VICTOR INDUSTRIES INC
Form 10QSB
August 27, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-QSB

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

For the Quarterly Period ended June 30, 2003

Commission File Number 000-30237

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

Idaho	91-078484114
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

4810 NORTH WORNATH ROAD, MISSOULA, MONTANA	59804
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (406) 251-8501

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of June 30, 2003 the Company had outstanding 135,721,692 shares of its common stock, par value $0.0001.

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PART I

ITEM 1. FINANCIAL STATEMENTS

VICTOR INDUSTRIES, INC.
CONSOLIDATED COMPARATIVE BALANCE SHEETS
AS OF JUNE 30, 2003 AND DECEMBER 31, 2002

	Unaudited As of June 30, 2003	Audited As of December 31, 2002
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 0	$ 1,190
Accounts Receivable	3,248	--
Note Receivable - Related Party	--	26,558
Prepaid rent	18,000	--
Total Current Assets	21,248	27,748
Other Assets:		
Property and Equipment	25,966	8,223
Intangible Assets		
Goodwill	165,000	--
TOTAL ASSETS	$ 212,214	$ 35,971
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current Liabilities:		
Bank Overdraft	$ 62	0
Accounts Payable and Accrued Expenses	45,808	$ 70,759
Note Payable - Related Party	93,998	26,634
Payroll Taxes & accrued wages	10,531	--
Total Current Liabilities	150,399	97,393
Long-term Liabilities:		
Notes Payable to Shareholders	165,603	--

TOTAL LIABILITIES	316,002	194,786
SHAREHOLDER'S EQUITY		
Common Stock, $0.0001 Par Value, 1,000,000,000 Shares Authorized and 135,721,692 Shares Issued at June 30, 2003 And 121,721,169 Shares Issued at December 31, 2002	13,572	12,272
Subscription Receivable	(54,200)	(65,000)
Additional Paid-in Capital	4,296,887	4,062,528
Accumulated Deficit	(4,360,047)	(4,071,122)
TOTAL SHAREHOLDERS' EQUITY	(103,788)	(61,422)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 212,214	$ 35,971

See accompanying notes to Interim Financial Statements.

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VICTOR INDUSTRIES, INC.
CONSOLIDATED COMPARATIVE STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED JUNE 30, 2003 AND JUNE 30, 2002

	Unaudited Three Months Ended June 30, 2003	Unaudited Three Months Ended June 30, 2002
REVENUE		
Revenue	$ 6,025	$ --
Total Revenue	--	--
COSTS AND EXPENSES		
Selling and Administrative	74,966	158,546
Depreciation and Amortization	--	--
Interest	--	
Total Costs and Expenses	74,966	158,546
NET LOSS	(68,941)	(158,546)
Retained Deficit at Beginning of Period	(4,291,106)	(3,615,593)
Retained Deficit at End of Period	$ (4,360,047)	$ (3,774,139)

Loss Per Common Share	$ (0.00)	$ (0.00)

See accompanying notes to Interim Financial Statements.

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VICTOR INDUSTRIES, INC.
CONSOLIDATED COMPARATIVE STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2003 AND JUNE 30, 2002

	Unaudited Six Months Ended June 30, 2003	Unaudited Six Months Ended June 30, 2002
REVENUE		
Revenue	$ 12,771	$ --
Total Revenue	12,771	--
COSTS AND EXPENSES		
Selling and Administrative	209,682	239,073
Depreciation and Amortization	--	--
Interest & Other expenses	31,329	201
Total Costs and Expenses	241,011	239,274
NET LOSS	(228,240)	(239,274)
Retained Deficit at Beginning of Period	(4,131,807)	(3,534,865)
Retained Deficit at End of Period	$ (4,360,047)	$ (3,774,139)
Loss Per Common Share	$ (0.00)	$ (0.00)

See accompanying notes to Interim Financial Statements.

