

# LIGATT SECURITY INTERNATIONAL, INC.

## FORM SB-2/A (Securities Registration: Small Business)

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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM SB-2/A

### REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

(Amendment No. 1)

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## INTELLIGENT SPORTS, INC.

(Name of Small Business Issuer in its Charter)

California 7790 33-0991785  
(State or other jurisdiction of (Primary Standard Industrial (I.R.S. Employer  
Incorporation or organization) Classification Code Number) Identification No.)

Intelligent Sports, Inc.  
1817 Millsweet Dr.  
Upland, CA 91784  
(818) 469-5113

(Address, including zip code, and telephone number, including area code, of  
registrant's principal executive offices)

Thomas Hobson, President  
Intelligent Sports, Inc.  
1817 Millsweet Dr.  
Upland, CA 91784  
(818) 469-5113

(Name, address, including zip code, and telephone number,  
Including area code, of agent for service)

Copies of communications to:  
Michael S. Krome, P.C.  
8 Teak Court  
Lake Grove, New York 11755  
Telephone No.: (631) 737-8381  
Facsimile No.: (631) 737-8382

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

Calculation of Registration Fee

Title Of Securities To be Registered -----	Proposed Amount to be Registered -----	Proposed Maximum Offering Price Per Share (1) -----	Amount Maximum Aggregate Offering Price (2) -----	Amount of Registration Fee (1) -----
Common Stock, No Par value	12,000,000	\$3.00 (1)	\$36,000,000	\$3,312

(1) Estimated solely for purposes of calculating registration fee pursuant to Rule 457 under the Securities Act of 1933, as amended.

(2) Represents proposed maximum offering price.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. The selling stockholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

**Preliminary Prospectus, Subject to Completion, dated August 9, 2003**

**INTELLIGENT SPORTS, INC.**

12,000,000 shares of common stock

Intelligent Sports, Inc., is registering a total of 12,000,000 shares of common stock. Of this total 7,600,000 shares of common stock is already issued by the registrant and may be sold by the Selling Shareholders listed herein and the Company is registering an additional 4,400,000 shares for future sale at the offering price. These outstanding shares may be offered and sold from time to time. The Company will not receive any of the proceeds from the sale of these shares. The Company has paid and intends to pay all expenses associated with this offering.

**MARKET FOR THE SHARES**

No market currently exists for our shares. The price reflected in this Prospectus of \$3.00 per share is the offering price of shares upon the effectiveness of this prospectus.

Of the total shares being offered, the selling shareholders are offering 7,600,000 shares or 63.3% of the total shares being offered. The effect of the offering of the shares by the selling shareholders will be to reduce the price that the common stock would otherwise have traded in the open market, perhaps significantly, thus either reducing the proceeds that the Company will get from this offering and/or delaying the date of completion for the offering of the Company's common stock and possibly rendering unacceptable to the Company's Board of Directors such sale of the Company's shares. There is no arrangement between the Company and the selling shareholders to address the possible effect of the concurrent primary and secondary offering on the price of our shares.

The securities offered in this prospectus involve a high degree of risk. YOU SHOULD CAREFULLY CONSIDER THE FACTORS DESCRIBED UNDER THE HEADING "RISK FACTORS" BEGINNING ON PAGE 8.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Offering Price(1)	Selling Commissions(1)	Proceeds to Co.(2)
	-----	-----	-----
Per Common			
Share	\$3.00	\$0.30	\$2.70
Maximum	\$13,200,000	\$1,320,000	\$11,880,000
Minimum	\$10,000,000	\$1,000,000	\$9,000,000
	-----	-----	-----

The date of this Prospectus is September 19, 2003.

(1) The offering price has been estimated for purposes of calculating filing fee. Likewise, the commissions payable to any NASD broker/dealer participating in this Offering has been estimated. (2) Proceeds to the Company are the maximum amount. No minimum amount is required in this best efforts offering. Amount shown related only to the 4.4 million shares being offered for the benefit of the Company.

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## **PROSPECTUS SUMMARY**

This prospectus summary highlights selected information contained elsewhere in this prospectus. You should read the following summary together with the more detailed information regarding our company and the shares of common stock being sold in this offering, which information appears elsewhere in this prospectus.

## **ABOUT OUR COMPANY**

Intelligent Sports is a holding company for its subsidiary, Inland Empire Sports Academy, Inc. a sports related businesses. Intelligent Sports provides its subsidiary with strategic guidance and support in the areas of marketing, sales, sponsorships, partnerships, policy & procedures, finance and expansion. Our focus is in the area of basketball. The Inland Empire Sports Academy, Inc. (The Sports Academy), promotes a diverse range of sports programs, leagues, tournaments, clinics and individual sports skill training.

The Inland Empire Sports Academy, Inc., is a wholly owned subsidiary of Intelligent Sports, Inc. Island Empire Sports Academy, Inc., operated under a Doing Business As certificate as "Nothin' But Net Basketball Programs", which represents all the revenue of Intelligent Sports, Inc., at this time.

## **HOW OUR COMPANY IS ORGANIZED**

We were incorporated in the State of California on November 27, 2001. The corporation has no prior operating history in the operation of sports leagues, sporting venues, marketing, sales or any other business. The corporation was formed for the purpose of operation of sports leagues, sporting venues, marketing and sales.

## **WHERE YOU CAN FIND US**

We are located at 1817 Millsweet Dr., Upland, California 91784. Our telephone number is (818) 469-5113.

## **THE OFFERING**

Of the total shares being offered, the selling shareholders are offering 7,600,000 shares or 63.3% of the total shares being offered. The effect of the offering of the shares by the selling shareholders will be to reduce the price that the common stock would otherwise have traded in the open market, perhaps significantly, thus either reducing the proceeds that the Company will get from this offering and/or delaying the date of completion for the offering of the Company's common stock and possibly rendering unacceptable to the Company's Board of Directors such sale of the Company's shares. There is no arrangement between the Company and the selling shareholders to address the

possible effect of the concurrent primary and secondary offering on the price of our shares.

Shares offered by the Selling Shareholders:	7,600,000 shares
Shares being registered for future sale	4,400,000 shares
Shares Outstanding as of June 30, 2003:	7,600,000 shares
Shares Outstanding At Conclusion of Offering:	12,000,000 shares

Use of Proceeds - Intelligent Sports, Inc. will not receive any proceeds from the sale of the shares by the Selling Shareholders. We may receive the proceeds if any of the shares being registered for future sale are in fact sold, on a best efforts, no minimum basis. The offering to be conducted by the Company currently has no end date. Any and all proceeds raised from the possible sale of the additional shares contained in this prospectus will be used directly by the Company and no funds will be placed in escrow. If this event occurs, we have identified several potential sites for developing our athletic academy that will allow us to have a full time site and space for all programs. Proceeds will be used for marketing promotions to continue to increase awareness in the area. Other startup and administrative expenses are itemized to be used with the proceeds received.

Our Trading Symbol - The Common Stock of Intelligent Sports, Inc. does not have a trading symbol at this time.

### SUMMARY FINANCIAL INFORMATION

	06/30/03	3/31/03	12/31/02
	-----	-----	-----
	(Unaudited)	(Unaudited)	
Balance Sheet Data:			
Total Assets	\$ 15,477	\$ 2,333	\$ 60,308
Total Liabilities	156,612	125,733	150,183
Total Stockholders' Equity (Deficit)	(141,135)	(123,400)	(89,875)
Statement of Operations:			
Revenues	\$ 141,062	\$ 54,061	\$ 153,592
Expenses	192,322	87,586	504,667
Net Income (Loss)	(51,260)	(37,525)	(449,462)
Income (Loss) Per Share	(0.01)	(0.00)	(.06)
Shares Used In Computing	7,600,000	7,516,713	7,516,713
Net Income (Loss) Per Share			



## **RISK FACTORS**

An investment in our common stock is highly speculative and involves a high degree of risk. Therefore, you should consider all of the risk factors discussed below, as well as the other information contained in this document. You should not invest in our common stock unless you can afford to lose your entire investment and you are not dependent on the funds you are investing.

### **RISK FACTORS RELATED TO INTELLIGENT SPORTS, INC.'S OPERATIONS:**

#### **WE MAY CONTINUE TO LOSE MONEY, AND IF WE DO NOT ACHIEVE PROFITABILITY, WE MAY NOT BE ABLE TO CONTINUE OUR BUSINESS.**

Through June 30, 2003, we have generated limited revenues from operations, have incurred substantial expenses and have sustained losses in the amount of \$504,635. In addition, we expect to continue to incur significant operating expenses. As a result, we will need to generate significant revenues to achieve profitability, which may not occur. We expect our operating expenses to increase significantly as a result of our planned expansion. Since we have limited operating history of marketing our services to the public, our business may never generate sufficient revenues to meet our expenses or achieve profitability. Even if we do achieve profitability, we may be unable to sustain or increase profitability on a quarterly or annual basis in the future. If the Company fails to generate significant revenues to meet our expenses or achieve profitability and if the Company cannot arrange financing of our planned expansion, it will be very difficult to operate.

#### **EFFECT OF CONCURRENT PRIMARY AND SECONDARY OFFERINGS**

Of the total shares being offered, the selling shareholders are offering 7,600,000 shares or 63.3% of the total shares being offered. The effect of the offering of the shares by the selling shareholders will be to reduce the price that the common stock would otherwise have traded in the open market, perhaps significantly, thus either reducing the proceeds that the Company will get from this offering and/or delaying the date of completion for the offering of the Company's common stock and possibly rendering unacceptable to the Company's Board of Directors such sale of the Company's shares. There is no arrangement between the Company and the selling shareholders to address the possible effect of the concurrent primary and secondary offering on the price of our shares.

#### **WE ARE INVESTING TIME AND RESOURCES IN NEW BUSINESS INITIATIVES THAT MIGHT NOT MATERIALIZE TO COMMERCIAL VIABILITY.**

As a result, we might incur substantially more expenses than income and might not have enough resources to fund growth that may be commercially viable. If we are not able to successfully initiate our marketing program, we may not be able to generate enough sales to remain a viable company. Competitors already established in certain industries may already have customer bases that we may not be able to sell to. This is especially true if we expand into geographic locations or sports we are currently not operating in.

**THE REPORT OF OUR INDEPENDENT ACCOUNTANTS CONTAINS A GOING CONCERN QUALIFICATION, WHICH STATES THAT WE MAY NOT BE ABLE TO CONTINUE OUR OPERATIONS.**

Our independent certified public accountants' report for the period ended December 31, 2002, contains an explanatory paragraph. This paragraph states that our limited working capital position raises substantial doubt about our ability to continue as a going concern. This language in the accountant's opinion could make the process of obtaining financing (debt or equity) more difficult. The explanatory paragraph from the Accountants means that the Company may not be able to continue its operations due to lack of funds and the ability to secure additional funds.

**WE ARE DEPENDENT ON OUR KEY PERSONNEL AND THEIR PERSONAL CONTACTS, AND IF WE LOSE THOSE PERSONNEL, OUR BUSINESS WOULD FAIL DUE.**

Our future success depends, in significant part, upon the continued service of our senior management, Thomas Hobson, Dennis Mears and Andre Bossieux. Mr. Hobson and Mr. Mears has spent a considerable amount of time researching and developing the idea for the operation of sports leagues, sporting venues, marketing and sales. In addition, Mr. Hobson and Mr. Mears have developed many personal contacts with various other companies involved in operation of sports leagues, sporting venues, marketing and sales. These contacts are important to the company. The loss of any of these individuals, particularly in the early stages of our operations, would hurt our business. We do not maintain key man life insurance covering any of our personnel. Our future success also depends on our continuing ability to attract and retain highly qualified personnel. Competition for such personnel is intense, and we may experience difficulties in attracting the required number of such individuals. If we are unable to hire and retain personnel in key positions, our business could fail.

**WE WILL NEED ADDITIONAL WORKING CAPITAL TO FINANCE OUR BUSINESS PLAN AND SUCH FINANCING MAY BE UNAVAILABLE OR TOO COSTLY.**

As an operator of sports leagues, sporting venues, marketing and sales, we do not need capital to develop and manufacture products. However, we may be asked to advance the cost of certain expenses for venues and other ideas. Our ability to secure such financing and allocate sufficient funds required to support our marketing activity maybe difficult. Additional financing may not be available on favorable terms or even at all. If we raise additional funds by selling stock, the percentage ownership of our then current stockholders will be reduced. If we cannot raise adequate funds to satisfy our capital requirements, we may have to limit our operations significantly. Our ability to raise additional funds may diminish if the public equity markets become less supportive of the industry.

**IF WE ARE FOUND LIABLE IN A PERSONAL INJURY LAWSUIT ARISING FROM THE OPERATION OF SPORTS LEAGUES AND SPORTING VENUES, OUR BUSINESS AND FINANCIAL CONDITION MAY BE HARMED.**

We may face potential risk of personal injury liability claims because our services involve activities where injury may occur from their use. These injuries to individuals participating in our tournaments, leagues or clinics, cause them to need serious medical care. Although we have liability insurance coverage for our current operations, we cannot be certain that this insurance will adequately cover all product liability claims or that we will be able to maintain this insurance at a reasonable cost and on reasonable terms. If we are

found liable for damages with respect to a personal injury liability claim and our insurance coverage is inadequate to satisfy the claim, then our business, operating results and financial condition could be materially and adversely affected.

**RISKS RELATED TO OFFERING MANAGEMENT BENEFICIALLY OWNS OVER 37% OF OUR COMMON STOCK, AND ALL OF THE PREFERRED STOCK CONVERTIBLE INTO COMMON STOCK, GIVING THEM**

**CONTROL OVER THE VOTING OF THE CORPORATION, AND THEIR INTEREST COULD CONFLICT WITH YOURS.**

Our directors and executive officers and other founders beneficially own approximately 35.3% of our outstanding common stock assuming all warrants are exercised. As a result, the directors and executive officers collectively are able to substantially influence all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. Such concentration of ownership may also have the effect of delaying or preventing a change in control, which may be to the benefit of the directors and executive officers but not in the interest of the shareholders. In addition, Messrs Hobson and Mears each own 50% of the 4,000,000 issued and outstanding Preferred Stock of the company. Each share of preferred stock is convertible into five (5) shares of common stock. Accordingly, they could convert the preferred stock into 20,000,000 shares of common stock. This gives them effective control over all actions of the company.

**FUTURE SALES OF COMMON STOCK BY OUR EXISTING STOCKHOLDERS COULD ADVERSELY AFFECT OUR STOCK PRICE.**

As of June 30, 2003, Intelligent Sports, Inc. has 7,600,000 outstanding shares of Common Stock. Out of the 7,600,000 shares currently outstanding 7,600,000 are being registered with this offering. Sales of substantial amounts of Common Stock in the public market, or the perception that such sales will occur, could have a material negative effect on the market price of our Common Stock. This problem would be exacerbated if we issue Common Stock in exchange for equipment and services. Future sales of common stock, either registered or unregistered would increase the number of shares issued and outstanding. This could cause the price per share to fall as more shares enter the market.

**IMPACT UPON OUR BUSINESS DUE TO REGISTRATION OF ALL OF OUR ISSUED AND OUTSTANDING COMMON STOCK AND INTENT OF MANAGEMENT FOLLOWING SALE OF ALL OF HIS STOCK**

All of the issued and outstanding shares of common stock of the Company are being registered for resale, including all shares held by our Officer and Director. This increase in the number of shares available for sale could adversely effect the price for our securities which could impair the ability of the Company to raise additional financing. In the event that our officer and director sells all of his shares, he intends to remain with the Company in the same positions he now holds.

**WE EXPECT TO ISSUE ADDITIONAL STOCK IN THE FUTURE TO FINANCE OUR BUSINESS PLAN AND THE POTENTIAL DILUTION CAUSED BY THE ISSUANCE OF STOCK IN THE FUTURE MAY CAUSE THE PRICE OF OUR COMMON STOCK TO DROP.**

As of June 30, 2003, we had outstanding 7,600,000 shares of common stock, all of which are included in this registration statement. Subsequent to the effective date of this offering, we may need to raise additional capital, which may result in the issuance of additional shares of common stock, or debt instruments. Shares may be issued under an available exemption, a latter registration statement, or both. If and when additional shares are issued, it may cause dilution in the value of shares purchased in this offering and may cause the price of our common stock to drop. These factors could also make it more difficult to raise funds through future offerings of common stock.

**OUR DIRECTORS HAVE LIMITED LIABILITY AND THEREFORE CANNOT BE HELD LIABLE FOR MONETARY DAMAGES.**

Under our Certificate of Incorporation, the directors cannot be held liable to Intelligent Sports, Inc. or to the stockholders for monetary damages for breach of fiduciary duties except under certain limited circumstances. This would limit the amount that could be recovered in any action brought against the Directors by any shareholders.

**WE MAY NOT BE ABLE TO OBTAIN A TRADING MARKET FOR YOUR SHARES MAKING IT MORE DIFFICULT TO SELL YOUR SHARES.**

Trading in our Common Stock, if any, is intended to be conducted on the OTC Bulletin Board operated by the NASD, after we obtain a listing, if ever. We have made application to the NASD to list these shares on the Over the Counter Bulletin Board operated by the NASD. Said application is still pending. Because we may not be able to obtain or maintain a listing on the OTC Bulletin Board, your shares may be difficult or impossible to sell. However, if we are unable to qualify for this listing, or if we will become unable to maintain our listing on the OTC Bulletin Board, we believe that our stock will trade over-the-counter in the National Quotation Bureau's so-called "pink sheets". Consequently, selling your Common Stock would be more difficult because only smaller quantities of stock could be bought and sold, transactions could be delayed, and security analysts' and news media's coverage of Intelligent Sports, Inc. may be reduced. In addition, shares quoted on the NQB "pink sheets" are not traded by all brokers and firms and you may have trouble finding a firm to sell your shares. These factors could result in lower prices and larger spreads in the bid and ask prices for our stock.

Furthermore, we are not presently, and it is likely that for the foreseeable future we will not be, eligible for inclusion in NASDAQ or for listing on any United States national stock exchange. To be eligible to be included in NASDAQ, a company is required to have not less than \$4,000,000 in net tangible assets, a public float with a market value of not less than \$5,000,000, and a minimum bid of price of \$4.00 per share. At the present time, we are unable to state when, if ever, we will meet the NASDAQ application standards. Unless we are able to increase our net worth and market valuation substantially, either through the accumulation of surplus out of earned income or successful capital raising financing activities, we will never be able to meet the eligibility requirements of NASDAQ. As a result, it will be more difficult for holders of our common stock to resell their shares to third parties or otherwise, which could have a material adverse effect on the liquidity and market price of our common stock.

**OUR COMMON STOCK IS A "PENNY STOCK," AND COMPLIANCE WITH REQUIREMENTS FOR DEALING IN PENNY STOCKS MAY MAKE IT DIFFICULT FOR HOLDERS OF OUR COMMON STOCK TO RESELL THEIR SHARES.**

Currently there is no public market for our common stock. If the common stock is ever listed in the public market in what is known as the over-the-counter market and at least for the foreseeable future, our common stock will be deemed to be a "penny stock" as that term is defined in Rule 3a51-1 under the Securities Exchange Act of 1934. Rule 15c-2 under the Exchange Act requires broker/dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain from these inventors a manually signed and dated written acknowledgement of receipt of the document before effecting a transaction in a penny stock for the investor's account. Compliance with these requirements may make it more difficult for holders of our common stock to resell their shares to third parties or otherwise, which could have a material adverse effect on the liquidity and market price of our common stock.

Penny stocks are stocks with a price of less than \$5.00 per share unless traded on NASDAQ or a national securities exchange; Penny stocks are also stocks, which are issued by companies with: Net tangible assets of less than \$2.0 million (if the issuer has been in continuous operation for at least three years); or \$5.0 million (if in continuous operation for less than three years); or average revenue of less than \$6.0 million for the last three years.

Inasmuch as we are considered a Penny Stock, some brokers or firms may not trade our shares. This may limit the ability for you to sell the shares.

