VICTOR INDUSTRIES INC
Form 10QSB/A
January 19, 2005

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

FORM 10 - QSB/A

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

For the quarterly period ended September 30, 2004.

000-30237
(Commission File Number)

VICTOR INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

Idaho	**91-078484114**
(State or other jurisdiction of incorporation)	*(IRS Employer Identification Number)*

180 Southwest Higgins Ave
Missoula, MT 59803
(Address of principal executive offices including zip code)

(406) 549-2261
(*Registrant s telephone number, including area code)*

n/a
(Former Name or Former Address, if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 _X_ No _____

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).
Yes ____ No _X_

As of November 15, 2004, the Registrant had 204,003,182 shares outstanding of its $.0001 par value common stock.

EXPLANATORY NOTE:

This Form 10-QSB/A is being filed solely to correct a clerical mistake on the *Consolidated Statements of Cash Flows*. The *Net Cash Used in Operating Activities for the Nine Months Ended September 30, 2004* was improperly set forth as ($122,011). The correct number is ($39,173) as reflected in this amendment. In spite of the clerical error, all of the other amounts referenced in the *Consolidated Statements of Cash Flows* were accurately reflected in the original filing. The attachments filed with original Form 10-QSB are incorporated by reference herein.

TABLE OF CONTENTS

FINANCIAL STATEMENTS

VICTOR INDUSTRIES, INC.

CONSOLIDATED BALANCE SHEET

September 30, 2004
(Unaudited)

ASSETS	
Current Asset	
Cash	$407
Prepaid expenses	35,000
Total current assets	35,407
Property and equipment, net	2,918
Total assets	$38,325
LIABILITIES AND STOCKHOLDERS' DEFICIT	
Current Liabilities	
Accounts payable and accrued expenses	$197,952
Notes payable, related parties	131,264
Liabilities of discontinued operations	162,622
Total current liabilities	491,838
Stockholders' Deficit	
Common stock, $.0001 par value; 1,000,000,000 common shares authorized; 204,003,182 shares issued and outstanding	20,400
Additional paid-in capital	5,367,634
Accumulated deficit	(5,841,547)
	(453,513)
Total liabilities and stockholders' deficit	$38,325

See Notes to Consolidated Financial Statements

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VICTOR INDUSTRIES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

For the Three and Nine Months Ended September 30, 2004 and 2003
(Unaudited)

	Three Months Ended September 30, 2004	Three Months Ended September 30, 2003	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003
Revenue	$1,290	$400	$1,290	$400
Cost of goods sold	3,220		3,220	
Gross margin	(1,930)	400	(1,930)	400
General and administrative expenses				
Selling and administrative		120,481	264,590	270,174
Goodwill impairment		165,000		165,000
Bad debt expense - related party				30,358
Professional fees	973,177		973,177	
Depreciation	760	759	2,279	2,265
Marketing	980		980	
Telephone	420		420	
Other	692	1,379	938	2,750
	976,029	287,619	1,242,504	470,547
Loss from continuing operations	(977,959)	(287,219)	(1,244,434)	(470,147)
Loss from discontinued operations	(10,798)	(42,128)	(12,530)	(147,588)
Net loss	$(988,757)	$(329,347)	$(1,256,964)	$(617,735)
Net loss per common share (Basic and fully diluted)				
Continuing operations	$(0.00)	$(0.00)	$(0.01)	$(0.00)
Discontinued operations	(0.00)	(0.00)	(0.00)	(0.00)
Net loss	$(0.00)	$(0.00)	$(0.01)	$(0.00)
Weighted average shares Outstanding	201,190,299	128,159,192	179,633,049	128,159,192

See Notes to Consolidated Financial Statements

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VICTOR INDUSTRIES, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

For the Nine Months Ended September 30, 2004
(Unaudited)