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VICTOR INDUSTRIES, INC.
CONSOLIDATED COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2003 AND JUNE 30, 2002

	Unaudited Six Months Ended	Unaudited Six Months Ended

	June 30, 2003	June 30, 2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	$ (228,240)	$ (239,274)
Depreciation	1,617	--
Cash Used in Operating Activities	(226,623)	(239,274)
Increase (decrease) in Liabilities		
Accounts Receivable	(3,248)	25,000
Demand loan receivable	30,358	--
Prepaid expenses	(18,000)	(500)
Accounts Payable & accrued liabilities	(10,885)	8,395
Demand loans payable	86,399	--
Payroll liability	10,531	--
Cash applied to Operating Activities	(131,469)	(206,379)
Provided (Used) by Investing Activities:		
Equipment Additions	(19,361)	(1,596)
Goodwill	(165,000)	--
Net Cash Used by Investing Activities	(184,361)	(1,596)
Provided (Used) by Financing Activities:		
Issuance of Common Stock for cash	10,000	163,100
Issuance of common stock for expenses	1,300	--
Proceeds (Repayments) from notes	165,603	(121,300)
Increase in Paid in capital	139,103	--
Net Cash Provided (Used) by Investing Activities	316,007	(41,800)
Net Increase (Decrease) in Cash	177	(166,175)
Cash at Beginning of Period	(239)	166,409
Cash at End of Period	$ (62)	$ 234

See accompanying notes to Interim Financial Statements.

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VICTOR INDUSTRIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2003
(Unaudited)

1. ACCOUNTING POLICIES AND OPERATIONS

Organization

Victor Industries, Inc., was incorporated on January 19, 1926 as Omo Mines Corporation under the Laws of the State of Idaho. On November 14, 1936, the name was changed to Kaslo Mines Corporation. On December 24, 1977, the name was changed to Victor Industries, Inc. The Company's fiscal year ends on December 31st.

Nature of Business

The company was originally organized to purchase and develop mining properties. On December 31, 1988, the Company sold assets, net of liabilities, and the Company became inactive. In 1993, the Company began zeolite mining and marketing operations.

Zeolite is an ammonia absorbent, air purifier and hazardous waste absorbent. The Company is presently developing a product using zeolite which can be used in fertilizer to reduce pollution of streams and rivers. A patent has been applied for on a preliminary basis. The Company extracts zeolite by utilizing independent contractors at a property in Owhyee County, Idaho. Private contractors do the milling, manufacturing and packaging. The Company does not own any mining or manufacturing equipment or facilities and has realized no revenues for the year 2001.The Company owns mineral claims, as evidenced by right of title with the Bureau of Land Management, two of which are located in Pershing County, Nevada, which have not been developed and two zeolite claims in Owhyee County, Idaho.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The amounts of assets and liabilities in the financial statements do not purport to represent realizable or settlement values. However, the company has incurred continuing operating losses and has an accumulated deficit of $4,217,813 and negative working capital as of December 31, 2002. These factors raises substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. The company has met its historical working capital requirements from sale of capital shares and loans from shareholders. However, there can be no assurance that such financial support shall be ongoing or available on terms or conditions acceptable to the Company.

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Unaudited Interim Financial Information

The accompanying interim balance sheet as of June 30, 2003 and the statements of operations and cash flow for the three-month period ended June 30, 2003, together with the related notes are unaudited and, in the opinion of management, include all normal recurring adjustments that the Company considers necessary. Certain information and note disclosures normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted. A more complete description of accounting policies and disclosures is included in the Company's annual report on Form 10-KSB.

Consolidation

The accompanying consolidated financial statements include the accounts of Global Golf Holdings, Inc. and its wholly owned subsidiary. All inter-company accounts and transactions have been eliminated.

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles management is required to make estimates and assumptions that effect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the reported period. Actual results could differ from those estimates.

Cash and Equivalents

For purposes of the cash flow statements the company considers all highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents.