**WE MAY REQUIRE ADDITIONAL FUNDS TO ACHIEVE OUR CURRENT BUSINESS STRATEGY, WHICH WE MAY NOT BE ABLE TO OBTAIN.**

We may need to raise additional funds through public or private debt or sale of equity to develop and establish our operation of sports leagues, sporting venues, marketing and sales. Such financing may not be available when needed. Even if such financing is available, it may be on terms that are materially adverse to your interests with respect to dilution of book value, dividend preferences, liquidation preferences, or other terms. If we are unable to obtain financing on reasonable terms, we could be forced to delay, scale back or eliminate product and service development programs. In addition, such inability to obtain financing on reasonable terms could have a material adverse effect on our business, operating results, or financial condition to such extent that we are forced to restructure, file for bankruptcy, sell assets or cease operations, any of which could put your investment dollars at significant risk. The failure to raise additional capital might affect our ability to lease additional venues to expand the tournaments, leagues and clinics, or make such events smaller and reduce the number of participants.

This Prospectus contains forward-looking statements, which involve risks and uncertainties. Such forward-looking statements include, but are not limited to, statements regarding future events and our plans and expectations. Intelligent Sports, Inc.'s actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth in the following risk factors and elsewhere in this

Prospectus. In addition to the other information in this Prospectus, the following risk factors should be considered carefully in evaluating Intelligent Sports, Inc. and our business before purchasing the Common Stock offered by this Prospectus.

## USE OF PROCEEDS

The shares of common stock offered by this prospectus are being registered for the account of the selling stockholders, and we will not receive any proceeds from the sale of common stock by the selling stockholders.

The gross proceeds from the sale of the maximum offering are estimated to be \$13,200,000. After deducting estimated offering expenses of \$17,312 and commissions of \$1,320,000, the net proceeds of the maximum offering are \$11,862,688. The net proceeds from the sale of the maximum number of shares should satisfy the Company's current working capital needs. The following table details the Company's projected use of proceeds of the Offering. The Officers and Directors may receive salary and fees as set forth in any potential respective Employment Agreement. As of this date of the filing of this Registration Statement, no Employment Agreements have been entered into by the Company.

Assuming the sale of all Shares offered hereby, the estimated proceeds of this Offering are as set forth below. The Company intends to use the net proceeds during the first twelve-month period for the purposes set forth below:

Use of Proceeds	Maximum
Athletic Academy Acquisition	\$ 300,000
Athletic Academy Improvements	\$ 800,000
Office and Administrative Expenses	\$ 300,000
Marketing and Advertising	\$ 2,000,000
Professional Fees	\$ 500,000
Working Capital (1)	\$ 7,962,688
	-----
TOTAL	\$ 11,862,688

(1) Amounts listed under "Working Capital" have not been specifically allocated. Pending application, proceeds may be invested in short-term money market obligations, interest bearing bank accounts, treasury bills or similar instruments.

## DETERMINATION OF OFFERING PRICE

Before this offering, there has been no public market for the shares of our common stock. Accordingly, the price of the common shares stated in this prospectus, \$3.00, was determined by an arbitrary process based upon our internal, subjective evaluation. Among the factors considered in determining the initial estimated price of the common shares were:

1. Our history and our prospects;
2. The industry in which we operate;
3. The status and development prospects for our proposed products and services;
4. Our past and present operating results;
5. The previous experience of our executive officers; and
6. The general condition of the securities markets at the time of this offering.

The offering price stated on the cover page of this prospectus should not be considered an indication of the actual value of the shares of common stock offered in this prospectus. That price is subject to change as a result of market conditions and other factors, and we cannot assure you that the common stock can be resold at or above the initial public offering price.

Number of Holders - As of June 30, 2003, there were approximately 23 record holders of common stock.

## **DIVIDENDS**

We have never paid a cash dividend on our common stock. It is our present policy to retain earnings, if any, to finance the development and growth of our business. Accordingly, we do not anticipate that cash dividends will be paid until our earnings and financial condition justify such dividends, and there can be no assurance that we can achieve such earnings.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION**

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes to such consolidated financial statements included elsewhere in this Report. The following discussion contains forward-looking statements that involve risks and uncertainties. The statements are based on current expectations and actual results could differ materially from those discussed herein. Factors that could cause or contribute to the differences are discussed in "Business- Risk Factors" and elsewhere in this Report.

## **OVERVIEW**

We provide youth and amateur sports programs. Currently, we offer youth and amateur basketball leagues, tournaments and clinics that provide a high quality, best-in-class sports experience for our customers. Combining corporate and entrepreneurial expertise, our programs and services help our customers optimize their skills in a positive, learning environment.

We derive our revenues from three business segments based on the types of products and services provided. For the years ended December 31, 2002 and 2001 total revenues were \$153,592 and \$1,004, respectively. The increase in

sales is due to a ramping up and expansion of our business segments. These business segments are Leagues, Tournaments and Clinic. We derive our revenues from three business segments based on the types of products and services provided. For the years ended December 31, 2002 and 2001 total revenues were \$153,592 and \$1,004, respectively. The increase in sales is due to a ramping up and expansion of our business segments. These business segments are Leagues, Tournaments and Clinic. Also, for the year ended December 31, 2001, our revenue only included one month of business activity as compared to twelve months of business activity for the year ended December 31, 2002. We provide, pursuant to our agreements with the two entities, marketing, promotion and venue management of the basketball tournaments. We collect the fees and pay BCI and CSG a fee for the use of the tournament name. We have no written contracts with either entity.

LEAGUES- our basketball leagues are our signature product. Due to customer demand, we expanded our basketball leagues to calendar year operations in 2002. We also expanded our capability and use of our web site and captured email addresses to help promote the leagues and our brand to a broader customer base.

Our basketball leagues run each season (i.e., Winter, Spring, Summer and Fall). We offer both team and individual player entry. Teams pay an average of \$500 per season and player fees average approximately \$90 per season. Individual players are assigned to a team. We provide the facilities, referees, site administration and management of the league. In 2002, our league operation served approximately 140 teams which represents in excess of 1,200 customers. Leagues typically operate for 8 weeks with a tournament style playoff format at the end.

TOURNAMENTS- The success of our signature leagues has led to the expansion of our business model into providing basketball tournaments. These tournaments typically operated over selected weekends to capitalize on the growing need of travel and all-star level teams to test their skills against high-level competition within and outside of their communities. Teams will typically travel longer distances to compete in these tournaments since the level of competition is stronger and the timeframe is condensed into a single weekend. We derived our revenues from a combination of tournament entry fees, gate receipts and merchandise sales.

Our first tournament was launched in November, 2002. This Thanksgiving Tuornament attracted nearly 60 teams from Bakersfield, CA to Mexicali, Mexico and has led to the expansion to three additional tournaments for 2003.

Additionally, we provide tournament management for established regional and national tournament programs. In 2002, we contracted to manage and operate two regional tournament programs: The Basketball Congress International ("BCI") and The California State Games Regional Qualifying Tournament ("CSG"). We provide, pursuant to our agreements with the two entities, marketing, promotion and venue management of the basketball tournaments. We collect the fees and pay BCI and CSG a fee for the use of the tournament name. We have not written contracts with either entity.



BCI is a 30-year-old basketball program that operates regional tournaments throughout the country that culminates into a national tournament for the regional qualifying teams. We were selected as a host for their southern California qualifying tournament. We had approximately 40 teams compete for the opportunity to participate in their national tournament. Revenues were derived from a percentage of the entry fees from the teams that entered the qualifying tournament that we managed and gate receipts.

CSG is a non-profit, charitable organization established to promote the development and growth of amateur athletics in California. CSG is a grass-roots program of the United States Olympic Committee. CSG is a multi-sport festival of Olympic-style competition for California's amateur athletes of all ages and abilities, with a strong focus on youth. Teams that finish first, second, third or consolation winner in each division of the qualifying tournament are invited to participate in their California State Games in San Diego, California, with over 25,000 people competing in 20 different sports.

Our 2002 regional qualifying tournament attracts 60 teams, the largest qualifying tournament for a first-year host of the tournament ever. Our success in promoting and operating their regional qualifying tournament in 2002 expanded our relationship to operate and manage two qualifying tournaments for CSG in 2003. Revenues were derived from a percentage of the entry fees from the teams that entered the qualifying tournament that we managed, gate receipts and merchandise sales.

CLINICS- our basketball clinics are designed to assist our younger customers looking to further develop their skills. These clinics are five-week sessions and are offered periodically throughout the year. The clinics are intimate, serving roughly 25- 30 students per session.

Additionally, we recognize and our committed to serving our communities and providing opportunities for underprivileged and underrepresented areas of our communities. Therefore, we provide basketball clinics each year that are free to the public and provide a similar level of skill learning as our regular clinic programs.

## **RESULTS OF OPERATIONS**

For the year ended December 31, 2002, our net loss was \$449,462, of which \$100,000 was from expenses to our officers for services rendered, \$301,600 was for consulting services paid in common stock, \$36,801 for advertising expenses, \$34,939 for professional fees and \$31,327 for general and administrative expenses. During the year ended December 31, 2001, the Company incurred advertising expenses of \$2,138, professional fees of \$1,600 and general and administrative expenses of \$1,179. The increase in expenses is due to our intent to become an Over-The-Counter Bulletin Board (OTC-BB) Company and the expansion of our business segments to year-round programs. Our revenues increased across all of our business segments due to our expansion to a year-round portfolio of organized youth and amateur basketball programs. An estimate of the breakdown of our Revenue is as follows:

Leagues:	68%
Tournaments:	30%
Clinics	2%

Our intent is to operate the Company as an OTC-BB Company. We have financed this effort through debt and equity financing which represents the majority of our losses. This process is necessary for us to raise the required funds for expansion of our operations in 2003. Our goal is to develop a multi-purpose sports facility that will promote a diverse range of sports programs, leagues, tournaments, clinics and individual sports skill training that will expand our revenue model.

Our programs are presented at various site locations that we contract for on an as-needed basis. The cost of renting these sites could represent as much as 30% of our Cost of Sales to produce a program. Additionally, our ability to pursue other sports related businesses with synergy to our core basketball programs is limited because we do not have control of site location(s) to develop these synergies and expand our revenue model.

## **LIQUIDITY AND CAPITAL RESOURCES**

Although we have incurred substantial debt primarily due to the financing of our effort to become an OTC-BB Company, due to our recent operations in the tournaments, leagues and clinics, our revenues are sufficient to maintain our current level of operation with conservative expansion of our programs during 2003. For the year ended December 31, 2002, cash increased by \$26,360 to \$29,631 from \$3,271 at December 31, 2001. The primary source of cash were proceeds from a note payable and issuance of common stock. The Company used \$2,000 for investing to develop a website. The address of the web site id [www.nbnweb.net](http://www.nbnweb.net). It stands for Nothin' But Net. Cash used by operating activities was \$23,583. Adjustments to reconcile net loss to cash used in operations were Common stock issued for services of \$323,000, preferred stock issued for services of \$4,000 and amortization of \$1,333. The operating expenses that provided cash were an increase in accounts payable of \$5,323, and increase in accrued expenses of \$100,000 and an increase in deferred revenues of \$19,860.

Operating expenses that used cash were an increase in prepaid expenses of \$27,637. Our future and contractual obligations are minuscule since we only incur minimal promotional and advertising expenses until customers commit to a program. We do not enter into site agreements or commit to operational expenses (outside of promotional and advertising expenses) until customers have committed and fees are received.

We believe that we have the financial resources needed to meet our current business requirements for the next 12 months, not including the capital expenditures for the developing our owe sports facility and expanding our sports program within said facility. This is because our operating expenses are not incurred until the event occurs, and is based upon the number of participants in each tournament, league or clinic. Without additional capital, we may not be able to expand into other venues or sports. Based upon current activities, we can satisfy current cash requirements indefinitely.

Our independent certified public accountants' report for the period ended December 31, 2002, contains an explanatory paragraph. This paragraph states that our limited working capital position raises substantial doubt about our ability to continue as a going concern. This language in the accountant's opinion could make the process of obtaining financing (debt or equity) more difficult. The explanatory paragraph from the Accountants means that the Company may not be able to continue its operations due to lack of funds and the ability to secure additional funds. However, we believe that we are able to continue operations without securing additional funds. The only affect would be in expansion and other capital projects.

#### June 2003 compared to June 2002

For the six months ended June 2003 and 2002, revenues were \$141,062 and \$66,056, respectively. The increase in revenues was due to expansion of our basketball program to include a spring league.

For the six months ended June 2003 and 2002, net loss was \$51,260 and \$34,373, respectively. For these periods, general and administrative expenses were \$80,032 and \$63,076, respectively. The decline in net loss and general and administrative expenses is due to a reduction in the use of outside services and thus less debt associated with stock issuances.

For the six months ended June 2003, cash decreased by \$16,154 to \$13,477 from \$29,631. The primary use of cash was payment on note payable - related party of \$25,000. Net cash provided by operations was \$2,234. Adjustment to reconcile net loss to cash used in operations was amortization of \$667. The operating expenses that provided cash were a decrease in prepaid expenses of \$28,010 and an increase in accrued expenses of \$50,000. Operating expenses that used cash were a decrease in accounts payable of \$5,323 and deferred revenue of \$19,860.

### **BUSINESS**

Intelligent Sports, Inc. was incorporated on November 26, 2001, under the laws of the State of California to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of California. Intelligent Sports is a holding company for its subsidiary, Inland Empire Sports Academy, Inc. a sports related businesses. Intelligent Sports, Inc. provides its subsidiary with strategic guidance and support in the areas of marketing, sales, sponsorships, partnerships, policy & procedures, finance and expansion. Our focus is in the area of basketball. The Inland Empire Sports Academy, Inc. (The Sports Academy), promotes a diverse range basketball leagues, tournaments, clinics and individual sports skill training. We advertise, promote them, provide a venue for the playing of the games, and charge a fee to the teams and players to participate in the programs.

Inland Empire Sports Academy, Inc. (Inland) (dba Nothin' But Net) was incorporated as a wholly owned subsidiary of Intelligent on November 27, 2001 under the laws of the State of California to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of California. Inland is engaged in the operation of Sports Leagues for youth and amateur sports programs planned principle operations began in 2002, accordingly the Company is no longer considered to be in the development stage. "Nothin' But Net Basketball Programs", which represents all the revenue of Intelligent Sports, Inc., at this time.

We operate in the Southern California area.

## **STRATEGY**

This strategy section and the following outlook section contain a number of forward-looking statements, all of which are based on current expectations. Actual results may differ materially.

Intelligent Sports will be the holding company for several sports related businesses. Intelligent Sports will provide business units with strategic guidance and support in the areas of marketing, sales, sponsorships, partnerships, policy & procedures, finance and expansion. Our first business launch is the Inland Empire Sports Academy, Inc. (Nothin' But Net). Nothin' But Net offers a year-round sports calendar with emphasis on basketball leagues, tournaments, clinics and camps. Our plan is to expand this concept into a multi-purpose sports facility that will promote a diverse range of sports programs, leagues, tournaments, clinics and individual sports skill training. Initially, the facility would be leased by us, and we would make whatever leasehold improvements were necessary. The facility will also be available for individual and team sport practices.

We are uniquely positioned to provide valuable programs and services to organized youth sports communities throughout the country. Our initial enterprise, The Inland Empire Sports Academy, will be a full service, multi-purpose facility that will promote a range of sports programs, leagues, tournaments, clinics and individual sports skills training.

Our executive management team represents some of the brightest and most visionary talent in youth sports today. Our corporate, entrepreneurial, sports and entertainment experience will allow Intelligent Sports to have a positive impact on the sports development and life skills of thousands of our youth.

In order to develop a reliable source of revenues and achieve a profitable level of operations, we will need, among other things, additional capital resources. Our plan includes raising additional capital through the private placement of sales of common stock and/or loans from related and other third parties, the proceeds of which will be used to develop our products and services, pay operating expenses and pursue business development activities. We expect that we will need \$2,000,000 of additional funds for operation and expansion in 2003. However, we cannot provide any assurances that we will be successful in accomplishing any of our plans.

Our ability to capitalize on these opportunities is substantially dependent on our ability to become an OTC-BB company and to raise the requisite capital through the public and private placement of sales of common stock. We believe that we have the product offerings, and competitive resources for continued business success, but the future revenues, costs, margins and profits are all influenced by a number of factors, including those discussed above, all of which are inherently difficult to forecast.

Intelligent Sports, Inc, will have a year-round portfolio of organized youth sports targeted towards a large segment of families in the communities we serve. Our initial concept, The Inland Empire Sports Academy, will serve thousands of youth and provide them a much needed multi-purpose sports facility to hone and develop life-long skills while making friendships that will last forever.

#### **COMPETITION**

There are numerous youth and amateur sports programs throughout the country. The business of youth and amateur sports is a multi-billion industry with several niche competitors. We have built our business model to focus on our customer core and giving our participants an experience that they will value and want to continue with us.

#### **DEPENDANCE ON MAJOR CUSTOMERS**

We are not dependant on any major customers for our revenue. In addition to managing the two tournaments previously mentioned, the majority of our revenue comes from our basketball leagues which have 80-100 teams participating and paying similar fees.

We are not required to have any governmental approval to operate the leagues, tournaments, or clinics

#### **INFLATION**

Inflation has not historically been a material effect on the Company's operations and is not expected to have a material impact on the Company or its operations in the future.

#### **AGREEMENTS**

HJ Associates & Consultants, LLP- Agreement to plan and perform audit of the Company's financial statements.

Axelrod, Smith & Kirschbaum- Agreement to provide corporate legal services.

During March 2002, the Company entered into a six-month agreement (the Agreement) with Action Stocks for which Action Stocks would provide services related to the compilation and preparation of Registration Statements to be

filed with the Securities and Exchange Commission and other market related activities. The Agreement called for the payment of \$50,000 in cash and a 13% equity interest in the common stock of the Company. These payments were to be distributed as follows: \$25,000 upon execution of the Agreement which amount was non refundable, the 13% equity interest in the common stock; and the remaining \$25,000 upon completion of a Registration Statement with the Securities and Exchange Commission.

In anticipation of this Agreement, the Company issued 1,560,000 shares of common stock during January 2002 valued at \$0.20 per share, or \$312,000, and paid \$25,000 in cash during March 2002. The Company recorded the stock issued as deferred compensation, and has amortized this amount over the life of the contract. The Company recognized consulting expense of \$312,000 and \$-0- for the periods ended December 31, 2002 and 2001, respectively.

During March 2002, the Company's wholly owned subsidiary, Nothin' But Net, entered into a Letter of Agreement with Gabriel DeGroot Bendt, an unrelated party, for which the unrelated party would provide advertising and promotional services to be billed on a time and materials basis. During January 2002, in anticipation of the Agreement the Company issued 10,000 shares of its common stock valued at the fair value of the services received, or \$2,000, in relation to services provided under the terms of the Letter of Agreement.

## **DESCRIPTION OF PROPERTY**

Intelligent Sports, Inc., current operations are located at 1817 N. Millsweet Drive, Upland, CA. 91784. The business is currently operated out of the residence of our President, Thomas Hobson. and our mailing address is 154-A W. Foothill Blvd.-PMB 303, Upland, CA 91786. Currently, Intelligent Sports, Inc. leases gymnasium space for their sports leagues, tournaments and clinics at various locations throughout southern California. These facilities are adequate for the company's needs at this time. We lease the facility space for our events. The typical arrangement is that we lease the space for a specific date or dates at an hourly rate for each event. The hourly rate is variable, depending on the location leased. The fees we charge for the teams and individuals cover the lease fee.

## **EMPLOYEES**

The company has no employees, except for the Officers and Directors.

## **MANAGEMENT**

### **Directors and Executive Officers**

The directors and officers of the Company are listed below with information about their respective backgrounds.

Name	Age	Position
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Thomas Hobson	43	CEO, President, Chairman
Dennis Mears	47	COO, Vice President, Director
Andre Bossieux	41	Secretary/Treasurer, Director
Reginald Theus	45	Director
Kellen Winslow	46	Director

Our directors hold office until the next annual meeting of our shareholders or until their successors is duly elected and qualified. Our executive officers serve at the pleasure of the Board of Directors. Set forth below is a summary description of the principal occupation and business experience of each of our directors and executive officers for at least the last five years.

**THOMAS HOBSON, PRESIDENT & CEO, CHAIRMAN**, from inception to present. Mr. Hobson has a long history of corporate and entrepreneurial endeavors and throughout his career, has achieved both personal and professional success. He has served as an advisor and negotiator for a former NBA player and highly successful sports agent. He has leveraged his many professional and personal relationships in both business and sports to obtain major corporate involvement in youth programs and sports development. He is on the Advisory Board for the Los Angeles Sports and Entertainment Commission, Past-President of the Upland National Junior Basketball Chapter, Co-Founder of the "Nothin' But Net" Basketball League and a member of the Upland YMCA Board of Directors. Intelligent Sports, Inc. combines his love for sports with his passion for business development. Mr. Hobson holds a BS degree in Engineering and a Juris Doctorate in Law. Mr. Hobson was Chairman of the Board of Directors of Cyber Group Network Corp. from March 21, 2000 until January 25, 2003. He was also a Director of U.S. Crude, Ltd., January 1996 until December 2001.