	Common Stock				
	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
Balance, December 31, 2003	151,221,692	$15,122	$4,320,734	$(4,584,583)	$(248,726)
Common stock issued for debt settlement	6,000,000	600	23,400		24,000
Common stock issued for services					
January 2004	14,433,334	1,443	56,290		57,733
July 2004	32,348,156	3,235	967,210		970,445
Net loss				(1,256,964)	(1,256,964)
Balance, September 30, 2004	204,003,182	$20,400	$5,367,634	$(5,841,547)	$(453,512)

See Notes to Consolidated Financial Statements

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VICTOR INDUSTRIES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Nine Months Ended September 30, 2004 and 2003
(Unaudited)

	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003
Cash Flows From Operating Activities		
Net loss for period	$(1,256,964)	$(617,735)
Reconciliation of net loss to net cash flows from operations		
Common stock issued for services	1,028,178	199,106
Goodwill impairment		165,000
Bad debt expense - related party		30,358
Depreciation	2,279	4,637
Change in demand loan receivable		(3,800)
Change in other receivables		9,048
Change in deposits		18,000
Change in prepaid expenses	70,000	
Change in accounts payable and accrued expenses	115,925	61,466
Change in net assets and liabilities of discontinued operations	1,409	33,738
Net cash used in operating activities	(39,173)	(100,182)
		(1,108)

Cash Flows from Investing Activities		
Investment in Fixed Assets		
Cash Flows from Financing Activities		
Proceeds from stock subscription		10,800
Net proceeds from notes payable, related parties	39,474	97,732
Net cash provided by financing activities	39,474	108,532
Net change in cash	301	7,242
Cash, beginning of period	106	1,190
Cash, end of period	$407	$8,432

See Notes to Consolidated Financial Statements

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Business Operations

Victor Industries, Inc. was originally organized under the laws of the State of Idaho on January 19, 1926, under the name of Omo Mining and Leasing Corporation. After several name changes through the years, the name was changed to Victor Industries, Inc. on December 24, 1977. In 1993, the Company began zeolite mining and marketing operations. Zeolite is an ammonia absorbent, air purifier, and hazardous waste absorbent. Victor Industries, Inc. is presently refining the development of and marketing a fertilizer product using zeolite.

Consolidation

The accompanying consolidated financial statements include the accounts of Victor Industries, Inc. and its wholly owned subsidiary, New Wave Media (collectively the "Company"). All inter-company accounts and transactions have been eliminated.

Interim Period Financial Statements

The interim period consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC"). Certain information and footnote disclosure normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to such SEC rules and regulations. The interim period consolidated financial statements should be read together with the audited consolidated financial statements and accompanying notes for the years ended December 31, 2003 and 2002, included in the Company's annual reports on Form 10-KSB. In the opinion of the Company, the unaudited consolidated financial statements contained herein contain all adjustments necessary to present a fair statement of the results of the interim periods presented.

The results of operation for the three and nine months ended September 30, 2004, are not necessarily indicative of the results to be expected for the entire year ending December 31, 2004.

Discontinued Operations and Subsequent Event

The Company's subsidiary, New Wave Media, operated a radio station in Montana, utilizing a Time Brokerage Agreement. In July 2003, the licensee of the Time Brokerage Agreement shut down the radio station claiming non-payment of the required fees. On August 20, 2003, the Montana Eighth Judicial District Court awarded New Wave Media a permanent injunction. The Company has filed litigation against the licensee for monetary damages. During October 2003, the Company reported that the licensee once again turned the power off at the radio station. The Company has made the decision not to attempt to gain another injunction and instead exercise its legal rights in court[1] . Accordingly, operating results of this segment have been presented as discontinued operations in these consolidated financial statements.

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Note 2. Earnings per Share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding in the period. Diluted earnings per share takes into consideration common shares outstanding (computed under basic earnings per share) and potentially dilutive common shares. Diluted earnings per share takes into consideration common shares outstanding (computed under basic earnings per share) and potentially dilutive common shares. There were no dilutive securities outstanding at September 30, 2004 or 2003.