Loss Per Common Share

Statement of Financial Accounting Standard No. 128 provides a different method of calculating earnings per share than currently used in accordance with ABP 15, Earnings Per share. Basic earnings per share includes no dilution of earnings per share. Basic earnings per share includes no dilution and is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution of securities that could share in the earnings of the entity, similar to fully diluted earnings per share. SFAS 128 is effective for fiscal years and interim periods after December 15, 1997.

Income Taxes

The Company utilizes Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes," which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the tax basis of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

Stock-Based Compensation

Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," establishes and encourages the use of the fair value based method of accounting for stock-based compensation arrangements under which compensation cost is determined using the fair value of stock-based compensation determined as of the date of grant and is recognized over the periods in which the related services are rendered. The statement also permits companies to elect to continue using the current implicit value accounting method specified in Accounting Principles Bulletin ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," to account for stock-based compensation.

The Company determined that it will not change to the fair value method and will continue to use the implicit value based method for stock options issued to employees and has disclosed the pro forma effect of using the fair value based method to account for its stock-based compensation.

Issuance of Stock for Services

Shares of the Company's common stock issued for services are recorded in accordance with Statement of Financial Accounting Standards No. 123 "Accounting for Stock Based Compensation" , at the fair market value of the stock issued or the fair market value of the services provided, whichever is the more clearly evident.

3. CAPITAL STRUCTURE

In the second quarter the Company changed its par value per share from $0.05 to $0.0001 per share resulting in a $3,380,500 charge to paid in capital.

During the year 2002, the Company issued 34,175,000 shares of common stock to various individuals and companies for goods and services rendered at an par value of $.0001 per share. At December 31, 2002 there were no stock options or warrants outstanding.

During the year 2002 the Company sold 2,200,000 shares of common stock at $0.01 per share and 2,000,000 shares at $0.004 per share. In addition the Company sold 15,000,000 shares at $0.005 per share carrying the sale as a subscription receivable.

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During the first quarter of 2003 the Company issued 13,000,000 shares, at $0.005 per share equaling $65,000, of its common stock as payment of shareholder loans.

During the second quarter, ended June 30, 2003, the Company sold 1,000,000 shares of common stock at $.0001 per share.

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

The Time Brokerage agreement calls for New Wave Media to operate the radio for a period of 96 months with monthly payments starting at $6,000 per month.

4. RELATED PARTY TRANSACTIONS

Penny Sperry, former CEO and Director was issued 4,750,000 shares of common stock in payment of $95,000 of her outstanding loan balance. Forest Mineral advanced $3,800 to the Company for working capital. It is anticipated that this amount will be repaid within 2003. Blue Rock minerals, a related party is indebted to the Company in the amounts of $27,500 and $2,858.

In addition, in the six-month period ending June 30, 2003, Penny Sperry was issued 13,000,000 shares, at $0.005 per share equaling $65,000, as payment on her outstanding loan balance. Also during this same period, she paid legal fees, equaling $65,000, on behalf of the Company through the issuance of the Company's common stock held in her name.

During the second quarter ended June 30, 2003 the Company wrote off as uncollectible $30,358 representing the demand loan receivable from Blue Rock Minerals. A company owned by Mr. Ron Pellett, a former officer and director of New Wave Media.

As of the date of the acquisition of New Wave Media, Ms Penny Sperry resigned as Chairman and CEO of Victor Industries and Mr. Josh Gager, President of New Wave Media, was elected by the board of directors as the new Chairman and CEO.

5. SUBSEQUENT EVENTS

In July the licensee of the time brokerage agreement shut down the radio station claiming non-payment of the required fees. Management of the Company pursued a temporary restraining order and a permanent injunction against this action. On August 20, 2003 the Montana Eighth Judical District Court awarded New Wave Media a permanent injunction. The Company has filed litigation against Flinn Broadcasting for monetary damages. The outcome of this case is still in question so no adjustment has been proposed.