From 1996 through 1998, Mr. Hobson was the Director of Operations for Sempra Energy. In 1998, he was promoted to Director of Consumer Products and Services where he was accountable for the profit and loss for all consumer related in-house products and services. He also assisted in the development of the expansion strategy to position the company as a national distributor of energy, communications and information based services. He was again promoted to Manager of Partnership Marketing for Sempra Energy. In this position he worked to develop strategic partnerships that enhanced the company's brand positioning and business return, along with obtaining and managing selected sports and entertainment properties and targeted events.

**DENNIS MEARS, VICE PRESIDENT- OPERATIONS & COO, DIRECTOR**, inception to present Mr. Mears has twenty years of corporate planning and operations experience that will be invaluable to the planning, execution, growth and profitability of Intelligent Sports, Inc. Additionally, his background as a radio station owner and concert promoter will help develop The Sports Academy and other strategic acquisitions and alliances into entertainment experiences for our customers. Mr. Mears is Past-City Director for Rancho Cucamonga National Junior Basketball,

Co-Founder of the "Nothin' But Net" Basketball League and Tournament Director for the AAU Inland Empire District.

ANDRE BOSSIEUX, SECRETARY/TREASURER, DIRECTOR, inception to present Mr. Bossieux is Athletic Director at LeRoy's Boys Home, a collegiate basketball official and Founder/President of Strong Side Officials. He is a former basketball player at LaVerne University and holds a bachelor and masters degree. Mr. Bossiueux is the Referee Coordinator for the Intelligent Sports and manages most of the Company's philanthropic efforts.

REGINALD THEUS, DIRECTOR, inception to present Mr. Theus is a College Basketball and NBA game and studio Analyst for FOX Sports and ESPN. He will be starring in a new sports talk show on FOX Sports in the Fall. He is a thirteen year veteran of the NBA and retired as a two-time All-Star. Along with Oscar Robertson, Jerry West and John Havlicek, Mr. Theus is one of only five players in the history of the NBA to achieve over 19,000 points and 6,000 assists during his career. Mr. Theus brings knowledge, understanding and strategic alliances in the sports and entertainment industry that is invaluable to Intelligent Sports.

KELLEN WINSLOW, DIRECTOR, from January 1, 2002 to present Mr. Winslow enjoyed a nine-year NFL career with the San Diego Chargers, earning All-Pro honors five times and setting both team and league records that stand to this day. Mr. Winslow has paralleled his athletic accomplishments with a successful career in the media. He currently serves as an analyst for Fox Sports Network's College Football Saturday Studio Show. In addition, he provides color commentary for NFL broadcasts on CBS Radio. He is in demand as a public speaker, delivering motivational messages to audiences ranging from the boards of major corporations to civic and charitable groups. Mr. Winslow holds a Juris Doctorate degree and possesses the skill and intellect to establish Intelligent Sports as a force in youth and amateur sports.

### EXECUTIVE COMPENSATION

We have not establish a compensation structure for Officers/Directors other than the initial shares that have been issued and will be registered as part of the SB-2.

Summary Compensation Table

Name and Position	Year	Annual Compensation			Long-Term compensation	
		Salary(1)	Bonus	Other Annual	Restricted Stock (2)	
Thomas Hobson, CEO and Chairman	2002	0	0	0		\$6,000,000
Dennis Mears, COO, VP and Director	2002	0	0	0		\$6,000,000
Andre Bossieux, CFO, Sec/Treas and Director	2002	0	0	0		\$300,000
Reginald Theus, Director	2002	0	0	0		\$300,000
Kellen Winslow, Director	2001	0	0	0		\$300,000



- (1) Mr. Hobson and Mr. Mears have each accrued \$50,000 for the fiscal year of 2002, which has not been paid.
- (2) Column shows value based upon initial price indicated herein of \$3.00 per share.

### **STOCK OPTION PLANS**

We do not have any long-term compensation plans or stock option plans.

### **OTHER EMPLOYEE BENEFIT PLANS**

The company presently has no fringe benefit plans that has inured to the benefit of the above individuals

### **EMPLOYMENT AGREEMENTS**

As of the date of this prospectus, we have not entered into any written employment agreements.

## **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

On January 4, 2002, Inland Empire Sports Academy, Inc., issued 900,000 shares of its common stock to Intelligent Sports, Inc. in exchange for all of its issued and outstanding shares of common stock, thereby becoming a wholly-owned subsidiary of Intelligent Sports, Inc. At the time both private companies were owned by Mr. Hobson and Mr. Mears.

Each party named received shares in Intelligent Sports, Inc., at inception and is indicated in the table in the section "Principal Shareholders", which follows.

None of the parties are related by blood or marriage.

Related parties of the Company advanced \$25,000 to pay a deposit on amounts owed for the completion of the Registration Statement. Subsequent to the year-end, the deposit was refunded to the Company as the Registration Statement was not completed and the Company repaid the related party. No interest has been accrued on the note, as the amount would be immaterial.

At December 31, 2002, the Company accrued \$100,000 for unpaid officers salaries for the year ended December 31, 2002.

The Company has entered into an Agreement with Action Stocks, Inc., for various promotional services. The agreement provides for the payment of \$50,000 plus equity of the common stock of the Company equal to 13%. Brent Fouch and James Williams are the individuals responsible for performing the services of Action Stocks, Inc.

### **PRINCIPAL STOCKHOLDERS**

The following table describes, as of the date of this prospectus, the beneficial ownership of our Common Stock by persons known to us to own more than 5% of such stock and the ownership of Common Stock by our directors, and by all officers and directors as a group.

IDENTITY OF STOCKHOLDER OR GROUP	NUMBER OF SHARES BENEFICIALLY OWNED (1)		PERCENTAGE OF SHARES OWNED	PERCENTAGE OF PREFERRED OWNED (6)
	COMMON	PREFERRED (1)		
THOMAS HOBSON (2) C/O THE COMPANY	2,000,000	2,000,000	16.66%	50%
DENNIS MEARS (2) C/O THE COMPANY	2,000,000	2,000,000	16.66%	50%
INTELLI-SPORTS FOUNDATION, INC. (3) C/O OF THE COMPANY	250,000		2.08%	
ACTION STOCKS, INC. (3) 990 HIGHLAND DR., SUITE 106 SOLANA BEACH, CA 92075	720,000		6.00%	
JAMES WILLIAMS 990 HIGHLAND DR., SUITE 106 SOLANA BEACH, CA 92075	390,000		3.25%	
KERRY HEAD 990 HIGHLAND DR., SUITE 106 SOLANA BEACH, CA 92075	435,000		3.63%	
MICHELE WASHINGTON 1754 ERIN AVENUE UPLAND, CA 91784	500,000		4.17%	
VALERIE PINCHEM 938 REDDING WAY, UNIT D UPLAND, CA 91786	500,000		4.17%	
THREE DEEP PRODUCTIONS, INC. (2)(5) 4259 ENORO DRIVE LOS ANGELES, CA 90008	100,000		*	
ANDRE BOSSIEUX (2) C/O THE COMPANY	100,000		*	
KELLEN WINSLOW (2) C/O THE COMPANY	100,000		*	
ALL OFFICER AND DIRECTORS AS A CONTROL GROUP (5 PERSONS)	4,550,000	4,000,000	37.91%	100%

(1) Pursuant to the rules and regulations of the Securities and Exchange Commission, shares of Common Stock that an individual or entity has a right to acquire within 60 days pursuant to the exercise of options or warrants are deemed to be outstanding for the purposes of computing the percentage ownership of such individual or entity, but are not deemed to be outstanding for the purposes of computing the percentage ownership of any other person or entity shown in the table.

(2) Director of the Company.

(3) Intelli-Sports Foundation, Inc., is controlled by Messers Hobson and Mears, and are deemed to be beneficially owned by both individuals acting as a group. These shares are included in the control group

(4) For the purpose of control, Brent Fouch is the control person of Action Stocks, Inc.

(5) Reginald Theus is the control person of Three Deep Productions, Inc., and is a Director of the Company.

(6) Each share of Preferred Stock is convertible into 5 shares of common stock, giving Mr. Hobson and Dennis Mears effective control over voting

(\*) Less than 1% of the issued and outstanding shares

## DILUTION

The following table illustrates the percentages of investment capital paid by current shareholders who acquired shares in Intelligent Sports during the past five years compared to investment capital to be paid by investors in the Intelligent Sports offering and the percentages held by each in Intelligent Sports following the offering

	100% SOLD	50% SOLD	25% SOLD	10% SOLD
% CAPITAL PAID BY CURRENT SHAREHOLDERS WHO ACQUIRED STOCK IN THE LAST FIVE YEARS COMPARED TO CAPITAL PAID IN THIS OFFERING	2.6%	5.1%	10.5%	21.0%
% OWNERSHIP OF INTELLIGENT SPORTS BY CURRENT SHAREHOLDERS ACQUIRING STOCK IN THE LAST FIVE YEARS	63%	78%	87%	
% CAPITAL PAID BY OFFERING PURCHASES COMPARED TO CAPITAL PAID BY CURRENT SHAREHOLDERS WHO ACQUIRED STOCK IN THE LAST FIVE YEARS	97.4%	94.9%	89.5%	
% OWNERSHIP OF INTELLIGENT SPORTS BY OFFERING PURCHASERS	37%	22%	13%	5%

An investment in this offering will undergo immediate dilution when compared with the net tangible assets of Intelligent Sports. The following table illustrates the per share dilution in net tangible book value to new investors if 100% of the 4,400,000 shares offered by Intelligent Sports are sold, if 50% of the 4,400,000 shares are sold, if 25% of the 4,400,000 shares are sold and if 10% of the 4,400,000 shares are sold. Calculations are based on 7,600,000 capital shares outstanding at June 30, 2003, and at the different levels of the offering sold as indicated after the deduction of offering expenses and assuming all shares of Intelligent Sports sold are on a self-underwritten basis with no commissions paid. The 7,600,000 to be sold by the selling shareholders is common stock that is currently issued and outstanding. Accordingly, there will be no dilution as a result of the sale of those shares.

PERCENT OF OFFERING SOLD	100%	50%	25%	10%
PUBLIC OFFERING PRICE PER SHARE	\$3.00	\$3.00	\$3.00	\$3.00
NET TANGIBLE BOOK VALUE PER SHARE AS OF JUNE 30, 2003	\$(0.012)	\$(0.012)	\$(0.012)	\$(0.012)
INCREASE PER SHARE ATTRIBUTED TO INVESTORS IN THIS OFFERING	\$1.102	\$0.672	\$0.382	\$0.162
NET TANGIBLE BOOK VALUE PER SHARE AS OF JUNE 30, 2003, AFTER THIS OFFERING	\$1.09	\$0.66	\$0.37	\$0.15
NET TANGIBLE BOOK VALUE DILUTION PER SHARE TO NEW INVESTORS	\$1.91	\$2.34	\$2.63	\$2.85
NET TANGIBLE BOOK VALUE DILUTION PER SHARE TO NEW INVESTORS AS EXPRESSED AS A PERCENTAGE	63.7%	78.0%	87.7%	95.0%

The officers and directors of the Company have acquired their 4,550,000 common shares for cash and services valued at \$20,475, and their 4,000,000 preferred shares, convertible at a ratio of five to one into common shares, for services valued at \$4,000. If the maximum number of common Shares are sold, the new investors shall acquire 4,400,000 common shares. (about 37% of the total outstanding common shares) at a price of \$3.00 per share or a total of \$13,200,000.

	100% SOLD	50% SOLD	25% SOLD	10% SOLD
% CAPITAL PAID BY OFFICERS/DIRECTORS YEARS COMPARED TO CAPITAL PAID IN THIS OFFERING	.2%	.4%	.8%	2.0%
% OWNERSHIP OF INTELLIGENT SPORTS BY OFFICERS/DIRECTORS THE LAST FIVE YEARS	63%	78%	87%	95%
% CAPITAL PAID BY OFFERING PURCHASES COMPARED TO CAPITAL PAID BY OFFICERS AND DIRECTORS	99.8%	99.6%	99.2%	98.0%
% OWNERSHIP OF INTELLIGENT SPORTS BY OFFERING PURCHASERS	37%	22%	13%	5%

## OFFERING BY SELLING SECURITYHOLDERS

The following tables set forth certain information concerning each of the selling security holders. The shares are being registered to permit the selling security holders and their transferees or other successors in interest to offer the shares from time to time

Of the total shares being offered, the selling shareholders are offering 7,600,000 shares or 63.3% of the total shares being offered. The effect of the offering of the shares by the selling shareholders will be to reduce the price that the common stock would otherwise have traded in the open market, perhaps significantly, thus either reducing the proceeds that the Company will get from this offering and/or delaying the date of completion for the offering of the Company's common stock and possibly rendering unacceptable to the Company's Board of Directors such sale of the Company's shares. There is no arrangement between the Company and the selling shareholders to address the possible effect of the concurrent primary and secondary offering on the price of our shares.

Selling security holders are under no obligation to sell all or any portion of their shares. Particular selling shareholders may not have a present intention of selling their shares and may sell less than the number of shares indicated. The following table assumes that the selling shareholders will sell all of their shares.

None of the Selling Shareholders were or are officers or directors of Intelligent Sports, Inc. or are broker-dealers or affiliates of broker-dealers.

SELLING SHAREHOLDER	TOTAL NUMBER OF COMMON SHARES OWNED PRIOR TO OFFERING	NUMBER OF COMMON SHARES INCLUDED IN OFFERING	% OF BENEFICIAL OWNERSHIP AT CONCLUSION OF OFFERING, PRIOR TO SALE
THOMAS HOBSON (1)	2,000,000	2,000,000	16.67%
DENNIS MEARS (1)	2,000,000	2,000,000	16.67%
ACTION STOCKS, INC. (2)	720,000	720,000	6.00%
JAMES WILLIAMS	390,000	390,000	3.25%
KERRY HEAD	435,000	435,000	3.62%
MICHELE WASHINGTON	500,000	500,000	4.17%
VALERIE PINCHEM	500,000	500,000	4.17%
INTELLI-SPORTS FOUNDATION, INC. (3)	250,000	250,000	2.08%
CLIFFORD GREEN, JR.	210,000	210,000	02.6%
THREE DEEP PRODUCTIONS, INC. (4)	100,000	100,000	*
ANDRE BOSSIEUX (2)	100,000	100,000	*
ANTHONY MACKLIN	100,000	100,000	*
ROBERTO HERNANDEZ, JR.	100,000	100,000	*
KELLEN WINSLOW (2)	100,000	100,000	*
DAVID SANTOS	25,000	25,000	*
WAVE TECHNOLOGIES (5)	50,000	50,000	*
PATRICK L. MCDONALD	5,000	5,000	*
CHRISTOPHER J. SLAUGHTER	5,000	5,000	*
GABRIEL DEGROOT BENDT	10,000	10,000	*
ROBERT AXELROD	10,000	10,000	*
JOHN LEJAY	15,000	15,000	*
KAT TREVINO	10,000	10,000	*
MICHAEL S. KROME	15,000	15,000	*

**TOTAL SHARES INCLUDED IN REGISTRATION STATEMENT: 3,200,000**

(\* ) LESS THAN 1% OF THE ISSUED AND OUTSTANDING SHARES

- (1) DIRECTOR OF THE COMPANY
- (2) BRENT FOUCH IS THE CONTROL PERSON FOR ACTION STOCK, INC.
- (3) THOMAS HOBSON AND DANIEL MEARS ARE THE CONTROL PERSON FOR INTELLIGENT- SPORTS FOUNDATION, INC.
- (4) REGGIE THEUS IS THE CONTROL PERSON FOR THREE DEEP PRODUCTION, INC.
- (5) TOM MEEKS IS THE CONTROL PERSON FOR WAVE TECHNOLOGIES, INC.

### **Shares Eligible for Future Sale**

As of June 30, 2003, Intelligent Sports, Inc. has 7,600,000 outstanding shares of Common Stock. Out of the 7,600,000 shares outstanding 7,600,000 shares are being registered with this offering. The remaining shares of common stock, which are not being registered hereby, are "restricted securities" as defined under Rule 144, substantially all of which are available for sale in the public market, subject to the provisions of Rule 144 under the Securities Act, or pursuant to this Registration Statement. Some of these restricted shares are eligible for re-sale under Rule 144.

In general, under Rule 144 as currently in effect, a person or persons whose shares are aggregated, including an Affiliate, who has beneficially owned Restricted Shares for at least one year is entitled to sell, within any three-month period, a number of such shares that does not exceed the greater of:

- (i) One percent of the outstanding shares of Common Stock; or
- (ii) The average weekly trading volume in the Common Stock during the four calendar weeks preceding the date on which notice of such sale is filed with the Securities and Exchange Commission.

Sales under Rule 144 are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about Intelligent Sports, Inc. In addition, a person who is not an Affiliate and has not been an Affiliate for at least three months prior to the sale and who has beneficially owned Restricted Shares for at least two years may resell such shares without regard to the requirements described above. Intelligent Sports, Inc. is unable to estimate the number of Restricted Shares that ultimately will be sold under Rule 144 because the number of shares will depend in part on the market price for the Common Stock, the personal circumstances of the sellers and other factors. See "Risk Factors--Shares Eligible for Future Sale" and "Risk Factors--Possible Volatility of Stock Price."

### **DESCRIPTION OF SECURITIES**

The following is a summary description of our capital stock and certain provisions of our certificate of incorporation and by-laws, copies of which have been incorporated by reference as exhibits to the registration statement of which this prospectus forms a part.

#### **General**

Our authorized capital stock consists of 480,000,000 shares of common stock, no par value, and 20,000,000 shares of preferred stock with no par value.

## Common Stock

The holders of the common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Our certificate of incorporation and by-laws do not provide for cumulative voting rights in the election of directors. Accordingly, holders of a majority of the shares of common stock entitled to vote in any election of directors may elect all of the directors standing for election. Holders of common stock are entitled to receive ratably such dividends as may be declared by the Board out of funds legally available therefore. In the event of our liquidation or dissolution, holders of common stock are entitled to share ratably in the assets remaining after payment of liabilities. Holders of common stock have no preemptive, conversion or redemption rights. All of the outstanding shares of common stock are fully-paid and non-assessable.

Shares of common stock are held by approximately 23 record holders at this time.

We will have approximately 468,000,000 shares of common stock authorized but not issued at the conclusion of this offering, assuming that all shares are sold that are being set aside for future sale. This would allow our Board of Directors to issue a large number of shares in the future. If this were to happen, it could greatly increase the total number of common shares issued and outstanding. This could lead to a change in control of the company, either intentionally or through an unwanted change of control through the purchase of large numbers of shares of common stock.

## Preferred Stock

The Board of Directors of the Company (without further action by the shareholders), has the option to issue from time to time authorized un-issued shares of Preferred Stock and determine the terms, limitations, residual rights, and preferences of such shares. The Company has the authority to issue up to 20,000,000 shares of Preferred Stock pursuant to action by its Board of Directors. As of the date of this registration statement, the Company has outstanding 4,000,000 shares of Series A Preferred Stock. Currently, Two million (2,000,000) of these shares are held by Mr. Hobson, and Two million (2,000,000) are held by Dennis Mears. Each share of the Series A Preferred Stock has the right to cast 5 votes per share on each and any matter on which the Common Stock is entitled to vote. Accordingly, Mr. Hobson and Mr. Mears are able to control the affairs and operations of the Company including, but not limited to, election of directors, sale of assets or other business opportunities. The Series A Preferred Stock has no dividend rights, redemption provisions, sinking fund provisions or preemptive rights. The Series A Preferred Shares do have liquidation rights equal to \$0.001 per share.

In the future, the Board of Directors of the Company has the authority to issue additional shares of Preferred Stock in series with rights, designations and preferences as determined by the Board of Directors. When any shares of Preferred Stock are issued, certain rights of the holders of Preferred Stock may affect the rights of the holders of Common Stock. The authority of the Board of Directors to issue shares of Preferred Stock with characteristics which it determines (such as preferential voting, conversion, redemption and liquidation rights) may have a deterrent effect on persons who might wish to

take a takeover bid to purchase shares of the Company at a price, which might be attractive to its shareholders. However, the Board of Directors must fulfill its fiduciary obligation of the Company and its shareholders in evaluating any takeover bid.

