

RAINWIRE PARTNERS INC /DE/

Form 10KSB

May 13, 2002

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-KSB

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended: December 31, 2001

Commission file number: 0 23892

RAINWIRE PARTNERS, INC.

(Exact Name of Registrant as specified in its Charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

57-0941152
(I.R.S. Employer Identification Number)

2020 Federal Road
Roswell, Georgia 30075
(Address of principal executive offices of Incorporation or organization and zip code)

Issuer's telephone number: (770) 643-9094
(Registrants telephone number, including area code)

Securities registered under Section 12(b) of the Exchange Act: None.
Securities registered under Section 12(g) of the Exchange Act: Common Stock, par value \$0.001 per share

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities and 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 last 90 days.

YES

NO

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At December 31, 2001, 9,909,886 shares of the Registrant's Common Stock were issued outstanding and the estimated aggregate market value of the Registrant's outstanding common stock held by non-affiliates of the Registrant was approximately \$292,224.

Check if disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of the 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.

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Goodwill was recorded in 1999 in connection with the acquisition of i20, Inc. by RPIG. It was being amortized over a 10 year period. During late 2000 this asset became impaired and was written off as of December 31, 2000, due to the discontinued operations of the business. Amortization expense for goodwill for 2000 was \$25,143.

SUBSIDIARIES OF RAINWIRE

CONSENT OF BRAVERMAN & COMPANY, P.C.

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PART I

I. Description of Business.

A. Recent Developments

In February, 2001, Rainwire Partners, Inc. (Rainwire or the Company) and Oasis Group, Inc., a Georgia corporation (Oasis), began discussions concerning the use of Rainwire as a reverse merger vehicle to position Oasis in the public market. These initial discussions did not result in any agreements. After exploring similar agreements with other parties, the Company re-entered discussions with Oasis in July, 2001.

On August 29, 2001, Rainwire and Oasis completed negotiations and the Share Exchange Agreement was signed. It is a non-binding agreement subject to the completion of due diligence and exchange of Schedules outlined in the Share Exchange Agreement.

Upon execution of the Share Exchange Agreement, Walter H. Elliott, the President and a director of the Company resigned, and Ronald A. Potts was elected to the Board of Directors of the Company and was appointed President and Chief Executive Officer of the Company. Additionally, Mike McLaughlin and John Hill were elected to the Board of Directors and Peggy Evans was appointed Chief Financial Officer.

Furthermore, upon execution of the Share Exchange Agreement, the Company issued 12,000,000 shares of its common stock to Osprey Investments, LLC (of which Lyne Marchessault is the sole member) in satisfaction of loans in the principal amount of \$60,000.

On November 12, 2001, at the advice of corporate legal counsel, Ronald A. Potts resigned as President, Chief Executive Officer, and Chairman of the Board and as a director of Rainwire. In addition, Lyne Marchessault resigned as Secretary and a director of Oasis and John Hill and Michael Mc Laughlin resigned as directors of Oasis.

On December 19, 2001, the Board of Directors of Rainwire and Oasis approved an amended Share Exchange Agreement (the Amended Share Exchange Agreement), which was executed by the parties.

The Company filed a Registration Statement/Information Statement/Proxy Statement on Form S-4 on January 14, 2002 (the Registration Statement), to inform the remaining shareholders of the majority s decision, and for the shareholders of Oasis to vote on the transaction. The Company is currently responding to comments from the Securities and Exchange Commission regarding the Registration Statement.

B. Business Development.

The Company was incorporated on May 10, 1991 in Delaware for the purpose of consolidating the operations of Azimuth, Inc. (a fully accredited AIHA Industrial Hygiene Laboratory for testing asbestos, metals and organic vapors) and certain of its

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former environmental products businesses and acquiring the assets of four general partnerships which were then leasing real estate and laboratory and other equipment to Azimuth and the products businesses. The Company formerly had three operating subsidiaries: Trico Environmetrics, Inc. (Trico), Envirometrics Products Company (EPC) and Azimuth, Inc.

In 1996, the Company entered into a Turnaround phase, and all of the Company's former operations were divested by the year 2000.

During the course of the Company's Turnaround phase, the Company explored alternative plans for growth that included the identification of companies in other markets which had greater growth potential than the Environmental, Health and Safety Market. In September, 1999, the Company was introduced to The Catapult Group, Inc., a Georgia corporation (Catapult), which was an Internet integration firm offering intelligent end-to-end e-business solutions to large and middle-market organizations. In February 2000, the Company and Catapult reached terms that each felt were fair to the parties and entered into a non-binding agreement whereby Rainwire would acquire Catapult, which became binding on March 8, 2000.

