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LOGISTICS MANAGEMENT RESOURCES INC
Form 10QSB
April 30, 2003

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

Form 10-QSB

(Mark One)

- Quarterly report under section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended: March 31, 2003
- Transition report under section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____.

Commission File No: 33-9640-LA

LOGISTICS MANAGEMENT RESOURCES, INC.
(Name of small business in its charter)

Colorado
(State or other jurisdiction
of incorporation)

68-0133692
(IRS Employer Id. No.)

10602 Timberwood Circle, Suite 9
Louisville, KY 40223
(Address of Principal Office including Zip Code)

Issuer's telephone Number: (502) 339-4000

Applicable only to issuers involved in bankruptcy proceedings during the past five years:

Check whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act after the distribution of securities under a plan confirmed by a court. Yes No .

Applicable only to corporate issuers:

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

Common Stock, no par value, 54,785,438 shares at March 31, 2003

Transitional Small Business Disclosure Format (Check one): Yes NO .

LOGISTICS MANAGEMENT RESOURCES, INC.
Form 10-QSB
Quarter Ended March 31, 2003

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The unaudited condensed balance sheet of the Registrant as of March 31, 2003, the audited balance sheet at December 31, 2002, and the unaudited condensed profit and loss statements for the three months ended March 31, 2003 and March 31, 2002 follow. The condensed financial statements reflect all adjustments that are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented.

Logistics Management Resources, Inc.
Condensed Balance Sheets

| Assets | March 31, 2003 [unaudited] | December, 31, 2002 |
|--------------|-------------------------------|-----------------------|
| Equipment | \$ 4,731 ----- | \$ 5,367 ----- |
| Total Assets | \$ 4,731 ===== | \$ 5,367 ===== |

Liabilities and Stockholders' Equity (Impairment)

Current Liabilities

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| | | |
|--|--------------|--------------|
| Accrued expenses | \$ 64,436 | \$ 63,908 |
| Accrued interest | 5,609,010 | 5,609,010 |
| Due to related parties | 2,616,430 | 2,589,615 |
| Loans payable | 2,544,000 | 2,544,000 |
| Convertible debentures | 5,198,460 | 5,198,460 |
| Net liabilities of discontinued operations | 4,601,504 | 4,601,504 |
| | ----- | ----- |
| Total Current Liabilities | 20,633,840 | 20,606,497 |
| | ----- | ----- |
| Commitments and contingencies | | |
| Stockholders' Equity (Impairment) | | |
| Preferred stock, no par value; (10,000,000 shares authorized) | | |
| Series A (999,000 shares outstanding) | 762 | 762 |
| Series B (2,000 shares outstanding) | 2,000,000 | 2,000,000 |
| Series C (450,000 shares outstanding) | 135,000 | 135,000 |
| Series D (950 shares outstanding) | 950,000 | 950,000 |
| Series E (2,300 shares outstanding) | 2,300,000 | 2,300,000 |
| Common stock, no par value; 75,000,000 shares authorized, 54,785,438 shares issued and outstanding | -- | -- |
| Additional paid-in capital | 14,592,571 | 14,592,571 |
| Accumulated (deficit) | (40,607,442) | (40,579,463) |
| | ----- | ----- |
| Total Stockholders' Equity (Impairment) | (20,629,109) | (20,601,130) |
| | ----- | ----- |
| Total Liabilities and Stockholders' Equity (Impairment) | \$ 4,731 | \$ 5,367 |
| | ===== | ===== |

See notes to condensed financial statements.

Logistics Management Resources, Inc.
Condensed Statements of Operations

| | Three Months Ended March 31, | |
|-------------------------------|------------------------------|--------------|
| | 2003 | 2002 |
| | [unaudited] | [unaudited] |
| | ----- | ----- |
| Net Revenue | \$ -- | \$ -- |
| | ----- | ----- |
| Operating Expenses: | -- | -- |
| General and administrative | 528 | 9,160 |
| Depreciation and amortization | 636 | 443 |
| Interest expense | 26,815 | 612,335 |
| | ----- | ----- |
| Total Operating Expenses | 27,979 | 621,938 |
| | ----- | ----- |
| Net Loss | \$ (27,979) | \$ (621,938) |