## **PLAN OF DISTRIBUTION**

No market currently exists for our shares. The price reflected in this Prospectus of \$3.00 per share is the initial offering price of shares upon the effectiveness of this prospectus. At that time the selling shareholders may offer the shares for this price, until the shares are traded on the OTC Bulletin Board, if ever. At that time the price will be determined by the market and may not reflect the initial price of our shares after the offering. We cannot make any prediction at what range our shares will trade at, if any.

Of the total shares being offered, the selling shareholders are offering 7,600,000 shares or 63.3% of the total shares being offered. The effect of the offering of the shares by the selling shareholders will be to reduce the price that the common stock would otherwise have traded in the open market, perhaps significantly, thus either reducing the proceeds that the Company will get from this offering and/or delaying the date of completion for the offering of the Company's common stock and possibly rendering unacceptable to the Company's Board of Directors such sale of the Company's shares. There is no arrangement between the Company and the selling shareholders to address the possible effect of the concurrent primary and secondary offering on the price of our shares.

The shares may be sold or distributed from time to time by the selling stockholders or by pledges, donees or transferees of, or successors in interest to, the selling stockholders, directly to one or more purchasers (including pledges) or through brokers, dealers or underwriters who may act solely as agents or may acquire shares as principals, prior to trading this price will be \$3.00, after the shares are trading, if ever, it will be at market prices prevailing at the time of sale. After the shares are traded, if this happens, the distribution of the shares may be effected in one or more of the following methods:

- o ordinary brokers transactions, which may include long or short sales,
- o transactions involving cross or block trades on any securities or market where our common stock is trading,
- o purchases by brokers, dealers or underwriters as principal and resale by such purchasers for their own accounts pursuant to this prospectus,
- o "at the market" to or through market makers or into an existing market for the common stock,
- o in other ways not involving market makers or established trading markets, including direct sales to purchasers or sales effected through agents,
- o through transactions in options, swaps or other derivatives (whether exchange listed or otherwise), or
- o any combination of the foregoing, or by any other legally available means.

Currently, the Company intends to sell the additional shares being registered as self offering, however, if the Company retains a Broker-Dealer to act as an underwriter to sell the additional shares being registered hereunder, the Company will file an amendment to the Registration Statement disclosing the name of the Underwriter and the terms of the Agreement with Intelligent Sports, Inc. Brokers, dealers, underwriters or agents participating in the distribution of the shares may receive compensation in the form of discounts, concessions or commissions from the selling stockholders and/or the purchasers of shares for whom such broker-dealers may act as agent or to whom they may sell as principal, or both (which compensation as to a particular broker-dealer may be in excess of customary commissions). The selling stockholders and any broker-dealers acting in connection with the sale of the shares hereunder may be deemed to be underwriters within the meaning of Section 2(11) of the Securities Act of 1933, and any commissions received by them and any profit realized by them on the resale of shares as principals may be deemed underwriting compensation under the Securities Act of 1933. Neither the selling stockholders nor we can presently estimate the amount of such compensation. We know of no existing arrangements between the selling stockholders and any other stockholder, broker, dealer, underwriter or agent relating to the sale or distribution of the shares. Because the selling stockholders may be deemed to be "underwriters" within the meaning of Section 2(11) of the Securities Act of 1933, the selling stockholders will be subject to the prospectus delivery requirements of the Securities Act of 1933. Each selling stockholder has advised us that the stockholder has not yet entered into any agreements, understandings or arrangements with any underwriters or broker-dealers regarding the sale of the shares.

The Officers and Directors of the Company will be the persons selling the securities on behalf of the Company. They are to be the only ones with the authority to accept any sale of the securities.

At the time a particular offer is made by or on the behalf of the selling security holders, a prospectus, including any necessary supplement thereto, will be distributed which will set forth the number of shares of common stock, and the terms of the offering, including the name or names of any underwriters, dealers, or agents, the purchase price paid by any underwriter for the shares purchased from the selling security holders, any discounts, commissions and other items constituting compensation from the selling security holders, any discounts, commissions, or concessions allowed, re-allowed, or paid to dealers, and the proposed selling price to the public.

We will not receive any proceeds from the sale of 7,600,000 shares of common stock pursuant to this prospectus already issued by the registrant. We have agreed to bear the expenses of the registration of the shares, including legal and accounting fees. We will receive the proceeds of the 4,400,000 shares of common stock being registered as a shelf offering by the Company, if they are in fact sold. Messrs. Hobson and Mears will pay these expenses that are estimated at about \$18,000.

We have informed the selling stockholders that certain anti-manipulative rules contained in Regulation M under the Securities Exchange Act of 1934 may apply to their sales in the market and have furnished the



selling stockholders with a copy of such rules and have informed them of the need for delivery of copies of this prospectus.

The selling stockholders may also use Rule 144 under the Securities Act of 1933 to sell the shares if they meet the criteria and conform to the requirements of such rule.

Currently there is no public market for our common stock. If the common stock is ever listed in the public market in what is known as the over-the-counter market and at least for the foreseeable future, our common stock will be deemed to be a "penny stock" as that term is defined in Rule 3a51-1 under the Securities Exchange Act of 1934. Rule 15g-2 under the Exchange Act requires broker/dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain from these inventors a manually signed and dated written acknowledgement of receipt of the document before effecting a transaction in a penny stock for the investor's account. Compliance with these requirements may make it more difficult for holders of our common stock to resell their shares to third parties or otherwise, which could have a material adverse effect on the liquidity and market price of our common stock.

Penny stocks are stocks with a price of less than \$5.00 per share unless traded on NASDAQ or a national securities exchange; Penny stocks are also stocks, which are issued by companies with: Net tangible assets of less than \$2.0 million (if the issuer has been in continuous operation for at least three years); or \$5.0 million (if in continuous operation for less than three years); or average revenue of less than \$6.0 million for the last three years.

Inasmuch as we are considered a Penny Stock, some brokers or firms may not trade our shares. This may limit the ability for you to sell the shares.

## **LEGAL PROCEEDINGS**

Intelligent Sports, Inc. is not aware that it is subject to any legal proceedings.

## **CERTAIN PROVISIONS OF THE CERTIFICATE OF INCORPORATION AND BYLAWS**

Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Act") may be permitted to directors, officers and controlling persons of the small business issuer pursuant to the foregoing provisions, or otherwise, the small business issuer has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. The Company's Certificate of Incorporation provides that no director of the Company shall be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director except as limited by California law. The Company's Bylaws provide that the Company shall indemnify to the full extent authorized by law each of its directors and officers against expenses incurred

in connection with any proceeding arising by reason of the fact that such person is or was an agent of the corporation.

### **INDEMNIFICATION UNDER STATE STATUTES AND BYLAWS**

The State of California adopted legislation, effective September 27, 1987, ("Legislation"), which amended the California General Corporation Law to permit limitation of liability of directors and indemnification of directors, officers and other agents to a greater extent than permitted under prior California law. The Legislation permits a California corporation to include a provision in its articles of incorporation allowing the corporation to include in its bylaws, and in agreements between the corporation and its directors, officers and other agents, provisions expanding the scope of indemnification beyond that specifically provided under California law.

In response to the Legislation, the Board of Directors and shareholders previously approved amendments to the Corporation's Articles of Incorporation and the Board of Directors approved amendments to the Corporation's Bylaws, which limit the personal liability of directors for monetary damages for a breach of such directors' fiduciary duty of care and allow the Corporation to expand the scope of its indemnification of directors, officers and other agents to the fullest extent permitted by California law.

The Corporation is subject to the California General Corporation Law, which provides a detailed statutory framework covering indemnification of any officer, director or other agent of a corporation who is made or threatened to be made a party to any legal proceeding by reason of his or her service on behalf of the corporation. Such law provides that indemnification against expenses actually and reasonably incurred in connection with any such proceeding shall be made to any such person who has been successful "on the merits" in the defense of any such proceeding, but does not require indemnification in any other circumstances. The law provides that a corporation may indemnify any agent of the corporation, including officers and directors, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in a third party proceeding against such person by reason of his or her services on behalf of the corporation, provided the person acted in good faith and in a manner he or she reasonably believed to be in the best interests of the corporation. The law further provides that in derivative suits a corporation may indemnify such a person against expenses incurred in such a proceeding, provided such person acted in good faith and in a manner he or she reasonably believed to be in the best interests of the corporation and its shareholders. Indemnification is not available in derivative actions (i) for amounts paid or expenses incurred in connection with a matter that is settled or otherwise disposed of without court approval or (ii) with respect to matters for which the agent shall have been adjudged to be liable to the corporation unless the court shall determine that such person is entitled to indemnification.

The law permits the advancing of expenses incurred in defending any proceeding against a corporate agent by reason of his or her service on behalf of the corporation upon the giving of a promise to repay any such sums in the event it is later determined that such person is not entitled to be indemnified. Finally, the California General Corporation Law, as amended by the Legislation, provides

that the indemnification provided by the statute is not exclusive of other rights to which those seeking indemnification may be entitled, by bylaw, agreement or otherwise, to the extent additional rights are authorized in a corporation's articles of incorporation. The law further permits a corporation to procure insurance on behalf of its directors, officers and agents against any liability incurred by any such individual, even if a corporation would not otherwise have the power under applicable law to indemnify the director, officer or agent for such expenses.

The Articles and Bylaws of the Corporation implement the applicable statutory framework to provide for indemnification of directors, officers and other corporate agents.

#### **COMMISSION POSITION ON INDEMNIFICATION**

Insofar as indemnification for liabilities may be invoked to disclaim liability for damages arising under the Securities Act of 1933, as amended, or the Securities Act of 1934, (collectively, the "Acts") as amended, it is the position of the Securities and Exchange Commission that such indemnification is against public policy as expressed in the Acts and are therefore, unenforceable.

#### **WHERE YOU CAN FIND MORE INFORMATION**

Upon effectiveness of this registration statement we will commence filing reports, proxy statements and other information with the Securities and Exchange Commission. You may read and copy any report, proxy statement or other information we file with the Commission at the Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330. In addition, we will file electronic versions of these documents on the Commission's Electronic Data Gathering Analysis and Retrieval, or EDGAR, System. The Commission maintains a website at <http://www.sec.gov> that contains reports, proxy statements and other information filed with the Commission.

We have filed a registration statement on Form SB-2 with the Commission to register shares of our common stock issued and issuable upon exercise of warrants to be sold by the selling stockholders. This prospectus is part of that registration statement and, as permitted by the Commission's rules, does not contain all of the information set forth in the registration statement. For further information with respect to us, or our common stock, you may refer to the registration statement and to the exhibits and schedules filed as part of the registration statement. You can review a copy of the registration statement and its exhibits and schedules at the public reference room maintained by the Commission, and on the Commission's web site, as described above. You should note that statements contained in this prospectus that refer to the contents of any contract or other document are not necessarily complete. Such statements are qualified by reference to the copy of such contract or other document filed as an exhibit to the registration statement.

## **TRANSFER AGENT**

The Transfer Agent and Registrar for the common stock is Interstate Transfer Company 6084 South 900 East, Suite 101 Salt Lake City, Utah 84121.

## **INTEREST OF NAMED EXPERTS AND COUNSEL**

None of the experts named herein was or is a promoter, underwriter, voting trustee, director, officer or employee of Intelligent Sports, Inc. except for Michael S. Krome, P.C., attorney for Intelligent Sports, Inc. received 15,000 shares of common stock as part of his legal fees, which is included as part of the Selling Shareholders, as detailed in this registration statement. Further, none of the experts was hired on a contingent basis and none of the other experts named herein will receive a direct or indirect interest in Intelligent Sports, Inc., other than Mr. Krome.

## **LEGAL MATTERS**

The validity of the shares of common stock offered in this prospectus has been passed upon for us by Michael S. Krome, P.C., 8 Teak Court, Lake Grove, New York 11755, (631) 737-8381.

## **EXPERTS**

Our audited financial statements as of December 31, 2002, have been included in this prospectus and in the registration statement filed with the Securities and Exchange Commission in reliance upon the report of HJ Associates & Consultant, LLP, independent certified public accountant, upon his authority as expert in accounting and auditing. HJ Associates & Consultants, LLP's report on the financial statements can be found at the end of this prospectus and in the registration statement.

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Intelligent Sports, Inc. and Subsidiary  
Upland, California

We have audited the accompanying balance sheet of Intelligent Sports, Inc. and Subsidiary as of December 31, 2002 and the related consolidated statements of operations, stockholders' equity (deficit) and cash flows for the year then ended and the period from inception on November 26, 2001 through December 31, 2001. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Intelligent Sports, Inc. and Subsidiary as of December 31, 2002 and the results of their operations and their cash flows for the year then ended and for the period from inception on November 26, 2001 through December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the consolidated financial statements, the Company has negative working capital and an accumulated deficit which together raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

HJ Associates & Consultants, LLP  
Salt Lake City, Utah  
May 6, 2003

**INTELLIGENT SPORTS, INC. AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEET**

ASSETS

	DECEMBER 31, 2002
<b>&lt;</b>	
CURRENT ASSETS	
CASH	\$ 29,631
PREPAID EXPENSES	28,010
	-----
TOTAL CURRENT ASSETS	57,641
	-----
OTHER ASSETS	
WEBSITE, NET	2,667
	-----
TOTAL OTHER ASSETS	2,667
	-----
TOTAL ASSETS	\$ 60,308
	=====
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	
CURRENT LIABILITIES	
ACCOUNTS PAYABLE	\$ 5,323
ACCRUED EXPENSES-RELATED PARTIES	100,000
DEFERRED REVENUE	19,860
NOTES PAYABLE-RELATED PARTY 25,000	
	-----
TOTAL CURRENT LIABILITIES	150,183
	-----
STOCKHOLDERS' EQUITY (DEFICIT)	
PREFERRED STOCK: 20,000,000 SHARES AUTHORIZED OF \$0.001 PAR VALUE, 4,000,000 SHARES ISSUED AND OUTSTANDING	4,000
COMMON STOCK: 480,000,000 SHARES AUTHORIZED OF NO PAR VALUE, 7,600,000 SHARES ISSUED AND OUTSTANDING	351,943
ADDITIONAL PAID-IN CAPITAL 7,557	
ACCUMULATED DEFICIT	(453,375)
	-----
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	(89,875)
	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ 60,308
	=====

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.**

**INTELLIGENT SPORTS, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF OPERATIONS**

	FOR THE YEAR DECEMBER 31, 2002	FROM INCEPTION ON NOVEMBER 26, ENDED 2001 THROUGH DECEMBER 31, 2001
	-----	-----
SALES	\$ 153,592	\$ 1,004
COST OF SALES	98,387	-
	-----	-----
GROSS MARGIN	55,205	1,004
	-----	-----
OPERATING EXPENSES		
CONSULTING	301,600	-
OFFICER SALARY	100,000	-
ADVERTISING AND PROMOTION	36,801	2,138
PROFESSIONAL FEES	34,939	1,600
GENERAL AND ADMINISTRATIVE	31,327	1,179
	-----	-----
TOTAL OPERATING EXPENSES	504,667	4,917
	-----	-----
NET LOSS	(449,462)	\$ (3,913)
	=====	=====
BASIC LOSS PER SHARE	\$ (0.06)	\$ -
	=====	=====
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	7,516,713	-
	=====	=====

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL  
STATEMENTS.**



**INTELLIGENT SPORTS, INC. AND SUBSIDIARY  
CONSOLIDATE STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)**

	PREFERRED STOCK		COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	DEFERRED COMPENSATION	ACCUMULATED DEFICIT
	SHARES	AMOUNT	SHARES	AMOUNT			
BALANCE AT INCEPTION ON NOVEMBER 26, 2001	-	\$ -	-	\$ -	-	\$ -	\$ -
CONTRIBUTED CAPITAL	-	-	-	-	7,557	-	-
NET LOSS FROM INCEPTION ON NOVEMBER 26, 2001 THROUGH DECEMBER 31, 2001	-	-	-	-	-	-	(3,913)
BALANCE DECEMBER 31, 2001	-	-	-	-	7,557	-	(3,913)
COMMON STOCK ISSUED FOR CASH AND SERVICES TO FOUNDERS AT \$0.0045 PER SHARE	-	-	5,975,000	26,943	-	-	-
COMMON STOCK ISSUED FOR SERVICES AND DEFERRED COMPENSATION AT \$0.20 PER SHARE ON JANUARY 9, 2002	-	-	1,560,000	312,000	-	(301,600)	-
COMMON STOCK ISSUED FOR SERVICES AND WEBSITE AT \$0.20 PER SHARE ON JANUARY 9, 2002	-	-	65,000	13,000	-	-	-
BALANCE FORWARD	-	\$ -	7,600,000	\$ 351,943	7,557	\$ (301,600)	\$ (3,913)

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.**

**INTELLIGENT SPORTS, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT) (CONTINUED)**

	PREFERRED STOCK		COMMON STOCK		PAID-IN CAPITAL	ADDITIONAL DEFERRED COMPENSATION	ACCUMULATED DEFICIT
	SHARES	AMOUNT	SHARES	AMOUNT			
BALANCE FORWARD	-	\$ -	7,600,000	\$ 351,943	\$ 7,557	\$ (301,600)	\$ (3,913)
PREFERRED STOCK ISSUED JANUARY 9, 2002 FOR SERVICES AT \$0.001 PER SHARE	4,000,000	4,000	-	-	-	-	-
AMORTIZATION OF DEFERRED COMPENSATION	-	-	-	-	-	301,600	-
NET LOSS FOR THE YEAR ENDED DECEMBER 31, 2002	-	-	-	-	-	-	449,462
BALANCE DECEMBER 31, 2002	4,000,000	\$ 4,000	7,600,000	\$ 351,943	\$ 7,557	\$ -	\$ (453,375)

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL  
STATEMENTS.**

**INTELLIGENT SPORTS, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS**

	FOR THE YEAR ENDED 2001 DECEMBER 31, 2002	FROM INCEPTION ON NOVEMBER 26, THROUGH DECEMBER 31, 2001
CASH FLOWS FROM OPERATING ACTIVITIES		
NET LOSS	\$ (449,462)	\$ (3,913)
ADJUSTMENT TO RECONCILE NET LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
COMMON STOCK ISSUED FOR SERVICES	323,000	-
PREFERRED STOCK ISSUED FOR SERVICES	4,000	-
AMORTIZATION	1,333	-
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
(INCREASE) IN PREPAID EXPENSES	(27,637)	(373)
INCREASE IN ACCOUNTS PAYABLE	5,323	-
INCREASE IN ACCRUED EXPENSES	100,000	-
INCREASE IN DEFERRED REVENUE	19,860	-
	-----	-----
NET CASH USED BY OPERATING ACTIVITIES	(23,583)	(4,286)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
PURCHASE OF WEBSITE	(2,000)	-
	-----	-----
NET CASH USED BY INVESTING ACTIVITIES	(2,000)	-
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
PROCEEDS FROM NOTES PAYABLE - RELATED PARTY	25,000	-
COMMON STOCK ISSUED FOR CASH	26,943	-
CONTRIBUTED CAPITAL	-	7,557
	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	51,943	7,557
	-----	-----
INCREASE (DECREASE) IN CASH	26,360	3,271
CASH, BEGINNING OF PERIOD	3,271	-
	-----	-----
CASH, END OF PERIOD	\$ 29,631	\$ 3,271
	=====	=====
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID FOR:		
INTEREST	\$ -	\$ -
INCOME TAXES	\$ -	\$ -
NON-CASH FINANCING ACTIVITIES:		
COMMON STOCK ISSUED FOR SERVICES	\$ 323,000	\$ -
PREFERRED STOCK ISSUED FOR SERVICES	\$ 4,000	\$ -
COMMON STOCK ISSUED FOR WEBSITE	\$ 2,000	\$ -

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL  
STATEMENTS.**

## INTELLIGENT SPORTS, INC. AND SUBSIDIARY

Noted to the Consolidated Financial Statements December 31, 2002 and December 31, 2001

### NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

The consolidated financial statements presented are those of Intelligent Sports, Inc. and its wholly-owned Subsidiary, Inland Empire Sports Academy, Inc.

Intelligent Sports, Inc. (Intelligent) was incorporated on November 26, 2001, under the laws of the State of California to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of California. Intelligent is planning to engage in the business of providing business units with strategic guidance and support in the areas of marketing, sales, sponsorships, partnerships, policy & procedures, finance and expansion. Currently, Intelligent is in the process of organizing these business units and raising funding to support this business plan.