Note 3. Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. However, the Company has incurred continuing operating losses and has an accumulated deficit of $5,841,547 as of September 30, 2004. The Company's ability to continue as a going concern is in substantial doubt and is dependent upon obtaining additional financing and achieving a sustainable profitable level of operations. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Company has met its historical working capital requirements from sale of capital shares and loans from shareholders. However, there can be no assurance that such financial support shall be ongoing or available on terms or conditions acceptable to the Company.

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[1] Subsequent to September 30, 2004, the case was dismissed.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

The financial information set forth in the following discussion should be read in conjunction with, and qualified in its entirety by, the financial statements of the Company included elsewhere herein.

Business

Victor Industries, Inc.

Victor Industries, Inc. was originally organized under the laws of the State of Idaho on January 19, 1926 under the name of Omo Mining and Leasing Corporation. The Company was renamed Omo Mines Corporation on January 19, 1929. The name was changed again on November 14, 1936 to Kaslo Mines Corporation and finally Victor Industries, Inc. on December 24, 1977.

We have not recorded any significant revenue for the past two years and there is substantial doubt about us continuing as a going concern as expressed by our auditors in their audit report as of December 31, 2003 without funding to develop assets and profitable operations.

Our current plans center on products related to the use of the mineral known as zeolite. Zeolites have the unique distinction of being nature's only negatively charged mineral. Zeolites are useful for metal and toxic chemical absorbents, water softeners, gas absorbents, radiation absorbents and soil and fertilizer amendments. Clinoptilolite, one type of natural zeolite, is our primary focus. Clinoptilolite's absorption capabilities of ammonia provide a number of applications in the agricultural industry. We are primarily focusing on two zeolite compounds in order to produce revenue. We believe that the two primary sources of nitrate and phosphate pollution are fertilizers and large animal feeding operations.

We have filed a patent application (Application No. 10-287,946) for a new zeolite proprietary fertilizer compound called ENVIROLIZER. ENVIROLIZER is our first product utilizing zeolite for slow released fertilizer. We have not received any comments from the U.S. Patent Office as of the date of this filing. The Company holds a trademark on the name ENVIROLIZER.

ENVIROLIZER was formulated around the use of zeolite to absorb the ammonia that is released by animal discharge from large animal feeding operations. We will then utilize the nutrients from the absorption process and turn it into a slow demand release fertilizer. We believe that wide spread use of our absorption process will significantly reduce pollution from these feeding operations while reducing the leaching of nitrates and phosphates into the ground water. Because of the absorption capabilities of zeolite, we believe that our fertilizer compound will work effectively for up to three years, depending on the type of crop or plants being fertilized, thereby reducing the need for multiple fertilizer applications every year. The ENVIROLIZER fertilizer compound is expected to absorb up to 45% of its weight in water and slowly release it when the soil begins to dry thus reducing the irrigation cycle. We cannot give any assurances that we will be successful in receiving a patent for our compound or that we will be able to produce a marketable or profitable product.

The Company has refocused its efforts on sales of ENVIROLIZER to confirm the Company s belief that its revolutionary patent pending technology will effectively absorb ammonia and phosphates from animal waste streams at CAFO (Concentrated Animal Feeding Operations) and harvest what would be a truly organic, long lasting, non-leaching fertilizer/ soil amendment. The addition of this product to the soil confers permanent benefits such as using less water, less frequently than possible now while generally enhancing yields.

Additionally, the Company intends to be engaged in the sale and distribution of various forms of zeolite products. The initial stage of our plan was to contract with independent contractors to mine and transport zeolite from properties the contractors own or lease to a contract milling and packaging facility. Then market the packaged and bulk ordered zeolite through distributors and under distributor's private labels. Management has elected, due to the lack of capitalization, not to pursue this strategy of sales, but attempt this course of action upon receipt of additional financing.

On September 23, 2004, the Company gained approval by the General Services Administration (GSA) (which basically serves as a purchasing agent for the United States federal government) to compete for five-year government contracts on offer from government procurement agents. In addition we are initiating contact with other companies who may wish to list their products on the GSA website for which we intend to charge a percentage of sales. We also intend to market our proprietary compound solutions to the golf course and horticulture industries. We cannot give any assurance that we will be able to compete or generate sales in these markets.