Prior to the closing of the Catapult Exchange Agreement, on July 26, 2000, Registrant effected a 10:1 reverse split of its outstanding common stock, issued 5,555,064 shares of its common stock to purchase all of the outstanding common stock of Catapult, changed its name to The Catapult Group, Inc. and increased its authorized shares from Ten Million (10,000,000) to Twenty Million (20,000,000). An amendment to Registrant's Certificate of Incorporation reflecting such changes was filed with the Secretary of State of Delaware on July 26, 2000. Upon completion of the Catapult Exchange Agreement, Catapult became a wholly owned subsidiary of the Company and the shareholders of Catapult became owners of approximately 90% of the outstanding shares of Common Stock of the Company. The Company subsequently changed its name to Rainwire Partners, Inc.

On December 31, 2000, management adopted a plan to discontinue the operations of the Company and to liquidate its assets.

C. *Business of Issuer.*

Upon completion of the Share Exchange with The Catapult Group, Inc., Rainwire's business became that of an Internet integration firm offering intelligent end-to-end e-business solutions to large and middle-market organizations. Rainwire's e-business operations were unsuccessful, and as a result of the incurring of significant losses, Rainwire adopted a plan to discontinue the operations of the Company and to liquidate its assets as of December 31, 2000. Additionally, as of that date, Rainwire began to explore alternative plans for growth, which included the identification of companies in markets that had greater growth potential than the market for e-business solutions.

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After exploring a number of options for acquisition or merger, on August 29, 2001, Rainwire entered into a Share Exchange Agreement with Oasis, which was amended on December 19, 2001. Upon completion of the Share Exchange, Rainwire's business will consist of the business plan of Oasis, which includes the acquiring, owning and developing of parcels of undeveloped property.

In the event that the Share Exchange, and its included transactions, is not completed, the future of Rainwire is in serious doubt. Given our current financial position we are unable to effectively continue to operate our present business for any extended period into the future. In the absence of our closing the Share Exchange, it is most likely that we will be forced effect a liquidation of Rainwire within the next three months. In the judgment of the Board of Directors, the result of such a liquidation, whether or not voluntary, would result in less value to shareholders than completion of the Share Exchange and its included transactions due to the opportunities that such transactions present to our shareholders and to Rainwire.

D. *Employees.*

Presently, the Company has two full time employees in addition to executive officers. The Company had two employees at December 31, 2001.

II. **Description of Property.**

The Company presently has no office facilities but for the time being will use as its business address the office of Ms. Evans, our Chief Financial Officer, on a rent free basis, until such time as our business operations may require more extensive facilities and we have the financial ability to rent commercial office space. There is presently no formal agreement for the use of these facilities, and we can make no assurance that these facilities will be available to us on this basis for any specific length of time.

III. **Legal Proceedings.**

The Company is involved with several legal actions, principally as defendant. These actions involve outstanding liabilities of the Company including those of subsidiaries. Following are four such actions.

On or about February 13, 2001, a complaint was filed in *Miller v. Envirometrics, Inc.* (Case No. 01-CP-10-562) in the Common Pleas Court of Charleston County alleging that Azimuth Laboratory, Inc., a subsidiary of Envirometrics, violated provisions of its lease, damaged the leasehold, and abandoned hazardous waste on the site. Miller seeks recovery in excess of One Hundred Thirty Thousand and 00/100 (\$130,000.00) Dollars. The parties are in serious settlement negotiations.

On or about September 27, 2001, we filed a complaint in *Rainwire Partners, Inc. v. Risk Technologies and Richard Bennett* (Case No. 01-CP-10-3749) in the Common Pleas Court of Charleston County. The suit seeks collection of sums owed Rainwire pursuant to a Promissory Note in the amount of Twenty Thousand Three Hundred Seventy-Five and 84/100 (\$20,375.84) Dollars plus interest. Defendants filed a counterclaim, asserting an assignment valued at Twenty-One Thousand Three Hundred and 00/100 (\$21,300.00) Dollars from Shakespeare Partners, L.P. for shares of stock and monies due Shakespeare.