Inland Empire Sports Academy, Inc. (Inland) (dba Nothin' But Net) was incorporated as a wholly owned subsidiary of Intelligent on November 27, 2001 under the laws of the State of California to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of California. Inland is engaged in the operation of Sports Leagues for youth and amateur sports programs planned principle operations began in 2002, accordingly the Company is no longer considered to be in the development stage.

Intelligent and its wholly-owned subsidiary, Inland, are collectively referred to as "the Company".

The company has authorized the issuance of 500,000,000 shares, of which 20,000,000 were designated as no par value preferred stock and 480,000,000 shares were designated as no par value common stock.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a. Accounting Method

The Company's consolidated financial statements are prepared using the accrual method of accounting. The Company has elected a December 31 year-end.

#### b. Income Taxes

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely that not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

**INTELLIGENT SPORTS, INC. AND SUBSIDIARY**

Noted to the Consolidated Financial Statements December 31, 2002 and December 31, 2001

**NOTE 2 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. INCOME TAXES (CONTINUED)**

Net deferred tax assets consist of the following components as of December 31, 2002 and 2001:  
2002 2001

Deferred tax assets:

**INTELLIGENT SPORTS, INC. AND SUBSIDIARY**

Noted to the Consolidated Financial Statements  
 December 31, 2002 and December 31, 2001

NOL Carryover	\$ 11,704	\$ 1,526
Deferred tax liabilities:	-	-
Valuation allowance	(11,704)	(1,526)
	-----	-----
Net deferred tax asset	\$ -	\$ -
	=====	=====

The income tax provision differs from the amount of income tax determined by applying the U.S. federal income tax rate of 39% to pretax income from continuing operations for the years ended December 31, 2002 and 2001 due to the following:

	2002	2001
	-----	-----
Book loss	\$ (175,290)	\$ (1,526)
Depreciation	-	-
Stock for services/options expense	125,970	-
Other	39,142	-
Valuation allowance	10,178	1,526
	-----	-----
	\$ -	\$ -
	=====	=====

At December 31, 2002, the Company had net operating loss carryforwards of approximately \$30,000 that may be offset against future taxable income from the year 2002 through 2022. No tax benefit has been reported in the December 31, 2002 consolidated financial statements since the potential tax benefit is offset by a valuation allowance of the same amount.

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carryforwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carryforwards may be limited as to use in the future.

c. Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

d. 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.

e. Revenue Recognition



## INTELLIGENT SPORTS, INC. AND SUBSIDIARY

Noted to the Consolidated Financial Statements December 31, 2002 and December 31, 2001

released Staff Accounting Bulletin No. 101, Revenue Recognition ("SAB No. 101") to provide guidance on the recognition, presentation, and disclosure of revenue in financial statements. The Company has adopted the provisions of SAB No. 101, not recognizing revenue until it is realized or realizable and earned. During the periods ended December 31, 2002 and 2001, the Company recognized approximately \$153,600 and \$1,000, respectively, from league and tournament fees and the sale of logo merchandise.

The Company records billings and cash received in excess of revenue earned as deferred revenue. The Company's deferred revenue generally results from the prepayment of entry fees for tournaments organized and operated by the Company in advance of those revenues being earned. There were \$19,860 and \$-0- deferred revenues at December 31, 2002 and 2001, respectively.

### f. Newly Issued Accounting Pronouncements

The Company adopted the provisions FASB Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," and FIN 44 "Accounting for Certain Transactions Involving Stock Compensation (an interpretation of APB Opinion No. 25,)" FASB Statement No. 145, "Rescission of FASB Statements No. 4, 44, and 62, Amendment of FASB Statement No. 13, and Technical Corrections," FASB Statement No. 146, "Accounting for Costs Associated with Exit or Disposal Activities," FIN 44, "Accounting for Certain Transactions Involving Stock Compensation (an interpretation of APB Opinion No. 25)," and FASB Statement No. 147, "Acquisitions of Certain Financial Institutions - an amendment of FASB Statements No. 72 and 144 and FASB Interpretation No. 9." The effect of these adopted provisions on the Company's financial statements was not significant.

In December 2002, the FASB issued Statement No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure - an amendment of FASB Statement No. 123" (SFAS 148). SFAS 148 is effective for fiscal years beginning after December 15, 2003. The Company is currently reviewing SFAS 148.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### g. WEBSITE COSTS

The costs of computer software developed or obtained for internal use, during the preliminary project phase, as defined under Statement of Position 98-1 "Accounting for the Costs of Computer Software Developed or obtained for Internal use", are expensed as incurred. The costs of web site development, during the planning stage, as defined under Emerging Issues Task Force No. 00-2 "Accounting for Web Site Development Costs", are expenses as incurred. Computer software and web site development costs incurred during the application and infrastructure development stage, including external direct costs of materials and services consumed in developing software, creating graphics and web site content, payroll, and interest costs, are capitalized and amortized over the estimated useful life, beginning when the software is ready for use and after all substantial testing is completed and the web site is operational.

Any costs incurred since the web site and related software have become operational have been expenses as incurred.

## NOTE 3 - GOING CONCERN

The Company's consolidated financial statements are prepared using generally accepted accounting principles applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

The Company has incurred losses from its inception through

## INTELLIGENT SPORTS, INC. AND SUBSIDIARY

Noted to the Consolidated Financial Statements December 31, 2002 and December 31, 2001

December 31, 2002 of \$453,375. The Company does not have an established source revenues sufficient to cover its operating costs, has a working capital deficit of \$92,542, and has relied on debt and equity financing. Accordingly, there is substantial doubt about its ability to continue as a going concern.

In order to develop a reliable source of revenues, and achieve a profitable level of operations, the Company will need, among other things, additional capital resources. Management's plans include raising additional capital through the private placement of sales of common stock and/or loans from related and third parties, the proceeds of which will be used to develop the Company's products and services, pay operating expenses and pursue business development activities. The Company expects that it will need \$2,000,000 of additional funds for operations and expansion in 2003. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plan described in the preceding paragraph and eventually attain profitable operations. The accompanying consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

### NOTE 4 - EQUITY TRANSACTIONS

During November 2001, the President and CEO contributed cash of \$7,557 to capital.

During January 2002, the Company issued 5,975,000 shares of common stock for cash, and services, to founders at \$0.0045 per share.

During January 2002, the Company issued 1,615,000 shares of common stock for services at \$0.20 per share.

During January 2002, the Company issued 10,000 shares of common stock for a website at \$0.20 per share.

During January 2002, the Company issued 4,000,000 shares of preferred stock for services at \$0.001 per share.

### NOTE 5 - COMMITMENTS AND CONTINGENCIES

During March 2002, the Company entered into a six month agreement (the Agreement) with Action Stocks for which Action Stocks would provide services related to the compilation and preparation of Registration Statements to be filed with the Securities and Exchange Commission and other market related activities. The Agreement called for the payment of \$50,000 in cash and a 13% equity interest in the common stock of the Company. These payments were to be distributed as follows: \$25,000 upon execution of the Agreement which amount was non refundable, the 13% equity interest in the common stock; and the remaining \$25,000 upon completion of a Registration Statement with the Securities and Exchange Commission.

In anticipation of this Agreement, the Company issued 1,560,000 shares of common stock during January 2002 valued at \$0.20 per share, or \$312,000, and paid \$25,000 in cash during March 2002. The Company recorded the stock issued as deferred compensation, and has amortized this amount over the life of the contract. The Company recognized consulting expense of \$312,000 and \$-0- for the periods ended December 31, 2002 and 2001, respectively.

During March 2002, the company's wholly owned subsidiary, Nothin' But Net, entered into a letter of agreement with an unrelated party for which the unrelated party would provide advertising and promotional services to be billed on a time and materials basis. During January 2002, in anticipation of the agreement the Company



## INTELLIGENT SPORTS, INC. AND SUBSIDIARY

Noted to the Consolidated Financial Statements December 31, 2002 and December 31, 2001

issued 10,000 shares of its common stock valued at the fair value of the services received, or \$2,000, in relation to services provided under the terms of the letter of agreement.

### **NOTE 6 - RELATED PARTY TRANSACTIONS**

Related parties of the Company advanced \$25,000 to pay a deposit on amounts owed for the completion of the registration statement (see note 5). Subsequent to the year-end, the deposit was refunded to the Company as the registration statement was not completed and the Company repaid the related party. No interest has been accrued on the note as the amount would be immaterial.

At December 31, 2002, the Company accrued \$100,000 for unpaid officers salaries for the year ended December 31, 2002.

**INTELLIGENT SPORTS, INC. AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2003 and December 31, 2002**

**INTELLIGENT SPORTS, INC. AND SUBSIDIARY**  
**Consolidated Balance Sheets**

ASSETS

	June 30, 2003	December 31, 2002
	----- (Unaudited)	-----
<b>CURRENT ASSETS</b>		
Cash	\$ 13,477	\$ 29,631
Prepaid expenses	-	28,010
	-----	-----
Total Current Assets	13,477	57,641
	-----	-----
<b>OTHER ASSETS</b>		
Website, net	2,000	2,667
	-----	-----
Total Other Assets	2,000	2,667
	-----	-----
<b>TOTAL ASSETS</b>	<b>\$ 15,477</b>	<b>\$ 60,308</b>
	=====	=====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ -	\$ 5,323
Accrued expenses - related parties	156,612	100,000
Deferred revenue	-	19,860
Notes payable - related party	-	25,000
	-----	-----
Total Current Liabilities	156,612	150,183
	-----	-----
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Preferred stock: 20,000,000 shares authorized of \$0.001 par value, 4,000,000 shares issued and outstanding	4,000	4,000
Common stock: 480,000,000 shares authorized of no par value, 7,600,000 shares issued and outstanding	351,943	351,943
Additional paid-in capital	7,557	7,557
Accumulated deficit	(504,635)	(453,375)
	-----	-----
Total Stockholders' Equity (Deficit)	(141,135)	(89,875)
	-----	-----
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>\$ 15,477</b>	<b>\$ 60,308</b>
	=====	=====

**INTELLIGENT SPORTS, INC. AND SUBSIDIARY**  
**Consolidated Statements of Operations**  
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2003	2002	2003	2002
SALES	\$ 87,001	\$ 65,357	\$ 141,062	\$ 66,056
COST OF SALES	60,962	41,891	111,623	42,020
GROSS MARGIN	26,039	23,466	29,439	24,036
OPERATING EXPENSES				
Amortization	333	-	667	333
General and administrative	43,441	12,857	80,032	63,076
Total Operating Expenses	43,774	12,857	80,699	63,409
INCOME (LOSS) BEFORE INCOME TAXES	(17,735)	10,609	(51,260)	(39,373)
Income Tax Expense	-	-	-	-
NET INCOME (LOSS)	\$ (17,735)	\$ 10,609	\$ (51,260)	\$ (39,373)
BASIC INCOME (LOSS) PER SHARE	\$ (0.00)	\$ 0.00	\$ (0.01)	\$ (0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	7,600,000	7,600,000	7,600,000	6,975,556

**INTELLIGENT SPORTS, INC. AND SUBSIDIARY**  
**Consolidated Statements of Stockholders' Equity (Deficit)**

	Preferred Stock		Common Stock		Additional Paid-in Capital	Deferred Compensation	Accumulated Deficit
	Shares	Amount	Shares	Amount			
Balance at inception on November 26, 2001	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributed capital	-	-	-	-	7,557	-	-
Net loss from inception on November 26, 2001 through December 31, 2001	-	-	-	-	-	-	(3,913)
Balance December 31, 2001	-	-	-	-	7,557	-	(3,913)
Common stock issued for cash and services to founders at \$0.0057 per share	-	-	5,975,000	26,943	-	-	-
Common stock issued for services and deferred compensation at \$0.20 per share on January 9, 2002	-	-	1,560,000	312,000	-	(301,600)	-
Common stock issued for services and website at \$0.20 per share on January 9, 2002	-	-	65,000	13,000	-	-	-
Balance Forward	-	\$ -	7,600,000	\$ 351,943	\$ 7,557	\$ (301,600)	\$ (3,913)

**INTELLIGENT SPORTS, INC. AND SUBSIDIARY**  
**Consolidated Statements of Stockholders' Equity (Deficit) (Continued)**

	Preferred Stock		Common Stock		Additional Paid-in Capital	Deferred Compensation	Accumulated Deficit
	Shares	Amount	Shares	Amount			
Balance Forward	-	\$ -	7,600,000	\$ 351,943	\$ 7,557	\$ (301,600)	\$ (3,913)
Preferred stock issued January 9, 2002 for services at \$0.001 per share	4,000,000	4,000	-	-	-	-	-
Amortization of deferred compensation	-	-	-	-	-	301,600	-
Net loss for the year ended December 31, 2002	-	-	-	-	-	-	(449,462)
Balance December 31, 2002	4,000,000	4,000	7,600,000	351,943	7,557	-	(453,375)
Net loss for the six months ended June 30, 2003 (unaudited)	-	-	-	-	-	-	(51,260)
Balance, June 30, 2003 (unaudited)	4,000,000	\$ 4,000	7,600,000	\$ 351,943	\$ 7,557	\$ -	\$ (504,635)

**INTELLIGENT SPORTS, INC. AND SUBSIDIARY**  
**Consolidated Statements of Cash Flows**  
(Unaudited)

	For the Six Months Ended June 30,	
	2003	2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (51,260)	\$ (39,373)
Adjustment to reconcile net loss to net cash used by operating activities:		
Common stock issued for services	-	21,400
Preferred stock issued for services	-	4,000
Amortization	667	333
Changes in operating assets and liabilities:		
(Increase) in prepaid expenses	28,010	(6,426)
Increase (decrease) in accounts payable	(5,323)	2,562
Increase in accrued expenses - related parties	50,000	-
(Decrease) in deferred revenue	(19,860)	-
	-----	-----
Net Cash Provided (Used) by Operating Activities	2,234	(17,504)
	-----	-----
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of website	-	(2,000)
	-----	-----
Net Cash Used by Investing Activities	-	(2,000)
	-----	-----
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from advances - related party	6,612	-
Common stock issued for cash	-	26,943
Payment on note payable - related party	(25,000)	-
	-----	-----
Net Cash Provided (Used) by Financing Activities	(18,388)	26,943
	-----	-----
<b>INCREASE (DECREASE) IN CASH</b>	(16,154)	7,439
CASH, BEGINNING OF PERIOD	29,631	3,271
	-----	-----
CASH, END OF PERIOD	\$ 13,477	\$ 10,710
	=====	=====
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
<b>CASH PAID FOR:</b>		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
<b>NON-CASH FINANCING ACTIVITIES:</b>		
Common stock issued for services	\$ -	\$ 21,400
Preferred stock issued for services	\$ -	\$ 4,000
Common stock issued for website	\$ -	\$ 2,000

## INTELLIGENT SPORTS, INC. AND SUBSIDIARY

Noted to the Consolidated Financial Statements June 30, 2003 and June 30, 2002

### **NOTE 1 - BASIS OF FINANCIAL STATEMENT PRESENTATION**

The accompanying unaudited condensed consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in accordance with such rules and regulations. The information furnished in the interim condensed consolidated financial statements include normal recurring adjustments and reflects all adjustments, which, in the opinion of management, are necessary for a fair presentation of such financial statements. Although management believes the disclosures and information presented are adequate to make the information not misleading, it is suggested that these interim condensed consolidated financial statements be read in conjunction with the Company's most recent audited financial statements and notes thereto. Operating results for the six months ended June 30, 2003 are not necessarily indicative of the results that may be expected for the year ending December 31, 2003.

### **NOTE 2 - GOING CONCERN**

The Company's consolidated financial statements are prepared using generally accepted accounting principles applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

The Company has incurred losses from its inception through June 30, 2003 of \$504,635. The Company does not have an established source revenues sufficient to cover its operating costs, has a working capital deficit of \$143,135, and has relied on debt and equity financing. Accordingly, there is substantial doubt about its ability to continue as a going concern.

In order to develop a reliable source of revenues, and achieve a profitable level of operations, the Company will need, among other things, additional capital resources. Management's plans include raising additional capital through the private placement of sales of common stock and/or loans from related and third parties, the proceeds of which will be used to develop the Company's products and services, pay operating expenses and pursue business development activities. The Company expects that it will need \$2,000,000 of additional funds for operations and expansion in 2003. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plan described in the preceding paragraph and eventually attain profitable operations. The accompanying consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

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**INTELLIGENT SPORTS, INC.**

12,000,000 Shares  
Common Stock

**PROSPECTUS**

You should rely only on the information contained in this document or that we have referred you to. We have not authorized anyone to provide you with information that is different. This prospectus is not an offer to sell common stock and is not soliciting an offer to buy common stock in any state where the offer or sale is not permitted.

Until \_\_\_\_\_, 2003, all dealers that effect transactions in these securities, whether or not participating in the offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

\_\_\_\_\_, 2003

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## PART II

### INFORMATION NOT REQUIRED IN PROSPECTUS

#### Item 24. Indemnification of Directors, Officers, Employees and Agents.

The Registrant's certificate of incorporation limits the liability of the Registrant's directors to the maximum extent permitted by California law. California law provides that a director of a corporation will not be personally liable for monetary damages for breach of that individual's fiduciary duties as a director except for liability for (1) a breach of the director's duty of loyalty to the corporation or its stockholders, (2) any act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law, (3) unlawful payments of dividends or unlawful stock repurchases or redemptions, or (4) any transaction from which the director derived an improper personal benefit.

This limitation of liability does not apply to liabilities arising under federal securities laws and does not affect the availability of equitable remedies such as injunctive relief or rescission.

The California Corporation Law provides that a corporation may indemnify directors and officers, as well as other employees and individuals, against attorneys' fees and other expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person was or is a party or is threatened to be made a party by reason of such person being or having been a director, officer, employee or agent of the corporation. The California Corporation Law provides that this is not exclusive of other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

The Registrant's certificate of incorporation and bylaws provide that the Registrant is required to indemnify its directors and officers to the maximum extent permitted by law. The Registrant's bylaws also require the Registrant to advance expenses incurred by an officer or director in connection with the defense of any action or proceeding arising out of that party's status or service as a director or officer of the Registrant or as a director, officer, employee benefit plan or other enterprise, if serving as such at the Registrant's request. The Registrant's bylaws also permit the Registrant to secure insurance on behalf of any director or officer for any liability arising out of his or her actions in a representative capacity. The Registrant intends to enter into indemnification agreements with its directors and some of its officers containing provisions that (1) indemnify, to the maximum extent permitted by California law, those directors and officers against liabilities that may arise by reason of their status or service as directors or officers except liabilities arising from willful misconduct of a culpable nature, (2) to advance their expenses incurred as a result of any proceeding against them as to which they could be indemnified, and (3) to obtain directors' and officers' liability insurance if maintained for other directors or officers.

**Item 25. Other Expenses of Issuance and Distribution.**

The following table sets forth the expenses in connection with the issuance and distribution of the securities being registered hereby. All such expenses will be borne by the registrant; none shall be borne by any selling stockholders.

Securities and Exchange Commission registration fee	\$ 3,312
Legal fees and expenses	\$ 2,000
Accounting fees and expenses	\$ 10,000
Miscellaneous (1)	\$ 2,000
	-----
Total	\$17,312
-----	

(1) Estimated.

**Item 26. Recent Sales of Unregistered Securities.**

On January 4, 2002, Inland Empire Sports Academy, Inc., issued 900,000 shares of its common stock to Intelligent Sports, Inc. in exchange for all of its issued and outstanding shares of common stock, thereby becoming a wholly-owned subsidiary of Intelligent Sports, Inc. At the time both private companies were owned by Mr. Hobson and Mr. Mears.

During January 2002, the Company issued 5,975,000 shares of common stock for cash, and services, to founders at \$0.0045 per share.

During January 2002, the Company issued 1,615,000 shares of common stock for services at \$0.20 per share.

During January 2002, the Company issued 10,000 shares of common stock for a website at \$0.20 per share.

During January 2002, the Company issued 4,000,000 shares of preferred stock for services at \$0.001 per share.

During March 2002, the Company entered into a six month agreement (the Agreement) with Action Stocks for which Action Stocks would provide services related to the compilation and preparation of Registration Statements to be filed with the Securities and Exchange Commission and other market related activities. The Agreement called for the payment of \$50,000 in cash and a 13% equity interest in the common stock of the Company. These payments were to be distributed as follows: \$25,000 upon execution of the Agreement which amount was non refundable, the 13% equity interest in the common stock; and the remaining \$25,000 upon completion of a Registration Statement with the Securities and Exchange Commission.