During June 2004, the Company signed a distribution agreement with Work Transition Services, Inc. to distribute the Company products to the federal government. In addition, the Company has commenced contract negotiations with the GSA and has taken two orders for the sale of its ENVIROLIZER products, which were shipped in July 2004.

Victor Industries focus on sales of ENVIROLIZER and development of scientific confirmation and real world application of its revolutionary patent pending technology was largely diverted due to the acquisition of New Wave Media Corporation during March 2003.

The requirement for cash flow to continue our sales effort on ENVIROLIZER and further our research efforts on absorbing ammonia and phosphates at CAFO turned management's focus to the fastest way to cash flow, which we believed was through the acquisition of New Wave Media Corporation (New Wave) and it's radio station. Positive cash flows and earnings appeared to be a month away when the organization New Wave was leasing the radio frequency from shut the station down. The following month New Wave learned that Arbitron (the entity that rates audience participation for radio and TV stations nationwide) rated New Wave's station the number one station in Great Falls, Montana coveted 18-34 age bracket. This demographic is where large national advertisers (such as Pizza Hut, Burger King, etc.) spend a preponderance of their advertising dollars.

On March 5, 2003 the Company signed an agreement to acquire 100% of the issued and outstanding stock of New Wave Media Corporation. The acquisition called for the issuance of a $75,000 note and 15,000,000 shares of the Company's common stock. New Wave Media Corporation operated The Heat 100.3.com radio station, utilizing a Time Brokerage Agreement.

In July 2003, Flinn Broadcasting (Licensee of the time brokerage agreement) shut down the radio station claiming non-payment of the required fees. Management of the Company pursued a temporary restraining order and a permanent injunction against this action. On August 20, 2003 the Montana Eighth Judicial District Court awarded New Wave Media a permanent injunction.

In October 2003, the Licensee again turned the power off at The Heat 100.3 claiming non-payment of the required fees. The Company filed an action against the Licensee and that suit was subsequently dismissed due to the Company s inability to secure counsel to represent the Company in this matter. As of the date of this report the Company is considering its options in regards to re-instituting an action against licensee.

Pursuant to the aforementioned litigation, the Company made the decision to suspend operations of The Heat 100.3 and all employees were dismissed.

Marketing a new product is a lengthy process with significant risks, there can be no assurance that the Company will be successful in its efforts. The Company plans a series of new products to enhance its product line. It is easier to add to a product line once a distribution channel has successfully been established.

Product Liability Insurance

We carry no direct product liability insurance, relying instead on the coverage maintained by our distributors and manufacturing sources from whom we obtain product. There is no assurance that this insurance will adequately cover any liability claims brought against us. There also can be no assurance that we will be able to obtain our own liability insurance (should we seek to do so) on economically feasible terms. Our failure to maintain our own liability insurance could materially adversely affect our ability to sell our products in the future. Although no product liability claims have been brought against us to date, if there were any such claims brought against us, the cost of defending against such claims and any damages paid by us in connection with such claims could have a materially adverse impact upon us, including our financial position, results of operations and cash flows.

Competition and Difficulties in Marketing Products

There is tremendous competition in the commercial fertilizer business. Many of the leading companies have well-established brands that commercial animal feeding operations, farmers and government buyers are familiar with, and which they have successfully used in the past. Many of our competitors are large, well financed organizations that have significant distribution channels already in place. It is very challenging for the Company to establish a distribution channel for a new product and it is equally difficult to market a new product to consumers who have never used the product. During the period ended June 30, 2004, the Company has signed a distribution agreement with Work Transition Services, Inc. to distribute the Company products to the federal government. In addition, the Company has commenced contract negotiations with the GSA. We may not be successful in establishing a market for our product.

New Wave Media Corp.

The station has been closed and all employees dismissed.