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On or about October 2, 2001, a complaint was filed in Courtyards on King, LLC v. Rainwire (Case No. 01-CP-10-3826) in the Common Pleas Court of Charleston County for violation of a lease seeking an unspecified sum. Rainwire filed a Counterclaim for damages against both Courtyards and Christopher Price, its agent, for Conversion of Properties belonging to Rainwire Partners, Inc.

IV. Submission of Matters to a Vote of Security Holders.

On December 20, 2001, the Share Exchange Agreement and related documents were approved by the written consent of a majority of the shareholders of Rainwire representing 3,712,811 shares of the issued and outstanding common stock and all of the issued and outstanding shares of Series D Preferred stock.

No other matters were submitted to our security holders for a vote during the fiscal year ending December 31, 2000.

PART II

V. Market For Registrant's Common Equity And Related Stockholder Matters.

A. Market information.

On April 14, 2001, our common stock was delisted from the OTC Bulletin Board and until January, 2002, the our common stock was traded on the pink sheets. Beginning on January 21, 2002, the Registrant's common stock was listed on the OTC Bulletin Board under the symbol RNWR. On May 2, 2002, the last sale price of a share of the Company's common stock on the OTC Bulletin Board was \$0.02.

The following table sets forth the high and low bid prices for the Common Stock as reported in the trading media and for the periods reflected above for each fiscal quarter commencing January, 2000 through March, 2002. The quotations listed below reflect inter-dealer prices, without retail mark-up, mark-down or commissions and do not necessarily represent actual transactions.

	<u>High</u>	<u>Low</u>
2000		
First Quarter		
\$0.35	\$0.08	
Second Quarter		
0.375	0.06	
Third Quarter*		
4.25	2.00	
Fourth Quarter		
2.50	0.50	

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	<u>High</u>	<u>Low</u>
2001		
First Quarter		
0.22	0.08	
Second Quarter		
0.07	0.01	
Third Quarter		
0.15	0.01	
Fourth Quarter		
0.16	0.05	
2002		
First Quarter		
0.08	0.05	

The common stock of the Company was consolidated 10 for 1 in July, 2000.

B. *Holdings.*

On December 31, 2001 there were approximately 103 shareholders of record the Company's common stock, based on information provided by the Company's transfer agent. This number may not include individuals whose shares are held in street names.

C. *Dividends.*

The Company has never paid dividends on its Common Stock and does not anticipate that it will do so in the foreseeable future. For the foreseeable future any future earnings or funds otherwise available, if any, for the payment of dividends will be used to pay dividends on the outstanding Preferred Stock or for reinvestment in the Company's business. Any future determination to pay cash dividends on the Common Stock will be at the discretion of the Board of Directors and will reflect such other factors (including contractual requirements) as the Board of Directors deem relevant.

As of December 31, 2001, there were 24,959 shares of Series C preferred stock issued and outstanding, and 500,000 shares of Series D preferred Stock issued and outstanding.

D. *Recent Sales of Unregistered Securities.*

In April, 2000, the Registrant issued 6250 shares of its common stock to Curtis Bostic in settlement of a prior accounts payable for legal services in the amount of \$625; 6250 shares of its common stock to Thaddeus Vincent in settlement of a prior accounts payable for legal services in the amount of \$625; and 173,780 shares of its common stock to Michael McGhee in settlement of a prior accounts payable for legal services in the amount of \$17,378, or at a price of \$0.10 per share. These shares were sold pursuant to Section 4(2) of the Securities Act and have been marked restricted.

In July, 2000, the Registrant issued an aggregate of 5,555,064 shares of its common stock to the shareholders of The Catapult Group, Inc. in exchange for all of the outstanding common shares of The Catapult Group, Inc. These Shares were sold pursuant to Section 4(2) of the Securities Act and have been marked restricted.

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In September, 2000, the Registrant issued 300,000 shares of its common stock to Ronald A. Potts for cash consideration in the amount of \$233,333; 300,000 shares of its common stock to Jake Cantrell for cash consideration in the amount of \$233,333; 250,000 shares of its common stock to Sheila Tallent for cash consideration in the amount of \$194,444; and 50,000 shares of its common stock to Nancy Edwards for cash consideration in the amount of \$38,889, or at a price of \$0.78 per share. All four individuals were accredited investors, and these shares were sold pursuant to Section 4(2) of the Securities Act and have been marked restricted.

In September, 2000, the Registrant issued an aggregate of 120,000 shares of its common stock in settlement of a note payable to Structured Data in the principal amount of \$150,000, or at a price of \$1.25 per share. These shares were sold pursuant to Section 4(2) of the Securities Act and have been marked restricted.