In anticipation of this Agreement, the Company issued 1,560,000 shares of common stock during January 2002 valued at \$0.20 per share, or \$312,000. The Company recorded the stock issued as deferred compensation, and has amortized this amount over the life of the contract. During March 2002, the company's wholly owned subsidiary, Nothin' But Net, entered into a letter of agreement with an unrelated party for which the unrelated party would provide advertising and promotional services to be billed on a time and materials basis. During January 2002, in anticipation of the agreement the Company issued 10,000 shares of its common stock valued at the fair value of the services received, or \$2,000, in relation to services provided under the terms of the letter of agreement.

With respect to the above transactions, Intelligent Sports, Inc. relied upon Section 4(2) of the Act for these transactions regarding the issuance of its unregistered securities. In each instance, such reliance was based upon the fact that (i) the issuance of the shares did not involve a public offering, (ii) there were no more than 35 investors (excluding "accredited investors"), (iii) each investor who was not an accredited investor either alone or with his purchaser representative(s) has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment, or the issuer reasonably believes immediately prior to making any sale that such purchaser comes within this description, (iv) the offers and sales were made in compliance with Rules 501 and 502, (v) the securities were subject to Rule 144 limitation on resale and (vi) each of the parties is a sophisticated purchaser and had full access to the information on Intelligent Sports, Inc. necessary to make an informed investment decision by virtue of the due diligence conducted by the purchaser or available to the purchaser prior to the transaction.

Neither the offer nor the sale of any of the securities was accomplished by the publication of any advertisement. Each investor received copies of disclosure documents.

#### **Item 27. Exhibits and Financial Statement Schedules.**

(a) Exhibits:

The following exhibits are filed as part of this registration statement:

Exhibit	Description
3.1 (1)	Articles of Incorporation of Intelligent Sports, Inc, as Amended.
3.2 (1)	By-laws of Intelligent Sports, Inc.
4.1 (1)	Certificate of Determination of the Designator, Preferences, Rights and Limitations of Series A Preferred stock of Intelligent Sports, Inc.
5.1 (1)	Opinion of Michael S. Krome, P.C.
10.1 (1)	Agreement for Services between Intelligent Sports, Inc. and Action Stocks Inc.
10.2 (1)	Agreement for Services between Intelligent Sports, Inc. and Gabriel deGrood Bend & LLC, dated March 18, 2002.
23.1 (1)	Consent of HJ Associates & Consultants, LLP, Independent Auditor
23.2 (1)	Consent of Michael S. Krome, P.C. (included in Exhibit 5.1)

(1) Filed herewith

**Item 28. Undertakings.**

(A) The undersigned Registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement to:
  - (i) Include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
  - (ii) Reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information set forth in the registration statement; and
  - (iii) Include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement
- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(B) Undertaking Required by Regulation S-B, Item 512(e).

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or controlling persons pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel that the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned; thereunto duly authorized, in the City of Upland, State of California, on the 12th of August, 2003.

**INTELLIGENT SPORTS, INC.**

*By: /s/ Thomas Hobson*

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*Chief Executive Officer, President and Director*

## POWER OF ATTORNEY

The undersigned directors and officers of Intelligent Sports, Inc. hereby constitute and appoint Thomas Hobson and Dennis Mears and each of them, with full power to act without the other and with full power of substitution and re-substitution, our true and lawful attorneys-in-fact with full power to execute in our name and behalf in the capacities indicated below any and all amendments (including post-effective amendments and amendments thereto) to this registration statement under the Securities Act of 1933 and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission and hereby ratify and confirm each and every act and thing that such attorneys-in-fact, or any them, or their substitutes, shall lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<i>Signature</i> -----	<i>Title</i> -----	<i>Date</i> ----
<i>/s/ Thomas Hobson</i> ----- <i>Thomas Hobson</i>	<i>CEO, President and Chairman</i>	<i>August 12, 2003</i>
<i>/s/ Dennis Mears</i> ----- <i>Dennis Mears</i>	<i>COO, Vice President, Director</i>	<i>August 12, 2003</i>
<i>/s/ Andre Bossieux</i> ----- <i>Andre Bossieux</i>	<i>Secretary/Treasurer and Director</i>	<i>August 12, 2003</i>
<i>/s/ Reginald Theus</i> ----- <i>Reginald Theus</i>	<i>Director</i>	<i>August 12, 2003</i>
<i>/s/ Kellen Winslow</i> ----- <i>Kellen Winslow</i>	<i>Director</i>	<i>August 12, 2003</i>

**ENDORSED - FILED**  
to the office of the Secretary of State  
of the State of California

**AUG 13 2002**

**BILL JONES, Secretary of State**

Amendment to the  
Articles of Incorporation

of Intelligent Sports, Inc., a California corporation

This officer's certificate of Thomas Hobson, President of Intelligent Sports, Inc., and Andre Bossioux, Secretary of Intelligent Sports, Inc., constitutes a certificate of amendment of the articles of incorporation of Intelligent Sports, Inc. pursuant to Sections 901, 906 and 907 of the California Corporations Code.

1. The first paragraph only of Section Fifth of the articles of incorporation is amended in its entirety to read as follows:

"FIFTH: The corporation is authorized to issue:

(a) 480,000,000 shares of common stock with no par value; and

(b) 20,000,000 shares of preferred stock with no par value.

The preferred stock may be issued from time to time in one or more series. The board of directors is authorized to designate and to fix the number of shares of any such series of Preferred Stock and to determine and alter rights, preferences, privileges and restriction granted to or imposed upon any wholly unissued series of Preferred Stock. The board of directors, within the limits stated in any resolution of the board of directors originally fixing the number of shares of such series, may increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series subsequent to the issue of shares of that series.

2. The corporation has issued no shares.

3. The board has been elected.

4. This amendment was approved and adopted by at least a majority of the board.

I, Thomas Hobson, President of Intelligent Sports, Inc., declare, verify and swear under penalty of perjury that the statements contained in this certificate are true of my own knowledge.

Executed on:

(date) August 7, 2002 Executed at

(city) Upland, California

*(signed) /s/ Thomas Hobson*

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*Thomas Hobson*

# **BYLAWS**

## **OF**

### **Intelligent Sports, Inc.**

(a California Corporation)

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## **ARTICLE I**

### **SHAREHOLDERS**

1. **CERTIFICATES FOR SHARES.** Each certificate for shares of the corporation shall set forth thereon the name of the record holder of the shares represented thereby, the number of shares and the class or series of shares owned by said holder, the par value, if any, of the shares represented thereby, and such other statements, as applicable, prescribed by Sections 416 - 419, inclusive, and other relevant Sections of the General Corporation Law. Law of the State of California (the "General Corporation Law") and such other statements, as applicable, which may be prescribed by the Corporate Securities Law of 1968 of the State of California and any other applicable provision of law. Each such certificate issued shall be signed in the name of the corporation by the Chair of the Board of Directors, if any, the President, if any, or a Vice President, if any, and by the chief financial officer or an Assistant Treasurer or the Secretary or an Assistant Secretary. Any or all of the signatures on a certificate for shares may be facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate for shares shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if such person were an officer, transfer agent or registrar at the date of issue.

In the event that the corporation shall issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor, any such certificate for shares shall set forth thereon the statements prescribed by Section 409 of the General Corporation Law.

The corporation may issue a new certificate for shares or for any other security in the place of any other certificate therefore issued by it, which is alleged to have been lost, stolen, or destroyed. As a condition to such issuance, the corporation may require any such owner of the allegedly lost, stolen or destroyed certificate or any such owner's legal representative to give the corporation a bond, at other adequate security, sufficient to indemnify it against any claim that may be made against it, including any expense or liability, on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.



2. **FRACTIONAL SHARES.** Subject to, and in compliance with, the provisions of Section 407 and any other provisions of the General Corporation Law, the corporation may, but need not, issue fractions of a share originally or upon transfer. If the corporation does not issue fractions of a share, it shall in connection with any original issuance of shares arrange for the disposition of fractional interest by those entitled thereto, or pay in cash the fair value of fractions of a share as of the time when those entitled to receive such fractions are determined, or issue scrip or warrants in registered or bearer form which shall entitle the holder to receive a certificate for a full share upon the surrender of such scrip or warrants aggregating a full share. A certificate for a fractional share shall, but scrip or warrants shall not unless otherwise provided therein, entitle the holder to exercise voting rights, to receive dividends thereon and to participate in any of the assets of the corporation in the event of liquidation. The Board of Directors may cause scrip or warrants to be issued subject to the condition that they shall become void if not exchanged for a certificate or certificates representing a full share or full shares, as the case may be, before a specified date or that any of the shares for which scrip or warrants are exchangeable may be sold by the corporation, and any proceeds thereof distributed to the holder of any such scrip or warrants or any other condition which the Board of Directors may impose.

3. **SHARE TRANSFERS.** Upon compliance with any provisions of the General Corporation Law and/or the Corporate Securities Law of 1968 which may restrict the transferability of shares, transfers of shares of the corporation shall be made only on the record of shareholders of the corporation by the registered holder thereof, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the corporation or with a transfer agent or a registrar, if any, and on surrender of the certificate or certificates for such shares properly endorsed and the payment of all taxes, if any, due hereon.

4. **RECORD DATE FOR SHAREHOLDERS.** In order that the corporation may determine the shareholders entitled to notice of any meeting or to vote or be entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty days or fewer than ten days prior to the date of such meeting or more than sixty days prior to any other action.

If the Board of Directors shall not have fixed a record date as aforesaid, the record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held; the record date for determining shareholders entitled to give consent to corporate action in writing without a meeting, when no prior action by the Board of Directors has been taken, shall be the day on which the first written consent is given; and the record date for determining shareholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto, or the sixtieth day prior to the date of such other action, whichever is later.

A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting, but the Board of Directors shall fix a new record date if the meeting is adjourned for more than forty-five days from the date set for the original meeting.

Except as may be otherwise provided by the General Corporation Law, shareholders at the close of business on the record date shall be entitled to notice and to vote or to receive any dividend, distribution or allotment of rights or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date.

5. MEANING OF CERTAIN TERMS. As used in these Bylaws in respect of the right to notice of a meeting of shareholders or a waiver thereof or to participate or vote thereat or to assent or consent or dissent in writing in lieu of a meeting, as the case may be, the term "share" or "shares" or "shareholder" or "shareholders" refers to an outstanding share or shares and to a holder or holders of record of outstanding shares when the corporation is authorized to issue only one class of shares, and said reference is also intended to include any outstanding share or shares and any holder or holders of record of outstanding shares of any class upon which or upon whom the Articles of Incorporation confer such rights where there are two or more classes or series of shares or upon which or upon whom the General Corporation Law confers such rights notwithstanding that the Articles of Incorporation may provide for more than one class or series of shares, one or more of which are limited or denied such rights thereunder.

## 6. SHAREHOLDER MEETINGS.

- TIME. An annual meeting for the election of directors and for the transaction of any other proper business and any special meeting shall be held on the date and at the time as the Board of Directors shall from time to time fix.

- PLACE. Annual Meetings and special meetings shall be held at such place, within or without the State of California, as the directors may, from time to time, fix. Whenever the directors shall fail to fix such place, the meeting shall be held at the principal executive office of the corporation.

- CALL. Annual meetings may be called by the directors, by the Chairman of the Board, if any, the President, if any, the Secretary, or by any officer instructed by the directors to call the meeting. Special meetings may be called in like manner and by the holders of shares entitled to cast not less than ten percent of the votes at the meeting being called.

- NOTICE. Written notice stating the place, day, and hour of each meeting, and, in the case of a special meeting, the general nature of the business to be transacted or, in the case of an Annual Meeting, those matters which the Board of Directors, at the time of mailing of the

notice, intends to present for action by the shareholders, shall be given not less than ten days (or not less than any such other minimum period of days as may be prescribed by the General Corporation Law) or more than sixty days (or more than any such maximum period of days as may be prescribed by the General Corporation Law) before the date of the meeting, either personally or by mail or other means of written communication, charges prepaid by or at the direction of the directors, the President, if any, the Secretary or the officer or persons calling the meeting, addressed to each shareholder at his address appearing on the books of the corporation or given by him to the corporation for the purpose of notice, or, if no such address appears or is given, at the place where the principal executive office of the corporation is located or by publication at least once in a newspaper of general circulation in the county in which the said principal executive office is located. Such notice shall be deemed to be delivered when deposited in the United States mail with first class postage thereon prepaid, or sent by other means of written communication addressed to the shareholder at his address as it appears on the stock transfer books of the corporation. The notice of any meeting at which directors are to be elected shall include the names of nominees intended at the time of notice to be presented by the Board of Directors for election. At an annual meeting of shareholders, any matter relating to the affairs of the corporation, whether or not stated in the notice of the meeting, may be brought up for action except matters which the General Corporation Law requires to be stated in the notice of the meeting. The notice of any annual or special meeting shall also include, or be accompanied by, any additional statements, information, or documents prescribed by the General Corporation Law. When a meeting is adjourned to another time or place, notice of the adjourned meeting need not be given if the time and place thereof are announced at the meeting at which the adjournment is taken; provided that, if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting.

The transactions of any meeting, however called and noticed, and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum is present and if, either before or after the meeting, each of the shareholders or his proxy signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Attendance of a person at a meeting constitutes a waiver of notice of and presence at such meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting shall not constitute a waiver of any right to object to the consideration of matters required by the General Corporation Law to be included in the notice but not so included, if such objection is expressly made at the meeting. Except as otherwise provided in subdivision (f) of Section 601 of the General Corporation Law, neither the business to be transacted at nor the purpose of any regular or special meeting need be specified in any written waiver of notice, consent to the holding of the meeting or the approval of the minutes thereof:

- CONDUCT OF MEETING. Meetings of the shareholders shall be presided over by one of the following officers in the order of seniority and if present and acting - the Chairman of the Board, if any, the Vice Chairman of the Board, if any, the President, if any, a Vice President, or, if none of the foregoing is in office and present and acting, by a chairman to be chosen by the shareholders. The Secretary of the corporation, or in his absence, an Assistant Secretary, shall act as secretary of every meeting, but, if neither the Secretary nor an Assistant Secretary is present, the Chairman of the meeting shall appoint a secretary of the meeting.

- PROXY PRESENTATION. Every shareholder may authorize another person or persons to act as his proxy at a meeting or by written action. No proxy shall be valid after the expiration of eleven months from the date of its execution unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the person executing it prior to the vote or written action pursuant thereto, except a otherwise provided by the General Corporation Law. As used herein, a "proxy" shall be deemed to mean a written authorization signed or an electronic transmission authorized by a shareholder or a shareholder's attorney in fact giving another person or persons power to vote with respect to the shares of such shareholder, and "signed" as used herein shall be deemed to mean the placing of such shareholder's name or other authorization on the proxy, whether by manual signature, typewriting, telegraphic or electronic transmission or otherwise by the shareholder or the shareholder's attorney in fact. Where applicable, the form of any proxy shall comply with the provisions of Section 604 of the General Corporation Law.

- INSPECTORS - APPOINTMENT. In advance of any meeting, the Board of Directors may appoint inspectors of election to act at the meeting and any adjournment thereof. If inspectors of election are not so appointed, or, if any persons so appointed fail to appear or refuse to act, the Chairman of any meeting of shareholders may, and on the request of any shareholder or a shareholder's proxy shall, appoint inspectors of election, or persons to replace any of those who so fail or refuse, at the meeting. The number of inspectors shall be either one or three. If appointed at a meeting on the request of one or more shareholders or proxies, the majority of shares represented shall determine whether one or three inspectors are to be appointed.

The inspectors of election shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the authenticity, validity, and effect of proxies, receive votes, ballots, if any, or consents, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes or consents, determine when the polls shall close, determine the result, and do such acts as may be proper to conduct the election or vote with fairness to all shareholders. If there are three inspectors of election, the decision, act, or certificate of a majority shall be effective in all respects as the decision, act, or certificate of all.

QUORUM; VOTE; WRITTEN CONSENT. The holders of a majority of the voting shares shall constitute a quorum at a meeting of shareholders for the transaction of any business. The shareholders present at a duly called or held meeting at which a quorum is present

may continue to do business until adjournment notwithstanding the withdrawal of enough shareholders to leave less than a quorum if any action taken, other than adjournment, is approved by at least a majority of the shares required to constitute a quorum. In the absence of a quorum, any meeting of shareholders may be adjourned from time to time by the vote of a majority of the shares represented thereat, but no other business may be transacted except as hereinbefore provided.

In the election of directors, a plurality of the votes cast shall elect. No shareholder shall be entitled to exercise the right of cumulative voting at a meeting for the election of directors unless the candidate's name or the candidates' names have been placed in nomination prior to the voting and the shareholder has given notice at the meeting prior to the voting of the shareholder's intention to cumulate the shareholder's votes. If any one shareholder has given such notice, all shareholders may cumulate their votes for such candidates in nomination.

Except as otherwise provided by the General Corporation Law, the Articles of Incorporation or these Bylaws, any action required or permitted to be taken at a meeting at which a quorum is present shall be authorized by the affirmative vote of a majority of the shares represented and voting at the meeting; provided, that said shares voting affirmatively shall also constitute at least a majority of the required quorum.

Except in the election of directors by written consent in lieu of a meeting, and except as any otherwise be provided by the General Corporation Law, the Articles of Incorporation or these Bylaws, any action which may be taken at any annual or special meeting may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, shall be signed by holders of shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Directors may not be elected by written consent except by unanimous written consent of all shares entitled to vote for the election of directors. Notice of any shareholder approval pursuant to Section 310, 317, 1201 or 2007 without a meeting by less than unanimous written consent shall be given at least ten days before the consummation of the action authorized by such approval, and prompt notice shall be given of the taking of any other corporate action approved by shareholders without a meeting by less than unanimous written consent to those shareholders entitled to vote who have not consented in writing.

Elections of directors at a meeting need not be by ballot unless a shareholder demands election by ballot at the election and before the voting begins. In all other matters, voting need not be by ballot

7. ANNUAL REPORT. Whenever the corporation shall have fewer than one hundred shareholders as said number is determined as provided in Section 605 of the General Corporation Law, the Board of Directors shall not be required to cause to be sent to the shareholders of the corporation the annual report prescribed by Section 1501 of the General Corporation Law unless it shall determine that a useful purpose would be served by causing the same

to be sent or unless the Department of Corporations pursuant to the provisions of the Corporate Securities Law of 1968, shall direct the sending of the same.

## ARTICLE II

### BOARD OF DIRECTORS

1. **FUNCTIONS.** Except as any provision of law may otherwise require, the business and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of its Board of Directors. The Board of Directors may delegate the management of the day-to-day operation of the business of the corporation to a management company or other person, provided that the business and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board of Directors. The Board of Directors shall have authority to fix the compensation of directors for services in any lawful capacity.

2. **QUALIFICATIONS AND NUMBER.** A director need not be a shareholder of the corporation, a citizen of the United States, or a resident of the State of California. The authorized number of directors constituting the Board of Directors until further changed shall be \_\_. The authorized number of directors constituting the Board shall be at least three; provided, however, that so long as the corporation has only one shareholder, the number may be one or two, and so long as the corporation has only two shareholders, the number may be two. Subject to the foregoing provisions and the provisions of Section 212 of the General Corporation Law, the number of directors may be changed from time to time by an amendment of these Bylaws. No decrease in the authorized number of directors shall have the effect of shortening the term of any incumbent director.

3. **ELECTION AND TERM.** The initial Board of Directors shall consist of the persons elected at the meeting of the incorporator or incorporators, all of whom shall hold office until the first annual meeting of shareholders and until their successors have been elected and qualified, or until their earlier resignation, removal from office or death. Thereafter, directors who are elected to replace any or all of the members of the initial Board of Directors or who are elected at an annual meeting of shareholders, and directors who are elected in the interim to fill vacancies, shall hold office until the next annual meeting of shareholders and until their successors have been elected and qualified, or until their earlier resignation, removal from office, or death. In the interim between annual meetings of shareholders or of special meetings of shareholders called for the election of directors, any vacancies in the Board of Directors, including vacancies resulting from an increase in the authorized number of directors which have not been filled by the shareholders, and including any other vacancies which the General Corporation Law authorizes directors to fill, except for a vacancy created by the removal of a director, may be filled by directors or by the sole remaining director, as the case may be, in the manner prescribed by Section 305 of the General Corporation Law. Vacancies occurring by reason of the removal of directors which are not filled at the meeting of shareholders at which any such removal has been effected may be filled by the directors if the Articles of Incorporation

or a Bylaw adopted by the shareholders so provides. Any director may resign effective upon giving written notice to the Chairman of the Board, if any, the President, if any, the Secretary or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to the office when the resignation becomes effective.