Government Regulation

We do not anticipate significant delays in government approval to operate. Zeolite has received a GRAS (generally regarded as safe) rating from the federal government. The zeolite mines that we contract with are fully permitted and have operated in each of the last five years. If government approval was withheld from one of the sources of raw material we believe we could access supplies from other operators.

If funding becomes available to the Company, we may develop our own zeolite mine and install the milling and bagging equipment necessary to operate independently. We cannot assure you that such funding will materialize.
The costs and effects of compliance with environmental laws (federal, state and local) are not born directly by us but through the costs imposed on the contract miners. Increased costs to the mines will result in higher costs of the raw material we purchase.

Property

We do not presently own any real property.

The Company holds four mining claims. The cost of holding these claims is approximately $400 per year. Two of the mining claims are potential gold claims; however, no work has been undertaken by the Company to determine their value. The two remaining mining claims are zeolite claims. Substantial work has been done by the previous claimant, Allied Chemical, on these claims. Although Company management believes the reserves in its mining claims are substantial (based on work done on these claims by Allied Chemical) and in spite of the fact that the Company has been given a mining permit for the property; however, given the price of zeolite in the current market, and the Company does not intend to invest capital to mine its claims.

Employees

We currently have no full time employees. We intend to employ independent distributors for sales efforts, as well as mining, milling and packaging. Our directors have contracts with the Company and are receiving the Company's common stock as compensation, with an accrual recorded for director services rendered since October 2003.

Plan of Operation

The Company has two main initiatives underway: (1) to begin the sales, distribution and further development of the fertilizer business; and (2) to continue discussions with companies that are interested in being acquired by Victor Industries.

Fertilizer Business

The Company has refocused its efforts on sales of ENVIROLIZER and the funding of research to confirm the Company s belief that its revolutionary patent pending technology will effectively absorb ammonia and phosphates from animal waste streams at CAFO s (Concentrated Animal Feeding Operations) and harvest what would be a truly organic, long lasting, non-leaching fertilizer/ soil amendment. The addition of this product to the soil confers permanent benefits such as using less water, less frequently than possible now while generally enhancing yields.

Management has retained professional consultants to assist in the application to the General Services Administration (which basically serves as a purchasing agent for the federal government) to list our products on the GSA Advantage website. This intricate process is intended to have our products listed on the GSA as the Company is now in contract negotiations with the GSA. While it is impossible to predict what amount of sales this will generate, the product categories we hope to replace had $10,000,000 in sales during 2003. In addition we are initiating contact with other companies who may wish to list their products on the GSA website for which we intend to charge a percentage of sales.

In the coming months, the Company intends to introduce additional products, including a potting soil pre-mixed with ENVIROLIZER, an organic version of ENVIROLIZER and a twenty-pound version.

The Company intends to finance this aspect of its business through cash flow generated from prospective fertilizer sales and through the sale of the Company's common shares.

Acquisitions and Mergers

Victor Industries is interested in acquiring businesses outside of the Company's traditional fertilizer business. In this regard, the Company will continue to explore opportunities that have been presented to the Company from other private and public entities.

In our opinion, the Company will have to raise working capital from outside sources during the next twelve months to meet our obligations and commitments as they become payable. Historically, we have been successful in our efforts to secure working capital from private placements of common stock and loans from private investors.

Inflation

Our results of operations have not been affected by inflation and we do not expect inflation to have a significant effect on its operations in the future.

Forward-Looking Information

From time to time, we or our representatives have made or may make forward-looking statements, orally or in writing. Such forward-looking statements may be included in, but not limited to, press releases, oral statements made with the approval of an authorized executive officer or in various filings made by us with the Securities and Exchange Commission. Words or phrases "will likely result", "are expected to", "will continue", "is anticipated", "estimate", "project or projected", or similar expressions are intended to identify "forward-looking statements". Such statements *are qualified in their entirety by reference to and are accompanied by the above discussion of certain important factors that could cause actual results to differ materially from such forward-looking statements. Management is currently unaware of any trends or conditions other than those previously mentioned in the management's discussion and analysis that could have a material adverse effect on the Company's consolidated financial position, future results of operations, or liquidity. However, investors should also be aware of factors that could have a negative impact on the Company's prospects and the consistency of progress in the areas of revenue generation, liquidity, and generation of capital resources. These include: (i) variations in revenue, (ii) possible inability to attract investors for its equity securities or otherwise raise adequate funds from any source should the Company seek to do so, (iii) increased governmental regulation, (iv) increased competition, (v) unfavorable outcomes to litigation involving the Company or to which the Company may become a party in the future and, (vi) a very competitive and rapidly changing operating environment.*

The risks identified here are not all inclusive. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on the Company's business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results.