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| | | |
|---|---------------------|---------------------|
| | ===== | ===== |
| Net Loss Per Common Share - Basic and fully-diluted | \$ (0.00) ===== | \$ (0.01) ===== |
| Weighted Average Number of Common Shares Outstanding | 54,785,438 ===== | 43,250,465 ===== |

See notes to condensed financial statements.
Logistics Management Resources, Inc.
Condensed Statement of Stockholders' Equity (Impairment)

| | Preferred Stock Series A | | Preferred Stock Series B | | Preferred Stock Series C | |
|-------------------------------|--------------------------------|-------|--------------------------------|-------------|--------------------------------|-----------|
| | Shs | Amt | Shs | Amt | Shs | Amt |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Balance, January 1, 2002 | 999,000 | \$762 | 2,000 | \$2,000,000 | 450,000 | \$135,000 |
| Net income | - | - | - | - | - | - |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Balance, December 31, 2002 | 999,000 | \$762 | 2,000 | \$2,000,000 | 450,000 | \$135,000 |
| [2003 unaudited] | | | | | | |
| Net loss | - | - | - | - | - | - |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Balance, March 31, 2003 | 999,000 | \$762 | 2,000 | \$2,000,000 | 450,000 | \$135,000 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

See notes to condensed financial statements.

Logistics Management Resources, Inc.
Condensed Statement of Stockholders' Equity (Impairment)
(Continued)

| | Preferred Stock Series D | | Preferred Stock Series E | | Common Stock | |
|--|--------------------------------|-------|--------------------------------|-------|--------------|-------|
| | Shs | Amt | Shs | Amt | Shs | Amt |
| | ----- | ----- | ----- | ----- | ----- | ----- |

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| | | | | | | |
|-------------------------------|-----|-----------|-------|-------------|------------|------|
| Balance, January 1, 2002 | 950 | \$950,000 | 2,300 | \$2,300,000 | 54,785,438 | \$ - |
| Net income | - | - | - | - | - | - |
| Balance, December 31, 2002 | 950 | \$950,000 | 2,300 | \$2,300,000 | 54,785,438 | - |
| [2003 unaudited] | | | | | | |
| Net loss | - | - | - | - | - | - |
| Balance, March 31, 2003 | 950 | \$950,000 | 2,300 | \$2,300,000 | 54,785,438 | \$ - |

See notes to condensed financial statements.

Logistics Management Resources, Inc.
Condensed Statement of Stockholders' Equity (Impairment)
(Continued)

| | Additional Paid In Capital | Retained Earnings (Deficit) | Stockholders' Equity (Impairment) |
|-------------------------------|----------------------------------|-----------------------------------|---|
| | ----- | ----- | ----- |
| Balance, January 1, 2002 | \$ 14,592,571 | \$ (50,749,951) | \$ (30,771,618) |
| Net income | - | 10,170,488 | 10,170,488 |
| Balance, December 31, 2002 | \$ 14,592,571 | \$ (40,579,463) | \$ (20,601,130) |
| [2003 unaudited] | | | |
| Net loss | - | (27,979) | (27,979) |
| Balance, March 31, 2003 | \$ 14,592,571 | \$ (40,607,442) | \$ (20,629,109) |

See notes to condensed financial statements.

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See notes to the condensed financial statements.

Logistics Management Resources, Inc.
Condensed Statements of Cash Flows

| | Three Months Ended March 31, 2003 [unaudited] | 2002 [unaudited] |
|---|---|---------------------|
| | ----- | ----- |
| Cash Flows From Operating Activities | | |
| Net Loss | \$ (27,979) | \$ (621,938) |
| Adjustments to Reconcile Net Loss to Net Cash Used By Operating Activities | | |
| Depreciation and amortization expense | 636 | 443 |
| Increase (Decrease) in Liabilities | | |
| Accrued expenses | 528 | -- |
| Accrued interest | 26,815 | 612,335 |
| | ----- | ----- |
| Net Cash Used by Operating Activities | -- | (9,160) |
| | ----- | ----- |
| Cash Flows from Financing Activities | | |
| Net proceeds from related parties | -- | 9,160 |
| | ----- | ----- |
| Net Cash Provided by Financing Activities | -- | 9,160 |
| | ----- | ----- |
| Net Change in Cash | -- | -- |
| Cash at beginning of period | -- | -- |
| | ----- | ----- |
| Cash at end of period | \$ -- | \$ -- |
| | ===== | ===== |

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES

| | | |
|---|-----------|-------|
| Accrued interest reclassified to Convertible Note due to related parties | \$ 26,815 | \$ -- |
| | ===== | ===== |

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See notes to condensed financial statements.