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

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

BUSINESS

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

We have not recorded any significant revenue for the past two years and there is substantial doubt about us continuing as a going concern as expressed by our auditors in their audit report as of December 31, 2002 without funding to develop assets and profitable operations.

We intend to be engaged in the sale and distribution of various forms of zeolite products. Our plan is to contract with independent contractors to mine and transport zeolite from properties the contractors own or lease to a contract milling and packaging facility. We plan to then market the packaged and bulk ordered zeolite through distributors and under distributor's private labels.

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

Our first product will utilize zeolite for slow released fertilizer. We have filed a patent application for a new zeolite proprietary fertilizer compound called ENVIROLIZER. We have not received any comments from the U.S. Patent Office as of the date of this filing. This compound is formulated around a demand driven release of nutrients.

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We intend to market our proprietary compound solutions to the golf course and horticulture industries. We cannot give any assurance that we will be able to compete or generate sales in these markets.

ENVIROLIZER was formulated around the use of zeolite to absorb the ammonia that is released by animal discharge from large animal feeding operations. We will then utilize the nutrients from the absorption process and turn it into a slow demand release fertilizer. We believe that wide spread use of our absorption process will significantly reduce pollution from these feeding operations while reducing the leaching of nitrates and phosphates into the ground water. Because of the absorption capabilities of zeolite, we believe that our fertilizer compound will work effectively for up to three years, depending on the type of crop or plants being fertilized, thereby reducing the need for multiple fertilizer applications every year. The ENVIROLIZER fertilizer compound is expected to absorb up to 45% of its weight in water and slowly release it when the soil begins to dry thus reducing the irrigation cycle. We cannot give any assurances that we will be successful in receiving a patent for our compound or that we will be able to produce a marketable or profitable product. The fourth quarter ending December 31, 2002 marked the first quarter of revenue for Victor Industries, Inc. The distributors responsible for the sales in the fourth quarter failed to produce an acceptable amount of sales in the opinion of management. Despite advertising on KFI-AM in Los Angeles there was no revenue produced during the winter months. This prompted the management to locate The Lawn & Garden Performance Group and engage Rick Pontz to market ENVIROLIZERtm throughout North America. [GRAPHIC OMITTED] Presently, The Lawn & Garden Performance Group has contacted large retailers, distributors, television marketing organizations, and other marketing organizations.

Marketing a new product is a lengthy process with significant risks, there can be no assurance that the Company will be successful in its efforts.

The Company plans a series of new products to enhance its product line. It is easier to add to a product line once a distribution channel has successfully been established.

In the Fourth Quarter of 2002, the Company investigated acquiring businesses outside of the Company's stated business focus. Throughout the third and fourth calendar quarters of 2002, the Company was contacted by various parties ("Acquisition Candidates") that were interested in being acquired by Victor Industries, Inc. In November of 2002, the Company management decided to begin discussions with a number of the aforementioned Acquisition Candidates that had expressed an interest in being acquired by Victor Industries, Inc. As of December 31, 2002, the Company had not reached in definitive agreements with any of the Acquisition Candidates.

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

As of the date of the acquisition of New Wave, Ms Penny Sperry resigned as Chairman and CEO of Victor Industries and Mr. Josh Gager, President of New Wave Media Corporation, was elected by the board of directors as the new Chairman and CEO.

Product Liability Insurance

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

Competition and Difficulties in Marketing Products.

There is tremendous competition in the home and garden fertilizer business. Many of the leading companies have well established brands that consumers are familiar with, and which consumers have successfully used in the past. Many of our competitors are large, well financed organizations that have significant distribution channels already in place. It is very challenging for the Company to establish a new distribution channel for a new product and it is equally difficult to market a new product to consumers who have never used the product. We may not be successful in establishing a market for our product.