In August, 2001, the Registrant issued 12,000,000 shares of its common stock in settlement of loans with Osprey Investments, LLC in the principal amount of \$60,000 or at a price of \$0.005 per share. These shares were sold pursuant to Section 4(2) of the Securities Act and have been marked restricted.

In August, 2001, the Registrant issued 100,000 shares of its common stock to Curtis Bostic, Esq. for legal services provided and to be provided to the Registrant. The services were valued at \$2,500 or \$0.025 per share. These shares were sold pursuant to Section 4(2) of the Securities Act and have been marked restricted.

In September, 2001, the Registrant issued 200,000 shares of its common stock to Thomas Smith in exchange for \$10,000 or at a price of \$0.05 per share. The individual was an accredited investor, and these shares were sold pursuant to Section 4(2) of the Securities Act and have been marked restricted.

In October, 2001, the Registrant issued 500,000 shares of its Series D Convertible Preferred Stock to Osprey Investments, LLC in exchange for 10,000,000 shares of the Registrant's common stock. These shares were sold pursuant to Section 4(2) of the Securities Act and have been marked restricted.

E. *Series D Convertible Preferred Stock (Series D)*

Our Amended and Restated Certificate of Incorporation authorizes 2,500,000 shares of preferred stock and provides that the Board of Directors may, by resolution, fix the rights and limitations of our preferred stock. The Board of Directors had previously utilized this authority to authorize 70,000 shares of Series A Preferred Stock, 208,640 shares of Series B Preferred Stock and 74,878 shares of Series C Preferred Stock.

On October 15, 2001, our Board of Directors approved the creation, authorized the issuance, and fixed the designation of 500,000 share of Series D Convertible Preferred Stock. On October 15, 2001, our Board of Directors further approved the exchange of 500,000 shares of our Series D Convertible Preferred Stock for 10,000,000 of our common stock owned by Osprey Investments, LLC. Ms. Marchessault abstained from the latter director vote. On or about October 26, 2001, we filed a Certificate of

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Designation of Series D Convertible Preferred Stock with the Delaware Division of Corporations. Described below is a summary of the terms of the Series D Convertible Preferred Stock.

Convertibility

The Series D is immediately convertible at the option of the holder into Ten Million (10,000,000) shares of the common stock of the Company. If the Company shall fail to pay a dividend to the holders of the Series D for two consecutive quarters, the Series D shall be convertible into fifty million (50,000,000) shares of the common stock of the Company so long as such dividends remain unpaid. As of the date of the filing of this Annual Report, the Company has failed to pay a dividend for two consecutive quarters and the conversion feature has been triggered, although the holder has not converted the preferred stock. As of the date of the filing of this Annual Report, the Company does not have a sufficient number of authorized but unissued shares available to effect such a conversion.

Redemption

The Company may redeem the Series D, in whole or in part, at any time, at a redemption price equal to the sum of any accrued but unpaid dividends and \$1.00 per share redeemed.

Dividends

The holders of the Series D shall be entitled to receive a cumulative dividend at a rate of twelve percent (12%) per annum out of any assets of the Company legally available therefore, when, if and as declared by our Board of Directors. Dividends on Series D shall be payable on a quarterly basis.

Liquidation Preference

If the Company were dissolved or liquidated, voluntarily or involuntarily, the holders of the Series D would be entitled to receive, prior and in preference to any distribution of our assets to the holders of any of our other equity securities, other than our Series C Convertible Preferred Stock, an amount equal to \$1.00 per share.

Voting Rights

On all matters on which the holders of our common stock are entitled to vote, each holder of Series D shall be entitled to ten (10) votes for each share of Series D standing in his or her name on the books of the Company. In addition, the holders of the Series D shall be entitled to elect the majority of the Company's Board of Directors.

VI. **Management's Discussion And Analysis Of Financial Condition And Results Of Operations.**

This 10-KSB contains certain forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. Investors are cautioned that certain statements in this 10-KSB are forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and involve known and unknown risks, uncertainties and other

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factors. Such uncertainties and risks include, among others, certain risks associated with the closing of the Oasis transaction described herein, government regulation, and general economic and business conditions. Actual events, circumstances, effects and results may be materially different from the results, performance or achievements expressed or implied by the forward looking statements. Consequently, the forward looking statements contained herein should not be regarded as representations by the Company or any other person that the projected outcomes can or will be achieved.