ITEM 3. CONTROLS AND PROCEDURES

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in Company reports filed or submitted under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in Company reports filed under the Exchange Act is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer (the "Certifying Officers"), as appropriate to allow decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, the Certifying Officers carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of June 30, 2004. Their evaluation was carried out with the participation of other members of the Company's management. Based upon their evaluation, the Certifying Officers concluded that the Company's disclosure controls and procedures were inadequate as the Company continues to experience difficulties in the accumulation and summarization of financial data resulting in delinquent filings.

The Company's internal control over financial reporting is a process designed by, or under the supervision of, the Certifying Officers and the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of the Company's financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the Company's assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Company's financial statements in accordance with generally accepted accounting principles, and that the Company's receipts and expenditures are being made only in accordance with the authorization of the Company's Board of Directors and management; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements. Except for the Company s changes in its policies and procedures to accumulate and summarize financial data, there has been no change in the Company's internal control over financial reporting that occurred in the quarter ended September 30, 2004, that has materially affected, or is reasonably likely to affect, the Company's internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

On March 5, 2003, the Company acquired 100% of the issued and outstanding stock of New Wave Media Corporation, (New Wave) which owned and operated a radio station known as The Heat 100.3. New Wave was leasing its radio frequency from Flinn Broadcasting (Licensee).

In July 2003, the Licensee shut down the radio station claiming non-payment of required fees. Management of the Company pursued a temporary restraining order and a permanent injunction against this action. On August 20, 2003 the Montana Eighth Judicial District Court awarded New Wave Media a permanent injunction.

Subsequently, in October 2003, Licensee once again turned the power off at The Heat 100.3 in Great Falls, MT. The Company filed an action against the Licensee. The suit was subsequently dismissed.

As of the date of this report the Company is considering its options in regards to re-instituting an action against licensee.

ITEM 2. CHANGES IN SECURITIES

In July 2004, the Company issued 32,348,156 shares of its restricted common stock for the following:

Penny Sperry- 9,000,000 shares as payment on outstanding loan balance in the amount of $90,000;

Ryan Pellett- 6,666,668 shares to reimburse for public relation fees paid for services to be performed during the period ending September 30, 2004;

Lana Pope- 4,040,744 shares as payment on accrued director fees in the amount of $27,000;

David Boulter- 4,040,744 shares as payment on accrued director fees in the amount of $27,000;

ICOR- 2,500,000 shares as payment for consulting services on negotiations with the GSA for a two-year period beginning in July 2004;

Sergio Urlbazo- 200,000 shares for marketing services for a one-year period beginning in July 2004;

Blue Rock Minerals- 3,400,000 shares to reimburse for public relation fees paid for services to be performed during the period ending September 30, 2004; and

Forest Minerals- 2,500,000 shares to reimburse for public relation fees paid for services to be performed during the period ending September 30, 2004.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

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

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits

31.1 Certification of Chief Executive Officer, pursuant to Rule 13a-14(a) of the Exchange Act, as enacted by section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of Chief Financial Officer, pursuant to Rule 13a-14(a) of the Exchange Act, as enacted by Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of Chief Executive Officer pursuant to 18 United States Code Section 1350, as enacted by Section 906 of the Sarbanes-Oxley Act of 2002.

b. Reports on Form 8-K

None.

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.

VICTOR INDUSTRIES, INC.

Date: January 19, 2005

By: /s/ Lana Pope
Lana Pope, CEO and CFO