December 31, 2003, as compared to a net of \$69,812 during the six months ending December 31, 2002. The Company will need to provide Fathom with approximately \$60,000 in the next quarter. These funds will be used to settle its current liabilities and for Fathom to accelerate its ramp up.

The Company did not purchase assets with cash during the three months ending December 31, 2003. Although, the Company has assumed a note in the amount of \$400,000 due to One Husker One Cane from Deville, Inc., a wholly owned subsidiary of BGR Corporation. It is the Company's intention to settle this note before the end of this year. In addition the Company has agreed to provide Iceberg Food Systems Corporation with \$1,130,000 as per the agreement between the Company and Iceberg Food Systems Corporation. Due to changes in Iceberg Food Systems need for the \$1,130,000, BGR Corporation and Iceberg Food Systems are currently discussing other alternatives in settling this commitment. The Company is currently seeking \$1,000,000 through a Private Placement Memorandum. Several investors have shown interest and funds are expected to be available before the end of the Company's third quarter.

The Company will continue to attempt to raise additional equity capital to fund the operations of the businesses it has recently acquired.

### GOING CONCERN

For the next three months, the Company expects to incur greater overhead that may be attributable to hiring additional employees, as necessary, and higher related office expenses. The Company also expects to increase investments, which may strain its cash position. The Company does not have sufficient financial resources to support an increased level of operations for the next 3 months if it does not generate sufficient revenues and/or if it fails to raise equity capital as appropriate. Based on current information on hand and the Company's latest expectation of its operations for the next 3 months, there is a potential going concern issue.

The Company cannot give assurance that it can generate the cash it needs for the next 3 months. There may be a shortfall in cash if the Company fails to do so. The Company may need to obtain additional financing in the event that it is unable to realize sufficient revenue. Furthermore, the Company's ability to satisfy the redemption of future debt obligations that it may enter into will be primarily dependent upon the future financial and operating performance of the Company. Such performance is dependent upon financial, business and other general economic factors, many of which are beyond the Company's control. If the

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Company is unable to generate sufficient cash flow to meet its future debt service obligations or provide adequate long-term liquidity, the Company will have to pursue one or more alternatives, such as reducing or delaying capital expenditures, refinancing debt, selling assets or operations or raising equity capital. There can be no assurance that such alternatives can be accomplished on satisfactory terms, if at all, or in a timely manner. If the Company does not have sufficient cash resources when needed, the Company will not be able to continue operations as a going concern.

### ITEM 3. CONTROLS AND PROCEDURES

The Registrants principal executive officer, Jerry Brown, and principal financial officer, Dr. Colin Campbell, after reviewing and evaluating Registrant's disclosure controls and procedures within 90 days prior to the filing of this report have concluded that the Registrant's disclosures and

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procedures contained no significant deficiencies or material weakness. There have been no significant changes in internal controls that could significantly affect these controls subsequent to the date of their evaluation, including corrective actions.

### PART II -- OTHER INFORMATION

#### ITEM 1. LEGAL PROCEEDINGS

None

#### ITEM 2. CHANGES IN SECURITIES

Since September 19th, 2003 the Company has issued 775,000 shares of the Company's S-8 stock to various consultants. In addition, the Company has issued 2,525,000 shares of the Company's restricted common stock to various individuals including officers.

#### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

#### ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

#### ITEM 5. OTHER INFORMATION

None

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#### ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

##### EXHIBIT NUMBER

##### NAME AND/OR IDENTIFICATION OF EXHIBIT

31.1	Certification of Chief Executive Officer Pursuant to the Securities Exchange Act of 1934, Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer Pursuant to the Securities Exchange Act of 1934, Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

##### DATE FILED

##### ITEMS DISCLOSED IN REPORT ON FORM 8-K AND 8-K/A

07/02/2003	Item 1 - Changes in Control of Registrant Item 5- Other Events
08/22/2003	Item 4 - Change in Registrant's Certifying Account Item 5 - Other Events
09/10/2003	Item 5 - Other Events

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09/12/2003      Item 4 - Change in Registrant's Certifying Account

11/04/2003      Item 2 - Acquisition or Disposition of Assets  
Item 5 - Other Events  
Item 6 - Resignation of Registrant's Directors  
Item 7 - Financial Statements and Exhibit

01/06/2004      Item 5 - Other Events  
Item 6 - Resignation of Registrant's Directors

02/04/2004      Item 5 - Other Events  
Item 7 - Exhibit

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SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BGR Corporation  
(Registrant)

Signature -----	Title -----	Date ----
/s/ Colin Campbell ----- Colin Campbell	Chief Financial Officer	February 13, 2004

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.

Signature -----	Title -----	Date ----
/s/ Jerry Brown ----- Jerry Brown	President	February 13, 2004
/s/ Louis Lukens ----- Louis Lukens	Secretary	February 13, 2004
/s/ Colin Campbell ----- Colin Campbell	Treasurer	February 13, 2004

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