GOLF ENTERTAINMENT INC
Form 10-K405
May 18, 2001

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United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

[X] Annual Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934
For the Fiscal Year Ended December 31, 2000.

or

[ ] Transition Report pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934
For the Transition Period from __________ to ____________.

Commission File Number 0-18303

GOLF ENTERTAINMENT, INC.
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation or organization)

11-2990598
(I.R.S. Employer Identification Number)

9925 Haynes Bridge Road, Suite 200
PMB #226
Alpharetta, Georgia 30004
(Address of principal executive offices, including zip code)

(770) 667-9890
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Exchange Act:
None

Securities registered pursuant to Section 12(g) of the Exchange Act:
Common Stock, Par Value $0.01 per share, registered on OTC Bulletin Board
Series A Convertible Preferred Stock
Common Stock Purchase Warrants
Class C Common Stock Purchase Warrants
Class D Common Stock Purchase Warrants

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12

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months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this form 10-K or any amendment to this Form 10-K. [X]

State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within 60 days prior to the date of filing: As of May 11, 2001, the approximate market value of the common stock (based upon the OTC Bulletin Board closing price of $0.03 of stated shares on that date) held by non-affiliates was $71,403.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: As of May 11, 2001, the issuer had 5,293,044 share of common stock, par value $0.01 per share, outstanding.

Documents incorporated by reference: None

GOLF ENTERTAINMENT, INC.
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GOLF ENTERTAINMENT, INC. AND SUBSIDIARIES
2000 ANNUAL REPORT ON FORM 10-K

PART I

ITEM 1. BUSINESS

GENERAL

Golf Entertainment, Inc. and its subsidiaries has ceased doing business. Golf Entertainment, Inc. and its subsidiaries (GolfBZ.com, Inc. or "GolfBZ"; Traditions Acquisition Corporation or "TAC"; LEC Leasing, Inc. or "LEC"; Superior Computer Systems, Inc. or "SCS"; Pacific Mountain Computer Products, Inc. or "PMCPI"; Atlantic Digital International, Inc. or "ADI"; LEC Distribution, Inc; TJ Computer Services, Inc) (collectively, the "Company" or "Golf") most currently was in the business of brokering businesses within the golf industry via the Internet. Due to certain economic factors, the Company ceased all active operations on April 6, 2001. The Company's primary remaining objective is to respond to any inquiries regarding a business combination with a potential purchaser or to acquire or merge with a company that desires to establish a public trading market for its securities while avoiding what it may deem to be adverse consequences of undertaking a public offering itself, such as time delays, significant expense, loss of control and other burdens related to compliance with various federal and state securities laws. This business combination may be with a financially stable mature company or with a financially unstable company or with a company in its early stages of development of growth.

PRIOR HISTORY OF THE COMPANY

The Company was founded in 1980 under the name TJ Computer Services, Inc. ("TJ CS"). In 1989, all of the outstanding common stock of TJ CS was acquired by Harrison Development, Inc., an inactive public corporation organized in Colorado, which then changed its name to TJ Systems Corporation. In October 1991, the Company reincorporated in the State of Delaware and in June 1995 changed its name to Leasing Edge Corporation. In March 1997, the Company's stockholders approved a change in the Company's name to LEC Technologies, Inc. to more accurately reflect the evolving nature of the Company's business. In February 1999, the Company's stockholders approved a change in the Company's name to Golf Entertainment, Inc. to reflect the re-orientation of the Company.

GOLF BROKERAGE BUSINESS

On May 10, 2001, Golf Entertainment, Inc. sold its golf brokerage business as discussed below.

On July 21, 2000, Golf Entertainment, Inc. launched its Internet based business, GolfBZ.com, Inc. GolfBZ's business was to broker golf-related business via the Internet by soliciting buyers and sellers of golf courses, driving ranges, manufacturers, distributors and being paid a commission upon the closing of a transaction. Due the

overall economic slowdown and withdrawal of major sources of funding for golf businesses, management was not able to bring a business transaction to completion since the inception of the business, nor does management see a foreseeable transaction consummated in the near future.