The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements and Notes thereto, appearing elsewhere in this Form 10 KSB.

A. *General Overview*

On July 26,2000 the former company, Environmetrics, Inc. exchanged approximately ninety percent of newly issued restricted common stock for all of the outstanding common stock of Catapult Group, Inc. On that date the name was changed to Rainwire Partners, Inc. for both Catapult Group, Inc. and the former company. As of the date of the exchange, the former company's net assets were written down to a fair market value, as required under generally accepted account principles. The previous historical financial data of Catapult Group, Inc. was carried forward since Catapult is considered the accounting acquirer; therefore the following comments pertain to the historical financial statements of Catapult Group, Inc. and i2o, Inc., including the net assets acquired as mentioned above.

B. *Results of Operations.*

In the year 2001 there were no reported revenues or cash flows from the discontinued operations. There was no reported loss from operations of discontinued business in 2001 compared to the loss of \$1,494,798 in the year 2000.

The accounts receivable for the year 2001 was \$0 significantly reduced from the year 2000 accounts receivable of \$199,235.

The net cash flows used by discontinued activities in 2001 was \$132,435 reduced from the year 2000 amount of \$236,115.

The cash at the end of the period in the year 2001 was reported in the amount of \$788 reduced from the year 2000 cash at the end of the period in the amount of \$2,043.

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C. *Financial Condition.*

The company's audit report for the year 2001 discloses a going concern paragraph in reference to the company's concern for continuing its existence in the future. This concern is highlighted by the fact that the Company has a deficit since inception of approximately \$2,500,000, and a deficit in stockholders equity of approximately \$1,100,342 and current liabilities of \$998,222.

As of August 29, 2001, the company is proposing to exchange stock with Oasis Group, Inc., a privately held company. The company believes that upon the definite closing of this exchange it will be able to better insure its survival.

Since December 31, 2000 the company closed its facilities, terminated its employees and is pursuing the resolution of both contingent assets and direct and contingent liabilities, which will involve substantial legal costs. Oasis Group, Inc. has provided funding for legal and operating expenses through loans to the company of approximately \$114,925 through December 31, 2001.

D. *Plan of Operations.*

For the near term, the Company is in the process of completing its merger with Oasis Group, Inc. It has had no operations since December 31, 2000 and is financially dependent on its shareholders, related parties and /or management, who have financed its existence to date.

Management of the Company believes it will be able to complete the merger and be successful in its efforts to continue the Company's existence. If the company is unsuccessful in completing the share exchange with Oasis Group, Inc., the company anticipates ceasing all activities and liquidating any and all remaining assets. In connection with the share exchange the company has filed a Registration Statement/Information Statement/Proxy Statement on Form S-4 on January 14, 2002 and is currently responding to comments to the Securities Exchange Commission. We expect responding to comment in the second quarter 2002 and completing the share exchange by the third quarter 2002.

Upon completion of the share exchange, management anticipates moving from the development stage to the operating by the third quarter of 2002.

E. *Certain Risk Factors.*

Rainwire Partners, Inc. has entered into a Plan and Agreement to Exchange Stock by and among Rainwire, Oasis Group, Inc. and the Shareholders of Oasis (the Oasis Share Exchange Agreement). As a result of the Oasis Share Exchange Agreement, Oasis will become a wholly owned subsidiary of Rainwire. Oasis faces various risks that may prevent Oasis from implementing its business plan. If any of the following risks actually occur, Oasis' business, financial condition or results of operations could be materially harmed. If Oasis business is harmed, the trading price of Rainwire's Common Stock could decline and you could lose all or part of your investment.

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Because of our lack of funds and past losses, our independent accountant's audit report states that there is substantial doubt about our ability to continue as a going concern.

Rainwire's independent certified public accountants have raised substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is highly dependent upon obtaining additional financing for our planned operations, and/or achieving profitable operations. If we are unable to obtain additional financing in sufficient amounts or on acceptable terms, our operating results and prospects could be adversely affected and our business may fail.

We currently have negative working capital, a deficit net worth and substantial losses to date.