Logistics Management Resources, Inc. Notes to the Condensed Financial Statements

Note 1 - Basis of presentation

The interim financial statements included herein are presented in accordance with United States generally accepted accounting principles and have been prepared by the Registrant, without audit, 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 pursuant to such rules and regulations, although the Registrant believes that the disclosures are adequate to make the information presented not misleading.

These statements reflect all adjustments, consisting of normal recurring adjustments, which, in the opinion of management, are necessary for fair presentation of the information contained therein. The Registrant's operating results for the three months ended March 31, 2003, and 2002 are not necessarily indicative of the results that may be or were expected for the years ended December 31, 2003, and 2002. It is suggested that these interim financial statements be read in conjunction with the audited financial statements and notes thereto of the Registrant included in its Form 10-KSB for the period ended December 31, 2002.

Since November 2000, principally as a result of the Registrant's inability to continue the operations of its failing freight transportation service, the Registrant has not had any revenue from operations. During this period, the Registrant has been primarily involved in resolving the affairs of its creditors and other investors. In connection with the Registrant's settlement with GE Credit Corp. in September 2002, the Registrant formally disposed of its remaining interest in its former transportation unit, freeing the Registrant to consider searching for a profitable privately owned company with which to seek a business combination. Accordingly, and despite the fact that management does not consider the Registrant to be a development stage company, it is possible that the Registrant could be considered to be a blank check company. As defined in Section 7(b) (3) of the Securities Act of 1933, as amended, a "blank check" company is one that has no specific business plan or purpose or has indicated that its business plan is to engage in a merger or an acquisition with an unidentified company or companies and is issuing "penny stock" securities as defined in Rule 3(a) (51) of the Securities Exchange Act of 1934, as amended, in that connection. The Securities and Exchange Commission and many states have enacted statutes, rules and regulations limiting the sale of securities of blank check companies.

Note 2 - Income Taxes (Benefits)

At December 31, 2002, the Registrant had available approximately \$23,000,000 of net operating loss carryforwards, which expire between December 31, 2008 and December 31, 2021, that may be used to reduce future taxable income.

Note 3 -Related Party Transactions

During September 2002, and as previously reported in the Registrant's From 10-KSB Annual Report of the fiscal year ended December 31, 2002, the Registrant consolidated \$856,916 previously owed to Brentwood Capital Corp. with an

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additional \$875,000 into a September 27, 2002, 6%, secured convertible promissory note in the aggregate principal amount of \$1,731,906 (the "Note"). The additional 875,000 was utilized by the Registrant to fund its September 27, 2002, settlement of the GE Capital Corporation litigation. Brentwood Capital Corp., is a privately owned New York merchant banking corporation that by virtue of the conversion rights to 183,936,812 shares under the Note may be deemed to be a principal stockholder of the Registrant ("Brentwood"). The Note is payable in 60 equal monthly installments of \$33,287 together with 6% interest on the first day of each month commencing December 2002, through November 2007. The Convertible Note is secured by all of the Registrant's assets, and all or any portion of the balance due under the Note may be converted into common shares at any time prior to October 1, 2007, at \$.01 per share.

At March 31, 2003, the Registrant was unable to make any of the scheduled payments to Brentwood. Accordingly, and pursuant to a written amendment agreement of even date: (i) the due date of the Note was extended one year to October 1, 2008; (ii) the commencement of principal payments was deferred to December 1, 2003; and (iii) Brentwood forgave the Registrant's obligation to pay interest owed prior to September 27, 2002. The amendment agreement further provided that: (i) all interest due and owing from September 27, 2002, through September 27, 2003, shall be due and payable by the Registrant in one lump sum on October 1, 2003; and (ii) all additional interest shall be due and payable monthly, in arrears commencing on November 1, 2003. Accrued interest applicable to the Note during the three months ended March 31, 2003, was \$26,815.