The shareholders may elect a director at any time to fill any vacancy which the directors are entitled to fill but which they have not filled. Any such election by written consent other than to fill a vacancy created by removal shall require the consent of a majority of the shares.

The name and the address of each initial director elected by the incorporator or incorporators are set forth in the minutes of the organization of the incorporator or incorporators at which each said initial director was elected, and said name and the address are hereby made a part of these Bylaws as if fully set forth therein.

#### 4. MEETINGS

- TIME. Meetings shall be held at such time as the Board shall fix, except that the first meeting of a newly elected Board shall be held as soon after its election as the directors may conveniently assemble.

- PLACE. Meetings may be held at any place, within or without the State of California, which has been designated in any notice of the meeting, or, if not stated in said notice or, if there is no notice given, at the place designated by resolution of the Board of Directors.

- CALL. Meetings may be called by the Chair of the Board, if any, by the President, if any, by any Vice President or Secretary, or by any two directors.

- NOTICE AND WAIVER THEREOF. No notice shall be required for regular meetings for which the time and place have been fixed by the Board of Directors. Special meetings shall be held upon at least four days' notice by mail or upon at least forty-eight hours' notice delivered personally or by telephone or by any other means authorized by the provisions of Section 307 of the General Corporation Law. Notice of a meeting need not be given to any director who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, at who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director. A notice or waiver of notice need not specify the purpose of any regular or special meeting of the Board of Directors. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

- QUORUM AND ACTION. A majority of the authorized number of directors shall constitute a quorum except when a vacancy or vacancies prevents such majority, whereupon

a majority of the directors in office shall constitute a quorum, provided such majority shall constitute at least either one-third of the authorized number of directors or at least two directors, whichever is larger, or unless the authorized number of directors is only one. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors, if any, who were not present at the time of the adjournment. Except as the Articles of Incorporation, these Bylaws and the General Corporation Law may otherwise provide, the act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be the act of the Board of Directors. Members of the Board of Directors may participate in a meeting through use of conference telephone or other communications equipment, and participation by such use constitutes presence in person at any such meeting, provided the conditions prescribed by the provisions of Section 307 of the General Corporation Law are met.

A MEETING AT which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, provided that any action which may be taken is approved by at least a majority of the required quorum for such meeting.

CHAIRMAN OF THE MEETING. The Chair of the Board, if any and if present and acting, shall preside at all meetings. Otherwise, the President, if any and present and acting, or any director chosen by the Board, shall preside.

5. REMOVAL OF DIRECTORS. The entire Board of Directors or any individual director may be removed from office without cause by approval of the holders of at least a majority of the shares provided, that unless the entire Board is removed, an individual director shall not be removed when the votes cast against such removal, or not consenting in writing to such removal, would be sufficient to elect such director if voted cumulatively at an election of directors at which the same total number of votes were cast, or, if such action is taken by written consent in lieu of a meeting, all shares entitled to vote were voted, and the entire number of directors authorized at the time of the director's most recent election were then being elected. If any or all directors are so removed, new directors may be elected at the same meeting or by such written consent. The Board of Directors may declare vacant the office of any director who has been declared of unsound mind by an order of court or convicted of a felony.

6. COMMITTEES. The Board of Directors, by resolution adopted by a majority of the authorized number of directors, may designate one or more committees, each consisting of two or more directors to serve at the pleasure of the Board of Directors. The Board of Directors may designate one or more directors as alternate members of any such committee, who may replace any absent member at any meeting of such committee. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have all the authority of the Board of Directors except such authority as may not be delegated by the provisions of the General Corporation Law.



7. WRITTEN ACTION. Any action required or permitted to be taken may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to that action. The written consent or consents shall be filed with the minutes of the proceedings of the Board. The action by written consent shall have the same force and effect as a unanimous vote of the directors.

### **ARTICLE III**

#### **OFFICERS**

The corporation shall have a Chair of the Board or a President or it may have both, a Secretary, a chief financial officer and such other officers with such titles and duties as may be necessary to enable it to sign instruments and share certificates. Subject to the foregoing, any number of offices may be held by the same person. The titles, powers, and duties of officers shall be set forth in the resolution or instrument choosing them. The Chairman of the Board, if any, and/or the President, if any, the Secretary, the chief financial officer, and any Vice President or other executive officer shall be chosen by the Board of Directors. Any Assistant Secretary, Assistant Treasurer or other junior officer shall be chosen by the Board of Directors or in the manner prescribed by the Board of Directors.

The President or, if a President shall not have been chosen, the Chairman of the Board shall be the general manager and chief executive officer of the corporation unless the resolution choosing him shall provide otherwise. The Treasurer shall be the chief financial officer unless the resolution choosing him shall provide otherwise.

Unless otherwise provided in the resolution or instrument choosing the same, all officers shall be chosen for a term of office running until the meeting of the Board of Directors following the next annual meeting of shareholders and until their successors have been chosen and qualified.

Any officer, or any agent chosen by the Board of Directors, may be removed by the Board whenever in its judgment the best interests of the corporation will be saved thereby.

### **ARTICLE IV**

#### **BOOKS AND RECORDS - STATUTORY AGENT**

The corporation shall keep at its principal executive office in the State of California or, if its principal executive office is not in the State of California, at its principal business office in the State of California, the original or a copy of the Bylaws as amended to date, which shall be open to inspection by the shareholders at all reasonable times during office hours. If the principal executive office of the corporation is outside the State of California, and, if the corporation has no principal business office in the State of California, it shall upon request of any shareholder furnish a copy of the Bylaws as amended to date.

The corporation shall keep adequate and correct books and records of account and shall keep minutes of the proceedings of its shareholders, Board of Directors and committees, if any, of the Board of Directors. The corporation shall keep at its principal executive office, or at the office of its transfer agent or registrar, a record of its shareholders, giving the names and addresses of all shareholders and the number and class of shares held by each. Such minutes shall be in written form. Such other books and records shall be kept either in written form or in any other form capable of being converted into written form

The name of the agent for service of process within the State of California is Corporation Service Company which does business in California as CSC-Lawyers Incorporating Service.

#### **ARTICLE V**

#### **COPORATE SEAL**

The corporate seal shall set forth the name of the corporation and the State and date of incorporation.

#### **ARTICLE VI**

#### **FISCAL YEAR**

The fiscal year of the corporation shall be fixed, and shall be subject to change, by the Board of Directors.

#### **ARTICLE VII**

#### **CONTROL OVER BYLAWS**

After the initial Bylaws of the corporation shall have been adopted by the incorporator or incorporators of the corporation, the Bylaws may be amended or repealed or new Bylaws may be adopted by the shareholders entitled to exercise a majority of the voting power or by the Board of Directors; provided, however, that the Board of Directors shall have no control over any Bylaw which fixes or changes the authorized number of directors of the corporation; provided further, that any control over the Bylaws herein vested in the Board of Directors shall be subject to the authority of the aforesaid shareholders to amend or repeal the Bylaws or to adopt new Bylaws; and provided further that any Bylaw amendment or new Bylaw which changes the minimum number of directors to fewer than five shall require authorization by the greater proportion of voting power of the shareholders as hereinbefore set forth.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of the Bylaws of \_\_\_\_\_, a California corporation, as in effect on the date hereof

WITNESS my hand and the seal of the corporation.

Dated:

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**Secretary of**

(SEAL)

A0586414  
2366855

**FILED**  
**IN THE OFFICE OF THE SECRETARY OF STATE**  
**OF THE STATE OF CALIFORNIA**

**SEP 11 2002**

*/s/ Bill Jones*  
*BILL JONES, Secretary of State*

**CERTIFICATION OF DETERMINATION**  
**OF THE DESIGNATION, PREFERENCES, RIGHTS AND LIMITATIONS OF**  
**SERIES A PREFERRED STOCK OF**  
**INTELLIGENT SPORTS, INC.,**  
**A CALIFORNIA CORPORATION**

I, Thomas Hobson, being the President of INTELLIGENT SPORTS, INC., a California corporation, (the "Corporation"), and I, Andre Bossieux, Secretary of Intelligent Sports, Inc., hereby certify that the Articles of Incorporation of the Corporation authorizes the issuance of 20,000,000 shares of Preferred Stock, no par values per share, and expressly vests in the Board of Directors of the Corporation the authority to designate and to fix the number of shares of any such series of Preferred Stock and to determine and alter rights, preferences, privileges and restriction granted to or imposed upon any wholly unissued series of Preferred Stock.

I, Thomas Hobson, and I, Andre Bossieux, further certify that pursuant to the authority given by the Corporation's Articles of Incorporation, as amended, the Board of Directors of the Corporation has duly adopted the following recitals and resolutions:

"RESOLVED, that pursuant to the authority conferred upon the Board of Directors by the Articles of Incorporation, the Series A Preferred Stock, no par value ("Series A Preferred Stock"), is hereby authorized and created as set forth in Attachment "A" hereto." Attachment "A" hereto is incorporated by reference as if fully set forth herein

I, Thomas Hobson and I, Andre Bossieux, further certify that the authorized number of shares of Preferred Stock is 20,000,000 shares of preferred stock, none of which has been issued, and the authorized number of shares of Series A Preferred Stock is 4,000,000 shares of the Series A Preferred Stock, no par value, and with a stated value of \$.001 per share. The shares of the Series A Preferred Stock have not been issued at this time and shall not be issued until this Certificate of Determination has been filed with the Secretary of State of California.

I, Thomas Hobson, President of Intelligent Sports, Inc., declare, verify and swear under penalty of perjury that the statements contained in this certificate are true of my own knowledge.

**[[SIGNATURES ON FOLLOWING PAGE]]**

Executed on:  
(date) September 3, 2002 Executed at:  
(city) Upland, California

(signed) /s/ Thomas Hobson  
-----  
Thomas Hobson

Executed on:  
(date) September 3, 2002 Executed at:  
(city) Upland, California

I, Andre Bossieux, Secretary of Intelligent Sports, Inc., declare, verify and swear under penalty of perjury that the statements contained in this certificate are true of my own knowledge.

(signed) /s/ Andre Bossieux  
-----  
Andre Bossieux

A. Preferred Stock or at such other place as may be designated by the Corporation, the certificate or certificates for the shares to be converted, duly endorsed for transfer to the Corporation (if required by it), accompanied by written notice stating that the holder irrevocably elects to convert such shares. Conversion shall be deemed to have been effected on the date when such delivery is made, and such date is referred to herein as the "Conversion Date." Within five (5) business days after the date on which such delivery is made, the Corporation shall issue and send (with receipt to be acknowledged) to the holder thereof or the holder's designee, at the address designated by such holder, a certificate or certification for the number of full shares of Common Stock to which the holder is entitled as a result of such conversion. The holder shall be deemed to have become a stockholder of record of the number of shares of Common Stock into which the shares of Series A Preferred Stock have been converted on the applicable Conversion Date unless the transfer books of the Corporation are closed on that date, in which event he shall be deemed to have become a stockholder of record of such shares on the next succeeding date on which the transfer books are open. Upon conversion of only a portion of the number of shares of Series A Preferred Stock represented by a certificate or certificates surrendered for conversion, the Corporation shall within three (3) business days after the date on which such delivery is made, issue and send (with receipt to be acknowledged) to the holder thereof or the holder's designee, at the address designated by such holder a new certificate covering the number of shares of Series A Preferred Stock representing the unconverted portion of the certificate or certificates so surrendered.

(c) The Corporation shall at all times reserve for issuance and maintain available, out of its authorized but unissued Common Stock, solely for the purpose of effecting the conversion of the Series A Preferred Stock, the full number of shares of Common Stock deliverable upon the conversion of all Series A Preferred Stock from time to time outstanding. The Corporation shall from time to time (subject to obtaining necessary director and stockholder action), in accordance with the laws of the State of California, increase the authorized number of shares of its Common Stock if at any time the authorized number of shares of its Common Stock remaining unissued shall not be sufficient to permit the conversion of all the shares of Series A Preferred Stock at the time outstanding.

(d) If any shares of Common Stock to be reserved for the purpose of conversion of shares of Series A Preferred Stock require registration or listing with, or approval of, any governmental authority, stock exchange or other regulatory body under any federal or state law or regulation or otherwise, including registration under the Securities Act of 1933, as amended, and appropriate state securities laws, before such shares may be validly issued or delivered upon conversion, the Corporation will in good faith and as expeditiously as possible meet such registration, listing or approval, as the case may be.

(e) All shares of Common Stock which may be issued upon conversion of the shares of Series A Preferred Stock will upon issuance by the Corporation be validly issued, fully paid and non-assessable and free from all taxes, liens and charges with respect to the issuance thereof.

(g) In case any shares of Series A Preferred Stock shall be purchased or otherwise acquired by the Corporation, the shares so converted, purchased or acquired shall be restored to the status of authorized but unissued shares of preferred stock, without designation as to class or series, and may thereafter be reissued, but not as shares of Series A Preferred Stock.

(h) The Conversion Ratio shall be adjusted for forward and reverse stock splits.

### 3. Voting of Series A Preferred Stock

Each share of Series A Preferred Stock shall have five votes and be entitled to vote any matters.

### 4. Liquidation Rights

(a) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series A Preferred Stock then outstanding shall be entitled to receive out of assets of the Corporation available for distribution to stockholders, before any distribution of assets is made to holders of any other class of capital stock of the Corporation, an amount equal to \$.001 per share (the "Liquidation Amount").

(b) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation which involves the distribution of assets other than cash, the Board of Directors of the Corporation shall determine the value of the asset to be distributed to the holders of shares of the Series A Preferred Stock, other preferred stock, and the holders of shares of Common Stock. The Corporation shall give prompt written notice to each holder of shares of Series A Preferred Stock of the value so determined.

### 5. No Redemption at the Discretion of the Corporation

The Corporation shall have no redemption rights with respect to shares of the Series A Preferred Stock.

**[[SIGNATURES ON FOLLOWING PAGE]]**

Executed on:  
(date)September 3, 2002 Executed at:  
(city)Upland, California

I, Thomas Hobson, President of Intelligent Sports, Inc., declare, verify and swear under penalty of perjury that the statements contained in this certificate are true of my own knowledge.

*(signed) /s/ Thomas Hobson*  
-----  
*Thomas Hobson*

Executed on:  
(date) September 3, 2002 Executed at:  
(city) Upland, California

I, Andre Bossieux, Secretary of Intelligent Sports, Inc., declare, verify and swear under penalty of perjury that the statements contained in this certificate are true of my own knowledge.

*(signed) /s/ Andre Bossieux*  
-----  
*Andre Bossieux*

**[SEAL OF THE  
OFFICE OF THE  
SECRETARY OF STATE]**



**[SEAL OF THE  
OFFICE OF THE  
SECRETARY OF STATE]**

**SECRETARY OF STATE**

I, Bill Jones, Secretary of State of the State of California, hereby certify:

That the attached transcript of 6 page(s) was prepared by and in this office from the record on file, of which it purports to be a copy, and that it is full, true and correct.

[SEAL]

IN WITNESS WHEREOF, I execute this  
certificate and affix the Great Seal of  
the State of California this day of  
OCT 02 2002

-----  
/s/ Bill Jones  
Secretary of State

**MICHAEL S. KROME, P.C.**  
8 Teak Court  
Lake Grove, New York 11755  
(631) 737-8381

August 24, 2003

The Board of Directors  
Intelligent Sports, Inc.

Upland, CA

Gentlemen:

You have requested my opinion as counsel for Intelligent Sports, Inc., a California corporation (the "Company"), in connection with the registration under the Securities Act of 1933, as amended (the "Securities Act"), and the Rules and regulations promulgated there under, of an aggregate of 12,000,000 shares (the "Shares") of the Company's common stock, no par value per share (the "Common Stock"), of which 7,600,000 are being registered by the Selling Shareholders and 4,400,000 are being registered by the Company for future sale by the Company, pursuant to a Registration Statement on Form SB-2 (the "Registration Statement").

For purposes of this opinion, I have examined the Registration Statement filed with the Securities and Exchange Commission on or about the date hereof, including the prospectus, which is a part thereof (the "Prospectus") and the exhibits thereto. I have also been furnished with and have examined originals or copies, certified or otherwise identified to my satisfaction, of all such records of the Company, agreements and other instruments, certificates of officers and representatives of the Company, certificates of public officials and other documents as I have deemed it necessary to require as a basis for the opinions hereafter expressed. As to questions of fact material to such opinions, I have, where relevant facts were not independently established, relied upon certifications by principal officers of the Company. I have made such further legal and actual examination and investigation, as I deem necessary for purposes of rendering the following opinions.

In my examination I have assumed the genuineness of all signatures, the legal capacity of natural persons, the correctness of facts set forth in certificates, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified or Photostatted copies, and the authenticity of the originals of such copies.

I am a member of the bar of the State of New York. My opinions below are limited to the laws of the State of New York, the General Corporation Law of the State of California, including all applicable provisions of the California Constitution and reported judicial decisions interpreting these laws and the federal securities laws of the United States.

Based on the foregoing, it is my opinion that

1. The Company is a duly organized and validly existing corporation under the laws of the State of California, with corporate power to conduct the business it conducts as described in the Registration Statement;
2. The Company has an authorized capitalization as set forth in the Registration Statement;
3. The securities being sold pursuant to the Registration Statement by the Selling Shareholders in the amount of 7,600,000 shares of common stock have been validly issued and are fully paid and non-assessable shares of common stock of Intelligent Sports, Inc.; and
4. The securities to be sold by the Company pursuant to the Registration Statement by the Selling Shareholders in the amount of 4,400,000 shares of common stock have been validly issued and are fully paid and non-assessable shares of common stock of Intelligent Sports, Inc.

I consent to the filing of this opinion as an exhibit to the Registration Statement and consent to the use of my name under the caption "Legal Matters" in the Prospectus.

Sincerely,

*/s/ Michael S. Krome, Esq.*

# **ACTION STOCKS**

## **Intelligent Sports, Inc.**

### **AGREEMENT FOR SERVICES**

WHEREAS Intelligent Sports, Inc. (the "Client"), desires to secure fully reporting status with the Securities and Exchange Commission of the United States and likewise secure public listing on OTC-BB;

WHEREAS the Company proposes that Action Stocks, Inc. ("ACTION STOCKS, INC.") coordinate the process via the performance of certain services to include corporate documentation and filing services for the client in conjunction with public listing on OTC-BB(R) and the development of a Registration Statement for the purposes of satisfying the Securities and Exchange Act(s) of 1933 and/or 1934, as amended, (and other applicable rules and regulations of the Securities Exchange Commission or State Securities Divisions (Blue Sky Laws) thereunder (collectively called the "Regulations"));

WHEREAS ACTION STOCKS, INC. desires to perform such services for the Company;

THEREFORE, the parties hereto mutually covenant and agree as follows

1. Duties of ACTION STOCKS, INC.: ACTION STOCKS, INC. will cover all fees for the provided services outlined below. These services include:

(a) "Transfer Agent" - assist the client in setting up account with proper transfer agent. Assist in consulting the client with the issuance of stock to shareholders.

(b) "SEC Registration Statement" - the coordination, compilation and/or filing of documentation requisite to SB-2 registration with the SEC in accordance with the provisions of the Act and likewise in accordance with the rules and regulations promulgated by the relevant State Blue Sky laws.

(c) "SEC Comment Letter Support" - answer any and all comment letters from the SEC incident to the filing of the Client's Registration Statement

(d) "Form 211 Development" - the compilation and preparation of Form 211 in satisfaction of Rule 15(c)211 of the Exchange Act of 1934 to be filed with the NASD, by the appropriate licensed market maker of ACTION STOCKS, INC., as the original application for listing of the securities of the Client on the OTC-BB(R). Included under this subparagraph are the following documents and services;

- (1) Form 211 Disclosure Document;
- (2) Appropriate Exhibits;
- (3) Application and Coordination Work with a Transfer Agent; and
- (4) Financial Statement Audit Coordination.