Research and Development

The Company is currently not conducting any research programs on its products. There are no plans to engage in further research of ENVIROLIZER's uses and benefits.

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Government Regulation

We do not currently hold any patents, trademarks, licenses, franchises, concessions or royalty agreements. There are no labor contracts and no union agreements. We have filed a patent application for our fertilizer product but have not received any comments from the patent office.

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

If funding becomes available to the Company, we may develop our own zeolite mine and install the milling and bagging equipment necessary to operate independently. We cannot assure you that such funding will materialize.

The costs and effects of compliance with environmental laws (federal, state and local) are not born directly by us but through the costs imposed on the contract miners. Increased costs to the mines will result in higher costs of the raw material we purchase.

Property

We do not presently own any real property.

We currently pay $1,200 per month rent the space for the radio station and Company office space. The lease on the subject space has expired and the Company currently occupies the space on a month to month basis.

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

Employees

We currently have no full time employees. We rely on independent contractors to handle the mining operations. We intend to employ independent distributors for sales efforts, as well as mining, milling and packaging. Our directors have no contract with the Company and are receiving no pay at the present. The directors have agreed to work for no pay until we have achieved positive cash flow from operations. There is no deferment or liability being accrued by us under this arrangement.

Our directors have no contract with the Company and are receiving no pay at the present. The directors have agreed to work for no pay until we have achieved positive cash flow from operations. There is no deferment of compensation or liability being accrued by the Company under this arrangement.

FINANCIAL CONDITION AND CHANGES IN FINANCIAL CONDITION

The following analysis of historical financial condition and results of operations are not necessarily reflective of the on-going operations of the Company.

Overall Operating Results

We did not have any zeolite sales for the quarters ended June 30, 2003 or June 30, 2002. We anticipate that increased marketing efforts and the successful approval of our patent for the fertilizer compound in the future will generate the required revenues to sustain our anticipated growth. There can be no assurances that such sales will occur or that our patent application will be approved.

New Wave Media recognized $12,770 of sales revenue for the period ended June 30, 2003. This represents sales of advertising to the local market.

Operating expenses were $74,966 for the current quarter. These expenses were incurred primarily for the following reasons:

- $29,564 of Payroll expense for New Wave Media
- Office and studio rent of $27,540
- Business consulting fees of $3,422.
- Advertising, promotion and related travel expenses of $4,343.

Expenses incurred for the prior year quarter were $158,546 and were incurred primarily for consulting fees reversed through the cancellation of the Company's common stock issued for consulting services in 2001 and subsequently cancelled, which equaled $129,600. We incurred a net loss for the current quarter of $100,270 as compared to a net loss of $158,546 for the comparable prior year quarter. These losses were attributable to the aforementioned operating expenses.

Operating Losses

We have accumulated approximately $4.3 million of net operating loss carry-forwards as of June 30, 2003, that may be offset against future taxable income. There will be limitations on the amount of net operating loss carry-forwards that can be used due to the change in the control of the management of the Company. No tax benefit has been reported in the financial statements, because we believe there is a 50% or greater chance the carry-forwards will expire unused. Accordingly, the potential tax benefits of the loss carry-forwards are offset by valuation allowance of the same amount.

Liquidity and Capital Resources

We have been financed through stock sales, related parties and a convertible note offering, as there has been no substantial revenue generated to date. During the quarter ended June 30, 2003 the Company received $44,434 in loans from related parties.

We will need additional financing in order to implement our business plan and continue as a going concern. We do not currently have a source for any additional financing and we cannot give any assurances that we will be able to secure any financing.

In July the licensee of the time brokerage agreement shut down the radio station claiming non-payment of the required fees. Management of the Company pursued a temporary restraining order and a permanent injunction against this action. On August 20, 2003 the Montana Eighth Judical District Court awarded New Wave Media a permanent injunction. The Company has filed litigation against Flinn Broadcasting for monetary damages. The outcome of this case is still in question so no financial statement adjustment has been proposed.

Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statements of Financial Accounting Standards No. 141 "Business Combinations" ("SFAS 141") and No. 142 "Goodwill and Other Intangible Assets ("SFAS 142"). SFAS 141 requires all business combinations initiated after June 30, 2001, to be accounted for under the purchase method. For all business combinations for which the date of acquisition is after June 30, 2001, SFAS 141 establishes specific criteria for the recognition of intangible assets separately from goodwill and requires unallocated negative goodwill to be written off immediately as an extraordinary gain, rather than deferred and amortized. SFAS 142 changes the accounting for goodwill and other intangible assets after an acquisition. The most significant changes made by SFAS 142 are: 1) goodwill and intangible assets with indefinite lives will no longer be amortized; 2) goodwill and intangible assets with definitive lives must be tested for impairment at least annually; and 3) the amortization period for intangible assets with finite lives will no longer be limited to forty years. The company does not believe that the adoption of these statements will have a material effect on its financial position, results of operations or cash flows.

In June 2001, the FASB also approved for issuance SFAS 143 "Asset Retirement Obligations." SFAS 143 establishes accounting requirements for retirement obligations associated with intangible long-lived assets, including 1) the timing of the liability recognition, 2) initial measurement of the liability, 3) allocation of asset retirement cost to expense, 4) subsequent measurement of the liability and 5) financial statement disclosures. SFAS 143 requires that an asset retirement cost should be capitalized as part of the cost of the related long-lived asset and subsequently allocated to expense using the systematic and rational method. The Company will adopt the statement effective no later than January 1, 2003, as required. The transition adjustment resulting from the adoption of SFAS 143 will be reported as a cumulative effect of a change in accounting principle. At this time, the Company does not believe that the adoption of this statement will effect its financial position, results of operations or cash flows.

In October 2001, the FASB also approved SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS 144 replaces SFAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." The new accounting model for long-lived assets to be disposed of by sale applies to all long-lived assets, including discontinued operations, and replaces the provisions of APB Opinion No. 30, "Reporting Results of Operations - Reporting the Effects of Disposal of a Segment of a Business'" for the disposal of segments of a business. Statement 144 requires that those long-lived assets be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or in discontinued operations. Therefore, discontinued operations will no longer be measured at net realizable value or include amounts for operating losses that have not yet occurred. Statement 144 also broadens the reporting of discontinued operations to include all components of an entity with operations that can be distinguished from the rest of the entity and that will be eliminated from the ongoing operations of the entity in a disposal transaction. The provisions of Statement 144 are effective for financial statements issued for fiscal years beginning after December 15, 2001, and, generally, are to be applied prospectively. At this time, the Company cannot estimate the effect of this statement on its financial position, results of operations or cash flows.

On April 30, 2002, the FASB issued Statement 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections." FASB 145 rescinds Statement 4, which required all gains and losses from extinguishments of debt to be aggregated and, if material, classified as an extraordinary item, net of related income tax effect. Early application of the provisions of FASB 145 may be as of the beginning of the fiscal year or as of the beginning of the interim period in which FASB 145 is issued. The Company has elected to adopt FASB 145, but it will not have a material effect on the December 31, 2002 financial statements.

In July 2002, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 146 ("SFAS 146"), "Accounting for Costs Associated with Exit or Disposal Activities." SFAS 146 requires that a liability for costs associated with an exit or disposal activity be recognized and measured initially at fair value only when the liability is incurred. SFAS 146 is effective for exit or disposal activities that are initiated after December 31, 2002. Management is evaluating the effect of this statement on the Company's results of operations and financial position.

In December 2002, the FASB issued SFAS No.148, "Accounting for Stock-Based Compensation - Transition and Disclosure." This statement amends SFAS No.123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition for a voluntary change to the fair value-based method of accounting for stock-based employee compensation. Pursuant to SFAS No.123, the Company will continue to report pro forma expense amounts for the fair market value of stock options newly granted to employees.