Note 4 - Per Share Results

The common share equivalents associated with the Registrant's convertible debentures, and Preferred Stock issued and outstanding were not included in computing per share results as their effects were anti-dilutive.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion contains forward-looking statements regarding the Registrant, its business, prospects and results of operations that are subject to certain risks and uncertainties posed by many factors and events that could cause the Registrant's actual business, prospects and results of operations to differ materially from those that may be anticipated by such forward-looking statements. Factors that may affect such forward-looking statements include, without limitation, the Registrant's ability to resolve the affairs of its creditors and other investors; or to locate and thereafter negotiate and consummate a business combination with a profitable privately owned company.

When used in this discussion, words such as "believes," "anticipates," "expects," "intends," and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. The Registrant undertakes no obligation to revise any forward-looking statements in order to reflect events or circumstances that may subsequently arise. Readers are urged to carefully review and consider the various disclosures made by us in this report and other reports filed with the Securities and Exchange Commission that attempt to advise interested parties of the risks and factors that may affect the Registrant's business.

Three Month Periods Ended September 30, 2003 and 2002:

Revenue - The Registrant had no revenues during the three months ended March 31, 2003 ("1Q3") and the three months ended March 31, 2002 ("1Q2") as a direct result of the Registrant's discontinuance, in November 2000, of the operation of its failing freight transportation services business. The Registrant continues working through the restructure of its debt and the mitigation of outstanding

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litigation.

Operating Expenses - Operating expenses for 1Q3 and 1Q2 did not include direct costs also as a direct result of the Registrant's discontinuance, in November 2000, of the operations of its failing freight transportation business. The balance of operating expenses for 1Q3 were \$27,979 compared to \$621,938 for 1Q2, a reduction of \$593,959 or 95.5%. This decrease was principally attributable to the cessation, since June 30, 2002, of interest accruals on the Registrant's pre-existing debt in default and in litigation. As the Registrant's principal activities since the discontinuance of its freight transportation services business were focused on resolving the claims of its previous creditors and the maintenance of its reporting requirements and good standing, the Registrant's general and administrative expenses have been reduced accordingly.

Income (Loss) before Discontinued Operations - As a result of the foregoing, operating loss before discontinued operations for 1Q3 was (\$27,979) compared to (\$621,938) for 1Q2.

Discontinued Operations - There were no adjustments to the Registrant's estimate of its loss from discontinued operations during 1Q3 or 1Q2.

Net Income (Loss) - Accordingly, the Registrant experienced a net loss of (\$27,979) for 1Q3 compared to a net loss of \$(621,938) for 1Q2, resulting in per share results of \$0.00 and \$0.01, respectively.

Liquidity and Capital Resources.

The Registrant does not have any capital resources. Consistent with the discontinuance its failing freight transportation services business in November 2000, and its subsequent disposition in connection with arranging the funding of the GE Credit Corp. settlement in September 2002, the Registrant's principal activity has been centered in resolving the claims of its former creditors so it may consider a business combination. In this connection, Midwest Merger Management, LLC ("Midwest"), a private investment entity, which through its ownership of common and preferred shares may be deemed to own and control 19.5% of the Registrant, and Brentwood Capital Corp. ("Brentwood"), a private merchant bank and holder of a Convertible Note with conversion rights at March 31, 2003 to 183,936,812 shares or 72.6% of the Registrant's voting securities, have agreed to provide Registrant with reasonable legal, accounting and administrative resources to resolve its affairs and conduct its search for a business combination candidate. Accordingly, the Registrant is entirely dependent upon: (i) Midwest providing the Registrant with certain advisory services in connection with the resolution of its affairs on favorable terms; (ii) the willingness of Brentwood to provide the Registrant with certain office and administrative facilities and to fund virtually all of the Registrant's settlements with its creditors; and (iii) the Registrant's successful business combination with a profitable operating company. There can be no assurances that Midwest will be successful in resolving all or substantially all of Registrant's affairs, that Brentwood will fund any further settlements, or that the combined efforts of Midwest and Brentwood will lead to a successful business combination.

ITEM 3. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

The Registrant maintains controls and procedures designed to ensure that information required to be disclosed in the reports that the Registrant files or submits under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Based upon their evaluation of those controls and procedures performed within 90 days of the

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filing date of this report, the Chief Executive and Chief Financial officers of the Registrant concluded that the Registrant's disclosure controls and procedures were adequate.