As of December 31, 2001, the end of our most recent fiscal year, we had incurred significant losses. In the event that the Share Exchange with Oasis, and its included transactions, is not completed, the future of Rainwire is in serious doubt. Given our current financial position we are unable to effectively continue to operate our present business for any extended period into the future. In the absence of our closing the Share Exchange, it is most likely that we will be forced effect a liquidation of Rainwire within the next three months. Accordingly, we expect to continue incurring operating losses unless and until we are able to derive meaningful revenues from Oasis' anticipated operations. There can be no assurance that Oasis' anticipated operations will ever produce profitable operations or that we will be able to continue to obtain financing until Oasis is able to produce profitable operations. Because of the substantial start-up costs that must be incurred by a new company, we expect to incur significant operating losses during the initial years of Oasis' operations. No assurance can be given that the future operations of Oasis will be successful.

Current Rainwire shareholders will suffer immediate and substantial dilution under terms of the Share Exchange Agreement.

Under the terms of the Oasis Share Exchange Agreement, Rainwire will effect a one-for-twenty reverse split of its current issued and outstanding common stock and will issue approximately 16 million shares of the Company's Common Stock to the shareholders of Oasis. As a result, current shareholders of Rainwire will suffer substantial dilution.

In addition, under the terms of the Oasis Share Exchange Agreement, Rainwire will amend its Certificate of Incorporation to increase its authorized shares of Common Stock to One Hundred Million (100,000,000). The Company's ability to issue additional shares of Common Stock after the completion of the Oasis Share Exchange will subject current Rainwire shareholders to additional dilution.

Oasis is a development stage company and has no significant operating history.

Oasis was founded on November 16, 1999, and its activities to date have included the acquisition of real property and a residential mortgage operation. As of the date of

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this annual report, Oasis has not had any revenue producing operations on which you can evaluate its potential for future success. As a development stage company, Oasis is subject to all risks, expenses, and uncertainties frequently encountered by new companies. Any unanticipated expenses, problems, or difficulties may result in material delays both in the completion of the Oasis Share Exchange and in implementing Oasis' business plan.

We may be unable to raise additional funding to pursue our strategies which may harm our business

If the Share Exchange with Oasis Group, Inc. is completed, the Company anticipates the need for additional capital as it pursues its business strategy. The Company expects to raise additional capital through a combination of new debt issuances and equity sales, from private as well as public sources. Issuance of new debt and/or the sale of equity will likely have a dilutive effect on the Company and its shareholders. Implementation of the Company's strategy and its business plans is contingent upon the availability of such funding sources. No assurance can be given that the Company will be able to raise debt or equity capital, at terms that are acceptable to the Company, or at all, in order to fund its operations as set forth above, and if the Company is unable to raise capital to fund its operations our business may fail.

We do not anticipate paying any dividends in the foreseeable future.

We presently anticipate that we will retain all available funds for use in the operation and expansion of our business and do not anticipate paying any dividends in the foreseeable future. Any future payment of dividends to our stockholders will depend on decisions that will be made by our board of directors and will depend on then existing conditions, including our financial condition, contractual restrictions, capital requirements and business prospects.

Our common stock is traded on the over the counter bulletin board and, as a result, there may be limited trading volume in the stock, as well as a greater spread between bid and asked prices.

Our common stock is traded on the Electronic Bulletin Board, on the over the counter market (the OTC Bulletin Board). While a public market currently exists for our common stock, trading of relatively small blocks of stock can have a significant impact on the price at which the stock is traded. In addition, the over the counter market has experienced, and is likely to experience in the future, significant price and volume fluctuations which could adversely affect the market price of the common stock without regard to our operating performance.

Issuers whose securities are traded on the OTC Bulletin Board may experience a greater spread between the bid and asked prices of their securities compared with securities traded on a national securities exchange or Nasdaq, and a limited liquidity in their securities. In addition, many investors have policies against the purchase or holding of securities traded in the over-the-counter

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market such as OTC Bulletin Board has, and will continue to, affect both the trading volume and the market value of our common stock for the foreseeable future.

VII. Financial Statements.

The following documents are filed as part of this report:

(1) Independent Auditors Report	F 1
(2) Financial statements: Consolidated Balance Sheet F 2 Consolidated Statements of Operations F 3 Consolidated Statements of Changes in Shareholders Equity F 4 Consolidated Statements of Cash Flows F 5 Notes to Financial Statements F-6	

All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or other notes herein.

VIII. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

The Company engaged the firm of Welch, Roberts & Amburn, LLP to conduct the audits of its financial statements for the years ended December 31, 1999, and 1998. Welch, Roberts & Amburn, LLP, resigned on May 31, 2001 due to outstanding and past due fees owed by the Company.