Inflation

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

Forward-Looking Information

From time to time, we or our representatives have made or may make forward-looking statements, orally or in writing. Such forward-looking statements may be included in, but not limited to, press releases, oral statements made with the approval of an authorized executive officer or in various filings made by us with the Securities and Exchange Commission. Words or phrases "will likely result", "are expected to", "will continue", "is anticipated", "estimate", "project or projected", or similar expressions are intended to identify "forward-looking statements". Such statements are qualified in their entirety by reference to and are accompanied by the above discussion of certain important factors that could cause actual results to differ materially from such forward-looking statements.

Management is currently unaware of any trends or conditions other than those previously mentioned in the management's discussion and analysis that could have a material adverse effect on the Company's consolidated financial position, future results of operations, or liquidity. However, investors should also be aware of factors that could have a negative impact on the Company's prospects and the consistency of progress in the areas of revenue generation, liquidity, and generation of capital resources. These include: (i) variations in revenue, (ii) possible inability to attract investors for its equity securities or otherwise raise adequate funds from any source should the Company seek to do so, (iii) increased governmental regulation, (iv) increased competition, (v) unfavorable outcomes to litigation involving the Company or to which the Company may become a party in the future and, (vi) a very competitive and rapidly changing operating environment.

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

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

ITEM 3. CONTROLS AND PROCEDURES

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

As required by Rules 13a-15 and 15d-15 under the Exchange Act, the Certifying Officers carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of June 30, 2003. Their evaluation was carried out with the participation of other members of the Company's management. Based upon their evaluation, the Certifying Officers concluded that the Company's disclosure controls and procedures were effective.

The Company's internal control over financial reporting is a process designed by, or under the supervision of, the Certifying Officers and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of the Company's financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the Company's assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Company's financial statements in accordance with generally accepted accounting principles, and that the Company's receipts and expenditures are being made only in accordance with the authorization of the Company's Board of Directors and management; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements. There has been no change in the Company's internal control over financial reporting that occurred in the quarter ended June 30, 2003, that has materially affected, or is reasonably likely to affect, the Company's internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

February 21, 2002, the U.S. Securities and Exchange Commission filed an action against the Company, certain shareholders and related parties. This action claimed certain illegal acts by the shareholders and related parties. A consent decree was signed to settle the matter and allow the Company to continue its business operations. Legal counsel for the Company is of the opinion that this action will have no material financial effect on the Company.

ITEM 2. CHANGES IN SECURITIES

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

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

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits

31.1 Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) (Section 302 of the Sarbanes-Oxley Act of 2002)

31.2 Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) (Section 302 of the Sarbanes-Oxley Act of 2002)

32.1 Certification of the Chief Executive Officer pursuant to 18 U.S.C.ss.1350 (Section 906 of the Sarbanes-Oxley Act of 2002)

32.2 Certification of the Chief Financial Officer pursuant to 18 U.S.C.ss.1350 (Section 906 of the Sarbanes-Oxley Act of 2002)

99.A4 Acquisition and Stock Exchange Agreement (previously filed as an exhibit to Form 8-K filed on June 16, 2003)

b. Reports on Form 8-K

On June 16, 2003 we reported on Form 8-K the following acquisition agreement:

On June 16, 2003, the Registrant (also referred to herein as "Purchaser") and New Wave Media, Inc. ("Sellers"), a Nevada corporation, closed a transaction related to a certain Agreement ("Agreement") regarding the purchase of all of the issued and outstanding shares of the capital stock of the Sellers. As a result, New Wave Media has become a wholly owned subsidiary of Victor Industries, Incorporated. This Agreeement was approved to be entered into by the Victor Industries, Incorporated Board of Directors on March 15, 2003.

Signatures

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

Date: August 27, 2003

By: /s/ Josh Gager

Josh Gager, President and CEO