(b) Changes in Internal Controls

The Registrant made no significant changes in its internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation of those controls by the Chief Executive and Chief Financial officers.

PART II - OTHER INFORMATION

ITEM 3. LEGAL PROCEEDINGS

The Registrant is a party to the following threatened or pending litigation matters:

CIT Group/Equipment Financing, Inc. filed suit against the Registrant and certain other parties in the Superior Court of NJ, Law Division Union County, Docket No. UNN-L-3556-00 on July 7, 2000, for the return of six tractors formerly used in the business of American Intermodal Services, Inc., some of the operations of which Gulf Northern Transport took over in the spring of 2000. The Registrant denied it ever received the tractors. A default judgment was granted in November of 2001, against all defendants in the amount of \$384,599.89. The Registrant understands that certain of the tractors have since been recovered by CIT. The Registrant denies that CIT had jurisdiction over the Registrant in the New Jersey court wherein the lawsuit was brought, and that the judgment is therefore invalid. CIT has not pursued collecting the judgment.

Allstates World Cargo filed suit against the Registrant and its chairman for \$678,000. The suit claims the Registrant and its chairman defaulted on certain business guarantees related to the acquisition of Trans-Logistics as of January 1, 2001. The Registrant and the chairman filed an answer in this matter on or about August 2001. Recently, this action was settled among all of the parties. The terms of settlement included a judgment by consent as against the Registrant in the amount of \$728,242.23, inclusive of interest and costs and subject to further offset for payments made on behalf of the defendant officer. The Parties have restructured their settlement agreement to provide for the satisfaction of the entire judgment amount in consideration of two (2) payments of \$82,500 on or before March 28 and April 28, 2003 and the delivery to plaintiff of an assignment of receivables by Translogistics. The Registrant reasonably believes that it will be able to comply with these terms in a timely fashion so as to procure a satisfaction of the judgment on or before May 15, 2003.

Southtrust Bank filed suit against the Registrant and numerous other parties in the U.S. District Court for the Northern District of Alabama, Southern Division on April 30, 2001 (No. CV-01-AR-1068-S). The suit claimed that the Registrant is liable as guarantor on approximately \$4.7 million of debt owed by Professional Transportation Group Ltd., Inc. ("PTG") and Timely Transportation, Inc. ("Timely") as primary obligors. PTG and Timely are entities with which we were engaged in merger negotiations in 2000. Southtrust received a judgment in the approximate amount of \$2.8 million against the Registrant, but has not taken any actions to collect the judgment to date.

Porter, Levay & Rose, Inc. sued us in Jefferson Circuit Court, Jefferson County Kentucky in September 2000 to collect \$30,000 allegedly due for public relations services. The Registrant has denied the claim for a lack of consideration and breach of contract. The suit is in the discovery stage.

Emergent Capital, L.P. filed suit against the Registrant in the U.S. District

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Court for the Southern District of New York on September 20, 2000. The complaint alleged that Emergent Capital was owed \$300,000 in contractual penalties for the failure to register certain shares for resale, which Emergent purchased in September of 1999. The matter was settled for the sum of \$140,000 payable over several months, and the action discontinued by the order of the court dated May 17, 2001. The Registrant has not met all of its obligations under the settlement agreement and judgment in the amount of \$130,846.54 was entered on September 10, 2001. To date Emergent Capital has made no attempt to enforce the judgment against the Registrant.

First Insurance Funding Corporation filed suit against the Registrant in Circuit Court of Cook County Illinois on February 19, 2002 in connection with a settlement the Registrant had allegedly entered into with respect to payments allegedly owed First Insurance by the Registrant and certain other parties in an insurance premium finance arrangement. The amount claimed due under the promissory note entered into in connection with the agreement is \$123,000. The Registrant is evaluating the claims and has reached a settlement in principle. The action has been withdrawn without prejudice.

Michael P. Forbes and P/R Strategies International, Inc. filed suit against the Registrant, its President Dan L. Pixler and several other defendants on May 13, 2002 in the Supreme Court of New York, County of Suffolk. The Plaintiffs allege that the Registrant had breached a contract for professional services rendered and that they were damaged in the amount of \$11,500. The Registrant and Mr. Pixler have filed a motion to dismiss the action, which motion was granted by order dated September 27, 2002.