## ACTION STOCKS

(e) "Market Maker Introduction" - assist the Client with identifying appropriate and duly licensed level three market makers, who may file the Client's Form 211 with the NASD for the listing of the Clients securities on the OTC-BB(R);

(f) "NASD Comment Letter Support" - assist the Client in answering any and all comment letters from the NASD incident to the filing of the Client's Form 211 as outlined above;

(g) "Edgarization"- ACTION STOCKS, INC. will set up and file appropriate forms with the client's Edgar filer. ACTION STOCKS, INC. will cover all costs associated with SEC filings.

(h) "Market Support"- Once publicly traded ACTION STOCKS, INC. will be engaged to provide their standard six month promotional campaign.

(i) "Consulting Agreement"- ACTION STOCKS, INC will file an initial S-8 Registration for the Client to be filed once publicly traded.

2. Optional Services: "Standard & Poors - Market Access Service" - the preparation of the initial application and subsequent follow up (i.e. point of contact) to have the Client listed with Standard & Poor's Corporation Records ("S&P") to enable the Client's shareholders to qualify for the Blue Sky Manual Exemption in up to thirty-eight states for all non-issuer transactions. ACTION STOCKS, INC. will also oversee the filing of such state non-issuer exemption notice filings upon listing in S&P. Fees for any optional services shall be agreed by the parties prior to the commencement of such services.

3. Client to Provide Information: Client agrees to provide ACTION STOCKS, INC. with any information and documents as may be requested by ACTION STOCKS, INC. in connection with the services to be performed for Client. Client shall provide ACTION STOCKS, INC. with an overnight express or similar account number (FedEx, AirBorne Express, UPS, DHL, etc. ...) which will be used by ACTION STOCKS, INC. when sending any documentation related to Client's contract ACTION STOCKS, INC. (see other expenses). Client shall be solely responsible for the accuracy of the information and representations contained in any documents to be prepared by ACTION STOCKS, INC. on behalf of Client. Any filings which receive "deficiency" or "comment" notices from a regulatory agency due to insufficient, incorrect or conflicting information or otherwise requiring further clarification, shall be forwarded to ACTION STOCKS, INC. and shall be addressed in conjunction with the additional information or assistance provided by the client. Additionally, all required documents, which includes audited financial statements of the Client, must be furnished to ACTION STOCKS, INC. by the Client in a timely fashion when required as a part of the services to be provided to the Client by ACTION STOCKS, INC. pursuant to the terms of this Agreement.

4. Compensation: Client shall provide \$50,000 USD) and 13% equity of common stock of the Client - which shall be registered in the SB-2 filing - as compensation to ACTION STOCKS, INC. for the services provided and described herein. ACTION STOCKS, INC.'s compensation shall consist of and be disbursed as follows;

(A) Client disburses and ACTION STOCKS, INC. collects payment of \$25,000 USD upon the execution of this Agreement;

## ACTION STOCKS

(B) Client disburses and ACTION STOCKS, INC. collects 13% equity of common stock of the Client - which shall be registered in the SB-2 filing;

(C) Client disburses and ACTION STOCKS, INC. collects payment of an additional \$25,000 USD upon the completion SB-2 Registration but prior to submission of Form 211.

5. Timely review by client; The Client hereby acknowledges that part and parcel of the public listing process mandates a prudent and timely review of documentation on its part. The client warrants that it shall take reasonably steps necessary to expeditiously review and authorization any and all documentation submitted to it by ACTION STOCKS, INC. and ACTION STOCKS, INC. shall not responsible for any delays caused directly or indirectly by the client. Likewise, ACTION STOCKS, INC. is not responsible for any delays which may arise as a result of pendency before regulatory authorities including the SEC, the NASD, or State regulatory authorities. ACTION STOCKS, INC. assumes no responsibility for any occurrences beyond its control, including but not limited to federal or state filing backlogs or agency computer breakdowns, which may result in processing delays. ACTION STOCKS, INC. will use its best efforts to secure registration for Client but cannot guarantee that any registration will be granted; however, in the event that the failure to obtain a registration is directly attributable to an error or oversight on the part of ACTION STOCKS, INC., ACTION STOCKS, INC. will use its best efforts to resolve the problem at no additional expense to Client, In no event will ACTION STOCKS, INC be liable for actual, incidental, consequential, related or any other type of damages, in any amount, attributable to such error or oversight on the part of the Client.

6. Representations and Warranties of the Company. The Company represents and warrants to ACTION STOCKS, INC. that;

(A) When any documentation pertaining to the Client Company is drafted and finalized and at all times subsequent thereto up to and including the termination of this Agreement, the documentation and any amendments thereto will comply in all material respects with the provisions of the Act (and the Rules and Regulations) (as promulgated by state and/or federal regulatory authorities) and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and the documents supplied to ACTION STOCKS, INC. by the Company - and any supplements thereto will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(B) It is expressly understood and expected by both parties and expressly warranted by the Company that any documentation which preparation facilitated by ACTION STOCKS, INC. or any documentation filed by ACTION STOCKS, INC. and referred to herein, shall be reviewed by the Company or its appointees of sufficient competence for any material deficiencies in such a manner as to ensure accuracy and full and fair disclosure. The Company warrants that it shall take prudent steps necessary to ensure that any such documentation contain no material misrepresentatons or omissions and hereby acknowledges that ACTION STOCKS, INC. is not responsible for ensuring the accuracy or sufficiency of any documentation or disclosures therein.

## ACTION STOCKS

(C) The Securities of the Company conform - in all material respects - to the description thereof contained in the relevant documentation provided by the Client.

(D) There is no material litigation or governmental proceeding pending, to which the Company (or any subsidiary) is a party or of which any of its property is the subject, and, to the best of the Company's knowledge, no such proceeding is threatened or contemplated. No contract or document of a character required to be described in any formal filing is not so described or filed as required.

(E) This Agreement has been duly authorized, executed and delivered on behalf of the Company and is a valid and binding obligation of the Company, except as rights to indemnify and contribution hereunder may be limited under applicable law.

(F) No stop order suspending the effectiveness of the efforts anticipated by this Agreement has been issued no proceedings for that purpose have been taken or are pending or, to the knowledge of the Company, threatened by the Commission.

(G) The Company has good and marketable title to all properties and assets described in the documentation as owned by it, free and clear of all security interests, liens, charges, encumbrances or restrictions, except such as are described or referred to in the documentation or are not materially significant or important in relation to the business of the Company, and its subsidiaries, taken as a whole, except as described in the documentation.

(H) Indemnification and Contribution. (a) The Company agrees to indemnify and held harmless ACTION STOCKS, INC., its officers and directors, and each person, if any, who controls ACTION STOCKS, INC. within the meaning of either Section 15 of the Act or Section 20 of the Securities Exchange Act of 1934, and any agents or employees of ACTION STOCKS, INC, from and against any and all losses, claims, damages, and liabilities caused by any untrue written statement or alleged untrue written statement of a material fact, provided by the Company, contained in any formal filing or offering document or supplemental documentation caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or caused by virtue of any willful conduct of the Company in violation of this Agreement or any willful failure to comply with fed and/or state securities rules and regulations. Such indemnification includes any and all costs incident to such legal claims as may be made against ACTION STOCKS, INC. from any claim arising from the scope of the activities contemplated in this Agreement.

(I) Indemnification and Contribution. (a) ACTION STOCKS, INC. agrees to indemnify and hold harmless the Company, its officers and directors, and each person, if any, who controls the Company within the meaning of either Section 15 of the Act or Section 20 of the Securities Exchange Act of 1934, and any agents or employees of the Company, from and against any and all losses, claims, damages, and liabilities caused by any untrue written statements or alleged untrue written statement of a material fact, provided by ACTION STOCKS, INC., contained in any formal filing or offering document or supplemental documentation caused by any omission or alleged

## ACTION STOCKS

omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or caused by virtue of any willful conduct of ACTION STOCKS, INC. in violation of this Agreement or any willful failure to comply with federal and/or state securities rules and regulations. Such indemnification includes any and all costs incident to such legal claims as may be made against the Company from any claim arising from the scope of the activities contemplated in this Agreement.

7. Independent Contractor Status: ACTION STOCKS, INC. shall perform its services under this contract as an independent contractor and not as an employee of Client or an affiliate thereof. It is expressly understood and agreed to by the parties hereto that ACTION STOCKS, INC. shall have no authority to act for, or represent or bind Client or any affiliate thereof in any manner, except as provided for expressly in this Agreement or in writing by Client.

8. Late Fees: Any ACTION STOCKS, INC. invoice not paid within thirty (30) days of such billing is subject to a 1.5% monthly interest charge. ACTION STOCKS, INC. reserves the right to use any and all means of collection available under applicable law to collect any amount past due.

9. Amendment and Modification: Subject to applicable law, this Agreement may be amended, modified or supplemented only by a written agreement signed by both parties. No oral modifications to this Agreement may be made.

10. Entire Agreement: This Agreement contains the entire understanding between and among the parties and supersedes any prior understandings and agreements among them respecting the subject matter of this Agreement. The failure by ACTION STOCKS, INC. to insist on strict performance of any term or condition contained in this Agreement shall not be construed by Client as a waiver, at any time, of any rights, remedies or indemnifications, all of which shall remain in full force and effect from time of execution through eternity.

11. Binding Effect: This Agreement shall be binding upon the heirs, executors, administrators, successors and permitted assigns of the parties hereto. Client shall not assign its rights or delegate its duties under any term or condition set forth in this Agreement without the prior written consent of ACTION STOCKS, INC..

12. Attorney's Fees: In the event an arbitration, mediation, suit or action is brought by any party under this Agreement to enforce any of its terms, or in any appeal therefrom, it is agreed that the prevailing party shall be entitled to reasonable attorneys fees to be fixed by the arbitrator, mediator, trial court and/or appellate court.

13. Severability: If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term hereof, such provision shall be fully severable this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision never comprised a part hereof and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom. Furthermore, in lieu of such illegal, invalid and unenforceable provision, there shall be added automatically as part of this Agreement a provision as similar in nature in its terms to such illegal, invalid or unenforceable provision as may be legal, valid and enforceable,



## ACTION STOCKS

14. **Governing Law:** This Agreement shall be governed by the laws of the State of California and the venue for the resolution of any dispute arising thereof shall be in San Diego, State of California.

15. **Legal Counsel:** Client further agrees and understands that although documents and filings may be compiled or filed by ACTION STOCKS, INC., ACTION STOCKS, INC. has not and does not render legal advice or offer legal assistance. All requests for legal advice by clients of ACTION STOCKS, INC. will be referred to appropriate legal counsel for the Client as retained by the client for a proper legal opinion. Accordingly, no statements or representations by ACTION STOCKS, INC. should be construed to be legal advice of counsel, and ACTION STOCKS, INC. advises Client to consult with its own counsel regarding the sufficiency of disclosures and/or compliance with applicable rules and regulations.

16. **Broker-Dealer/Underwriter** Client acknowledges that ACTION STOCKS, INC. is not a broker-dealer or underwriter and does not provide services directly or indirectly related to the offering, issuance or sale of securities, ACTION STOCKS, INC., pursuant to this Agreement, is charged with assisting the client in compiling requisite information and documentation in such a manner as to facilitate the services rendered by duly licensed broker dealers and/or competent legal counsel and to further assist the client in filing such documentation as necessary. Finally, ACTION STOCKS, INC. is responsible for coordinating the activities contemplated herein in an expeditious, efficient manner for the benefit of the client and its anticipated endeavors as outline herein. Any and all compensation rendered by ACTION STOCKS, INC. by virtue of its performance of services delineated in this Agreement is entirely independent of any securities related transaction(s) offerings, issuances, broker-dealer, or legal related services which other parties anticipated to be involved in the activities contemplated herein may engage. No commissions or transaction based compensation derived from the sale of securities is payable to ACTION STOCKS, INC., No broker-dealer or underwriter related services are to be performed by ACTION STOCKS, INC. a such services are to be performed by the appropriate duly licensed brokerage firm engaged by the Client to perform such services,

17. **Post-Registration Responsibilities:** Client understands and acknowledges by the acceptance of this Agreement that all post-registration periodic or special reports are the responsibility of the Client unless otherwise agreed to in writing by ACTION STOCKS, INC..

18. **Effective Date of Agreement and Termination.** This Agreement shall become effective upon execution by both parties and shall terminate one hundred eighty (180) days from the effective date of this Agreement.

**ACTION STOCKS**

IN WITNESS THEREOF, the parties have caused this Agreement to be duly executed, as of the day and year set out below.

**Intelligent Sports, Inc.**

By: /s/ Thomas Hobson  
-----

3/25/02  
-----  
DATE

Action Stocks, Inc.

By: /s/ B illegible  
-----

3-26-02  
-----  
DATE

**[LETTERHEAD OF GABRIEL DEGROOD BENDT]**

March 18, 2002

Mr. Thomas Hobson  
Chief Executive Officer  
Nothin' But Net  
1817 N. Millsweet Drive  
Upland, CA 91784

RE: Letter of Agreement

Dear Tom:

This will serve as an umbrella Letter of Agreement to cover various projects Nothin' But Net (hereinafter called "Client") has asked - or in future will request - Gabriel deGrood Bendt, LLC (hereinafter called "Agency") to perform:

A. Projects will be officially assigned to Agency and become subject to the terms of this Letter of Agreement by a written authorization from Client, or Agency Conference Report summarizing a verbal client authorization. All the necessary details of each specific project known at the time of project approval (i.e., agency fee estimates, out-of-pocket estimates, payment terms, overall budgets, and timing, etc.) will either be included as an addendum to the written authorization, or agreed to and recorded in the form of a Client-approved document distributed to all appropriate parties.

B. Exhibit A entitled "Compensation, Services, & Billing Procedures" is hereby incorporated in and made a part of the agreement.

C. Any work performed for Client that is beyond the scope of work as outlined in each specific project agreement would require additional fees and possibly additional out-of-pocket costs, but such additional fees and costs must first be approved in writing by Client.

D. Agency may enter into contracts with third parties as Client's agent to carry out the purposes of this Agreement as Client specifically authorizes. The Agency shall become liable to such parties for all payments to third parties only after the Agency is paid by Client for such obligations billed to Client. Agency is not obligated to make a monetary commitment on behalf of Client unless Client has advanced to Agency the estimated cost of the commitment. Agency will estimate in advance gross charges of outside companies for media placements, etc., to be supplied to Agency on behalf of Client. Client agrees to advance Agency funds to cover said costs, prior to Agency making a commitment.

900 2nd Avenue South 1770 International Centre Minneapolis, MN 55402 612-547-5000 fax 612-547-5050

March 18, 2003

E. Agency will submit to Client for approval schedules of media advertising in advance of Agency's contracting with the media on behalf of Client. All schedules and invoices to Client will be at agreed NET rates. Client understands that rates quoted for media advertising are subject to change prior to media's acceptance of contract. Client agrees to advance to Agency funds to cover said costs in advance and prior to Agency making a commitment. In the event that said payments of Client should exceed the forecasted costs, Agency will reapply excess funds to future media buys or projects. Client reserves the right to approve and, in its reasonable discretion, to cancel or modify any and all schedules and plans submitted by Agency. Client shall be and remain liable for all charges and expenses incurred by agency and approved by Client prior to notice of such cancellations or modifications, including but not limited to any and all costs for media insertions that cannot be cancelled should Client revisions be requested after the insertion close date.

F. Agency shall be the agent of Client for the purchase of any materials and external services used in the development of marketing communications materials for Client, for all purposes, including but not limited to the obligation of both parties to collect and pay all applicable sales and use tax. Client shall bear sole liability and shall pay for all obligations incurred by Agency on Client's behalf within the scope of Client's authority. Client shall be solely liable for any and all sales and use tax due to any materials or services purchased on Client's behalf by Agency.

G. Agency shall not be liable to Client for errors of third parties with whom Agency contracts for and on behalf of Client.

H. Client shall be responsible for the accuracy, completeness and propriety of all claims and representations concerning its products and services appearing in any advertising or marketing communications materials. Client is also responsible for ensuring all advertising and marketing communications adhere to any legal requirements specific to Client's industry or business.

I. Accordingly, Client shall hold harmless, indemnify, and defend Agency, its affiliates and associates, from any and all liability and expense.

J. Either party can terminate this Letter of Agreement upon 60 days prior written notice of termination to the other party. Upon termination, Agency shall invoice Client for all amounts due to Agency and Client agrees to pay same upon receipt of invoice.

K. Upon termination of this Agreement, any and all materials, which Client has paid for and which are in the possession of Agency shall be provided to the Client. However, Agency may retain possession of all such material until Client pays all amounts due Agency. The copyright ownership of all Agency work product created in behalf of Client shall belong to the Agency until such work product is paid for in full.

L. The provisions of this Letter of Agreement shall be interpreted and construed in accordance with the laws of Hennepin County in the State of Minnesota.

M. The persons signing this Agreement on behalf of Client and Agency hereby personally represent to the other party that he/she has the actual authority to sign on behalf of Client and Agency, respectively.

900 2nd Avenue South 1770 International Centre Minneapolis, MN 55402 612-547-5000 fax 612-547-5050



**Nothin' But Net**  
**COMPENSATION, SERVICES AND BILLING PROCEDURES**  
2003

**Exhibit A**

**PART I - COMPENSATION**

A. The agreement between Nothin' But Net (Client) and Gabriel deGrood Bendt LLC (Agency) will be based on the following:

a. Account management services will be provided to the Client pro bono while all other services, including creative, production and media, will be billed at Agency standard hourly rates. No costs will be incurred until Client has authorized work to begin. All media invoices and creative material production to be billed to Client at NET. All miscellaneous costs will be billed to Client at net.

B. Account Management services provided pro bono (free of charge) to Client:

- a. Communications strategy and planning
- b. Day-to-day management of account
  - i. Client contact
  - ii. Vendor contact
  - iii. Traffic of creative materials

C. Creative & production services billed to Client at Agency standard hourly rates:

- a. Creative development & production

D. Media services billed to Client at Agency standard hourly rates:

- a. Counsel and Planning to insure a completely integrated advertising program.
- b. Media Selection and Checking
  - i. Detailed media recommendations followed by scheduling and purchase of approved media, and the verification of media performance.
  - ii. Media will be invoiced at agreed NET rates.

E. Production billed to Client at NET:

- a. Vendor production of creative materials.

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F. Misc. costs billed to Client at NET:

- a. Local and Long Distance Telephone, Facsimile, Parking, Postage, Photocopying and Shipping.
- b. Sending orders and instructions to media and suppliers.
- c. Expenses for travel (such as airfare, car rentals, hotel and per diem costs) incurred by our by our staff. Travel expenses incurred by Client and vendors for various business meetings and location production will be billed at net.

## **PART II - BILLING AND PAYING PROCEDURES**

A. Billing Procedures

- a. Agency will submit to Client invoices for all services and expenses incurred on a monthly basis.
- b. Terms for invoice payment are net 30 with a 1.5% finance charge per month on all past due accounts.
- c. Each month, Agency will submit to Client a budget recap outlining the actual-to-date and forecasted expenses for the year.

## **PART III - GENERAL PROVISIONS**

A. Client's Right to Cancel

Client has the right to modify, revise, or cancel any advertising plans, schedule or work. Agency will take proper steps immediately upon instructions from Client to effect such changes; however, Client agrees to assume liability for the cost of such changes and to reimburse Agency for them.

B. Agency's Right to Cancel

Agency is not required to advance funds for the Client. If the Agency does not receive adequate funds to pay any commitment the Agency has made for Client prior to space close date, the Agency has the absolute right to cancel the commitment and Client will be responsible for any charges incurred as a result of said cancellation.

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C. Checking Copies of Advertisements

Publications (newspapers, magazines, trade papers, etc.) containing Client's advertising -- either copies of such publications or tear sheets from them - will be retained in our file for sixty days after publication for the Client's inspection. Agency will send tear sheets to client, if requested, one billing cycle after the media is invoiced.

Affidavits from radio and television, advertising will also be retained in our file for Client's inspection for sixty days after the date of the program.

D. Examination of Records

Upon advance request, client may during the normal working hours examine our records and files, which pertain specifically to the Client's advertising.

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## CONSENT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders of Intelligent Sports, Inc.  
Upland, California 91784

We consent to the use in this Registration Statement of Intelligent Sports, Inc. on Form SB-2/A of our report dated May 6, 2003, which includes an emphasis paragraph relating to an uncertainty as to the Company's ability to continue as a going concern appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to our Firm under the caption "Experts" in the Prospectus.

*/s/ HJ Associates & Consultants, LLP*

*HJ Associates & Consultants, LLP  
Salt Lake City, Utah  
September 23, 2003*

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**End of Filing**

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