In connection with Welch, Roberts & Amburn, LLP's audits of the financial statements of the Company, there were no disagreements with Welch, Roberts & Amburn, LLP on any matter of accounting principles, financial disclosure, or auditing scope or procedures, which disagreements if not resolved to their satisfaction would have caused them to make reference in connection with their opinion to the subject matter of the disagreement.

The audit reports of Welch, Roberts & Amburn, LLP on the consolidated financial statements for the years ended December 31, 1999, and 1998 did not contain any adverse opinion or disclaimer of opinion; however, the unqualified opinion contained a fourth paragraph with respect to an emphasis of a paragraph discussing recurring losses from operations and decreases in working capital issues confronting the Company.

The Company had also engaged the firm of Tauber & Balsler, P.C. in connection with the audit of the consolidated balance sheet of The Catapult Group, Inc., and Subsidiary as of

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December 31, 1999, and the related consolidated statements of operations, stockholders' equity and cash flows for the period from July 21, 1999 (inception) to December 31, 1999.

In connection with the audit as of December 31, 1999, and for the period from July 21, 1999 (inception) to December 31, 1999, there was no disagreement with Tauber & Balser, P.C. on any matter of accounting principles, financial disclosure, or auditing scope or procedures, which disagreement if not resolved to their satisfaction would have caused them to make reference in connection with their opinion to the subject matter of the disagreement.

The audit report of Tauber & Balser, P.C. on the consolidated financial statements for the year ended December 31, 1999 was issued with an unqualified opinion.

On or about September 9, 2001, the Company notified Tauber & Balser, P.C. that it had engaged the firm of Braverman & Company, P.C., to conduct the audit of its financial statements for the year ended December 31, 2000. The decision to change accountants was approved by the Board of Directors of the Company. During the two fiscal years ended December 31, 2000, and the subsequent interim period through September 9, 2001, the Company did not consult with Braverman & Co., P.C. regarding the application of generally accepted accounting principles to a specific transaction, either proposed or completed, or the type of audit opinion that might be rendered on the Company's Consolidated Financial Statements.

The Company previously reported this information on its Annual Report on Form 10-K for the fiscal year ended December 31, 2000, filed on October 30, 2001.

PART III

IX. Directors And Executive Officers Of The Company.

The following table sets forth all the directors, executive officers and significant employees of the Company as of December 31, 2001. In April, 2001, Bryan M. Johns resigned as an officer and director of the Company. On August 29, 2001, Walter H. Elliott, III resigned as an officer and director of the Company. On November 12, 2001, Ronald A. Potts resigned as President, Chief Executive Officer, Chairman of the Board and as a director of Rainwire.

Name	Age	Position
Lyne Marchessault	43	President, Secretary and Director
Michael McLaughlin	58	Assistant Secretary and Director
John Hill	55	Director
Peggy A. Evans	54	Chief Financial Officer

Lyne Marchessault, President, Secretary and Director. Ms. Marchessault was elected to our Board of Directors and appointed Secretary in July, 2000. Ms. Marchessault was appointed President of Rainwire on November 12, 2001. In addition, in August, 2001, Ms. Marchessault was elected to the Oasis Board of Directors, a position which she resigned from in November,

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2001. From 1996 until January, 1998 Ms. Marchessault was the Director of International Marketing and Public Relations for Ultimate Technographics. From January, 1998 until the present, Ms. Marchessault has been the managing member of Osprey Investments, LLC. Ms. Marchessault holds a Marketing degree from Concordia University and a Masters in Business Administration from McGill University.

Michael McLaughlin, Director. Mr. McLaughlin was elected to our Board of Directors in August, 2001, and appointed Assistant Secretary in November, 2001. In addition, Mr. McLaughlin was elected to the Oasis Board of Directors in August, 2000, a position which he resigned from in November, 2001. For the last 14 years, Mr. McLaughlin has been the owner and President of American Flooring, Inc. Mr. McLaughlin holds a bachelors degree in business from Florida Atlantic University.

John Hill, Director. Mr. Hill was elected to our Board of Directors in August, 2001. In addition, Mr. Hill was elected to the Oasis Board of Directors in July, 2000, a position which he resigned from in November, 2001. From 1996 until 1998, Mr. Hill was a Divisional Claims Superintendent with State Farm Fire & Casualty Company and from 1998 until the present, Mr. Hill has been a Section Manager with State Farm. Mr. Hill holds a B.S. in Business Administration degree from the University of Tennessee.