Mr. Chester Bedell filed an action against the Registrant in the Supreme Court of the State of New York, County of Suffolk on or about March 28, 2002. The Registrant filed an answer and affirmative defenses shortly thereafter. On or about October 2, 2002, the parties entered into an agreement settling the action for \$80,000, payable \$10,000 down and \$3,125 a month until the unpaid balance is paid in full. The Registrant is in full compliance with the settlement agreement and expects that the action will be withdrawn with prejudice pursuant to the terms thereof.

Boutine Capital, II, LLC and its principal Gary J. Graham have filed a Third-Party Complaint against the Registrant and several of its officers in an action commenced by A.B. Goldberg, as plaintiff, in the District Court of the State of Colorado, Arapahoe County. Boutine and Graham allege that the Registrant is responsible for their failure to perform under a contract with A.B. Goldberg in connection with certain fund raising activities, seeking judgment in the approximate sum of \$200,000. The Registrant asserts that there is no third-party liability and intends to vigorously defend this litigation.

Freightliner of Savannah filed a civil action against U.S. Trucking, Inc. in or about 2001. The action has since languished and has not been actively pursued. In February 2002, plaintiff filed a second amended complaint seeking recovery against defendant Chancellor Corporation for a total of \$3,806,100 for the purchase of certain tractors and equipment. The Registrant has filed an Answer and intends to vigorously defend this litigation should it be actively pursued.

Legion Insurance Company filed an action against the Registrant in the Kentucky State Court sitting in Louisville seeking to recover payment for insurance premiums in an undisclosed amount. The action was filed in January 2002, and is currently in the discovery phase. The Registrant has denied all material allegations of wrongdoing and intends to vigorously defend this case.

Rice v. the Registrant was filed in the United States District Court for the Southern District of Florida seeking to recover the sum of \$275,000 against the Registrant pursuant to a promissory note dated July 29, 2001. The Registrant has joined issue and the case is currently in discovery.

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Prologis Trust, as landlord, filed an action against the Registrant and others in the Superior Court of New Jersey, Middlesex County, seeking to recover the sum of \$403,146.49 under a purported assignment of lease. The Registrant filed an answer denying all material allegations in the complaint; and intends to vigorously defend this action.

John Quackenbush sued the Registrant in Jefferson Circuit Court, Jefferson County, Kentucky, in August 2002, seeking \$50,000 in principal, interest and collection costs resulting from the Registrant's failure to repay a promissory note. The Registrant has interposed an answer denying the principal allegations of the complaint. The suit is in the discovery stage. The financial statements of the Registrant reflect an estimated liability of \$4,601,504 and \$16,960,504 with respect to the above claims at December 31, 2002 and 2001, respectively.

During the first quarter of 2002, the Registrant was notified that the Securities and Exchange Commission (the "SEC") initiated a private investigation pertaining to the aborted transaction between the Registrant and Professional Transportation Group, Ltd., a publicly held corporation. According to the Order Directing Private Investigation and Designating Officers to Take Testimony, the SEC is investigating whether there were any violations of the Federal securities laws, including Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 and Sections 10(b), 13(a), 13(b)(2) and 13(b)(5) of the Securities Exchange Act of 1934. The Registrant has provided documents and members of management have given testimony in connection with the SEC's investigation. Based upon advice of counsel, the Registrant does not believe that it committed any violations of the Federal securities laws, and intends to cooperate fully with the SEC and its staff.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits: 10 (d) Amendment to Loan Agreement
15. Letter on Unaudited Interim Financial Information
- (b) Reports: None.

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant caused this report to be signed by the undersigned, thereunto duly authorized.

LOGISTICS MANAGEMENT RESOURCES, INC.
(formerly U.S. Trucking, Inc.)
(Registrant)

/s/ Danny L. Pixler

Danny L. Pixler
Chief Executive and
Financial Officer, and Director

CERTIFICATIONS

I, Danny L. Pixler, the Registrant's Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Logistics Management Resources, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make

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the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant and I have: a) designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this quarterly report is being prepared; b) evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and c) presented in this quarterly report my conclusions about the effectiveness of the disclosure controls and procedures based on my evaluation as of the Evaluation Date;

5. I have disclosed, based on my most recent evaluation, to the Registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function): a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of my most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 29, 2003

/s/ Danny L. Pixler

Chief Executive and Financial Officer

CERTIFICATIONS

I, Danny L. Pixler, the Registrant's Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Logistics Management Resources, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

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4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and I have: a) designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this quarterly report is being prepared; b) evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and c) presented in this quarterly report my conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. I have disclosed, based on my most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent function): a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weaknesses in internal controls; and b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls; and

6. I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of my most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 29, 2003

/s/ Danny L. Pixler

Chief Executive and Financial Officer

EXHIBIT 10(d)

Logistics Management Resources, Inc.

10602 Timberwood Circle,
Suite 9
Louisville, Kentucky 40223
(502) 339-4000

March 31, 2003

Mr. Peter T. Arbes, President
Brentwood Capital Corp.
477 Madison Avenue
12th Floor
New York, NY 10022

Re: Amendment to Promissory Note

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Dear Mr. Arbes:

This will serve to confirm our prior conversations and negotiations concerning the parameters of a first amendment to the One Million, Seven Hundred Thirty-One Thousand Nine Hundred Five and 70/100 (\$1,731,905.70) Dollar promissory note dated September 27, 2002 (the "Note") between Brentwood Capital Corp. as holder ("Brentwood") and Logistics Management Resources, Inc. ("LMRI"), as maker. In this regard, and in consideration of the mutual benefit derived herefrom, the receipt and adequacy of which is hereby jointly and severally acknowledged and accepted, Brentwood and LMRI hereby agree as follows:

1. Amendment. Paragraph 1 of the Note is hereby amended to read in its entirety as follows:

"1. Payment. Payments due under the Note shall be made as follows:

A. Principal. The full principal amount of this Note shall be due and payable at the offices of the Holder on October 1, 2008 (the "Due Date"). The principal and interest due on this Note shall be payable in 60 equal installments of Thirty Three Thousand, Two Hundred Eighty-Seven and 41/100 (\$33,287.41) Dollars on the first day of each month commencing on December 1, 2003, and terminating on November 1, 2008. In the event that any monthly installment shall not be paid when due, and shall remain unpaid for a period of five (5) business days or more, then a late charge of two (2%) percent shall be due and owing for each month or any portion thereof that such payment shall remain unpaid; and

B. Interest. Solely in consideration for LMRI's tendering to Brentwood of the Additional Consideration set forth in Section 4 of the Note, Brentwood hereby forgives LMRI's obligation to pay all interest due and owing prior

Mr. Peter T. Arbes, President
March 31, 2003
Page 2

to September 27, 2002. Provided that Brentwood shall acknowledge the same on a monthly basis, all interest due and owing from September 27, 2002, through September 27, 2003, shall be due and payable by LMRI in one lump sum on October 1, 2003. Commencing on November 1, 2003, interest on the unpaid principal of this Note at the rate of Six (6%) percent per annum shall be due and payable monthly, in arrears. In the event that LMRI is unable to make any such monthly interest payments, its obligation to pay interest shall nevertheless continue to accrue."

2. Confirmation of Agreement. Except as herein modified, Brentwood and the Maker hereby reconfirm the validity and enforceability of the Note.

If the foregoing correctly sets forth our agreement and understanding, please indicate your acceptance by signing the enclosed copy of this letter agreement in the space marked "Agreed to and Accepted" and returning the signed document to me via facsimile.

Very truly yours,

Logistics Management Resources, Inc.

By: /s/ Danny L. Pixler

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Danny L. Pixler, Chief Executive
Officer

AGREED TO AND ACCEPTED:

Brentwood Capital Corp.

By: /s/ Peter T. Arbes

Peter T. Arbes, President

Exhibit 15

To the Board of Directors and Stockholders of
Logistics Management Resources, Inc.

We have reviewed the accompanying condensed balance sheet of Logistics Management Resources, Inc. as of March 31, 2003, and the related condensed statements of operations, condensed statement of shareholders' equity (impairment), and condensed statements of cash flows for the three months ended March 31, 2003 and 2002. These financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in conformity with generally accepted accounting principles.

As discussed in our report dated March 26, 2003, certain conditions indicate that the company may be unable to continue as a going-concern. The accompanying financial statements do not include any adjustments to the financial statements that might be necessary should the Company be unable to continue as a going-concern.

/s/ Rosenberg Rich Baker Berman & Company

Bridgewater, New Jersey
April 29, 2003