Peggy Evans, Chief Financial Officer. Ms. Evans was appointed as our Chief Financial Officer in August, 2001. Since October 1, 2000, Ms. Evans has been the Chief Financial Officer for Oasis Group, Inc. Prior to that time, Ms. Evans served as the President of Yakley Management, Inc. and the Chief Operating Officer of Eston Hospitality, LLC. Ms. Evans holds a B.S. degree in business from Pepperdine University.

Directors hold office until the next annual meeting of shareholders. Officers are elected by the Board of Directors following the Annual meeting of stockholders. There are no family relationships between any director, executive officer, or person nominated to become a director or executive officer.

COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

The members of Rainwire's Board of Directors, the executive officers of Rainwire and persons who hold more than 10% of Rainwire's outstanding Common Stock are subject to the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934, as amended, which require them to file reports with respect to their ownership of Rainwire's Common Stock and their transactions in such Common Stock. Based upon (1) the copies of Section 16(a) reports that Rainwire received from such persons for transactions in the Common Stock and their Common Stock holdings from December 31, 2000 through December 31, 2001, and (2) the written representations received from one or more of such persons that no annual Form 5 reports were required to be filed by them for such period, Rainwire believes that all reporting requirements under Section 16(a) for such period were met in a timely manner by its executive officers, Board members and greater than ten-percent stockholders, except as described herein.

Messrs. Hill and McLaughlin and Ms. Evans inadvertently failed to timely file a Form 3 with the Commission to report their holdings upon election as a director and appointment as our

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Chief Financial Officer, respectively. Mr. Potts inadvertently failed to timely file a Form 3 with the Commission to report his holdings upon election as a director and appointment as our Chief Executive Officer on August 29, 2001. Mr. Potts filed a Form 3 with the Commission on or about October 10, 2001. Ms. Marchessault inadvertently failed to timely file a Form 5 with the Commission to report her exchange of shares of the common stock of the Company for shares of preferred stock in the Company in October, 2001. The Company has taken steps to ensure that its officers and directors are aware of the requirements for the filing of these reports and intends to improve its assistance in the preparation of these reports in the future.

X. Executive Compensation.

The compensation paid in 1999, 2000 and 2001 to the Chief Executive Officer of the Company and to the President of the Company is set forth in the table below. No executive officers or any officer of a subsidiary had total compensation that exceeded \$100,000.

2001 SUMMARY COMPENSATION TABLE
THE COMPANY

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION			LONG-TERM COMPENSATION AWARDS PAYOUTS			ALL OTHER COMPENSATION (\$)
		SALARY (\$)	BONUS (\$)	OTHER ANNUAL COMPENSATION (\$)	RESTRICTED STOCK AWARDS (#)	OPTIONS SARs PAYOUTS (\$)	LTIP (\$)	
Bryan Johns	2001	0	0	0	0	0	0	0
President and CEO ⁽¹⁾	2000	\$ 102,000	0	\$ 7,200	0	0	0	0
	1999	\$ -0-	0	0	0	0	0	0
Ronald A. Potts	2001	0	0	0	0	0	0	0
President and CEO ⁽²⁾	2000	0	0	0	0	0	0	0
	1999	0	0	0	0	0	0	0
Lyne	2001	0	0	0	0	0	0	0
Marchessault	2000	0	0	0	0	0	0	0
President ⁽³⁾	1999	0	0	0	0	0	0	0

(1) Mr. Johns entered into an employment agreement with the Company on July 26, 2000, which paid him an annual salary of \$102,000 and an annual car allowance of \$7,200. Mr. Johns resigned as President and Chief Executive Officer in April, 2001.

(2) Mr. Potts was appointed President and Chief Executive Officer on August 29, 2001, and resigned as President and Chief Executive Officer on November 12, 2001.⁽³⁾

Ms. Marchessaults

was appointed
President on
November 12,
2001.

There were no options granted to the Executive Officers of the Company and its subsidiaries during the year ending December 31, 2001. The Company has no stock appreciation rights (SARs) outstanding.

Employment Agreements

Mr. Johns entered into an employment agreement dated as of July 26, 2000 with a three year term that runs until July 26, 2003 and his initial base salary was \$102,000, subject to adjustments annually at the Compensation Committee s discretion. Mr. Johns was eligible to participate in any bonus plan adopted by the Company and to receive stock options as determined by the Compensation Committee.

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