GOLF ENTERTAINMENT BUSINESS

On May 24, 2000, Golf Entertainment, Inc.'s subsidiary, Traditions Acquisition Corporation, ceased to do business as discussed below.

During the beginning of 2000, the Company proceeded with its announced intention to become involved in the golf entertainment business. However, due to certain market factors, the feasibility of a consolidation was significantly decreased and Management focused its efforts in the golf business in the first quarter of 2000 to emphasize opportunities relating to golf Internet business. The Company abandoned its sole facility, Traditions Golf Club in Edmond, Oklahoma, held in its wholly owned subsidiary, Traditions Acquisition Corporation.

SEASONALITY

The Company has ceased to do business and therefore is not subject to seasonality.

As of December 31, 2000, the golf brokerage business was not seasonal.

During 2000, sales at the Company's former golf facility were seasonal with higher revenue in the warmer months.

COMPETITION

The Company faced competition from primarily individual local business brokers and regional business brokers in its golf Internet business. The Company believed that based on its national business plan, its listing base and range of services, that the competition would not adversely affect its operations.

The Company's former golf facility faced competition from a number of sources from local owner/operator facilities as well as national entities.

EMPLOYEES

As of December 31, 2000, the Company employed 6 full time employees at its corporate headquarters. None of its employees are represented by a union. The Company believes that relations with its employees are favorable.

ACQUISITIONS

The Company had no acquisitions during 2000.

DISPOSAL OF GOLF ENTERTAINMENT BUSINESS

On May 24, 2000, Traditions Acquisition Corporation, a wholly owned subsidiary of Golf Entertainment, Inc., ceased to do business. Traditions Acquisition Corporation ceased all operations of the Traditions Golf Club in Edmond, Oklahoma and began procedures to dissolve. The subsidiary's recorded assets of $387,353 and recorded liabilities of $401,460 were written down to $-0-. Pursuant to the terms of the lease agreement, by which Traditions Acquisition Corporation had leased the Traditions Golf Club facility, all future lease payments would become due from Traditions Acquisition Corporation upon termination of that lease. The owner of the facility terminated the lease agreement effective May 23, 2000. The total remaining lease liability of Traditions Acquisition Corporation is $888,000. This liability is not guaranteed by Golf Entertainment, Inc. Traditions Acquisition Corporation is currently in the process of dissolution.

DISPOSAL OF THE GOLFBZ BUSINESS

Due to the cessation of business by Golf Entertainment, Inc. on April 6, 2001, the Company sold its subsidiary, GolfBZ.com, Inc., and the related intangible assets to Ronald G. Farrell, the Company's Chairman and Chief Executive Officer, on May 10, 2001 in consideration for advancement of funds to allow for the audit of the Company's financial statements of $25,000 and other consideration including uncompensated management services.

ITEM 2. PROPERTIES

The following table sets forth certain information with respect to the Company's headquarters as of May 11, 2001.

LOCATION	GENERAL CHARACTER	APPROXIMATE SQUARE FOOTAGE	TYPE OF INTEREST
Alpharetta, GA (Headquarters)	Office	3,196	Leased

The Company believes its property is in generally good condition, well maintained and suitable for its intended use. The Company has notified the landlord that it will close the office effective June 30, 2001.

ITEM 3. LEGAL PROCEEDINGS

On July 1, 1999, the former chief executive officer of the Company and another former employee of the Company filed a Complaint for Arbitration before the American Arbitration Association. On May 3, 2000, the Company agreed to settle the arbitration, without admitting liability, for $30,000 in cash and 175,000 shares of the Company's common stock and cancellation of certain promissory notes issued by one of the plaintiffs. As of July 14, 2000, the Company has paid the settlement in full.

During the second quarter of 1999, disputes with two former owners of one of the Company's subsidiaries were settled and the Company issued 210,000 shares of common stock. In addition, the Company has an additional accrual reserves for the cash portion of the settlement of $3,850 and $10,000 as of December 31, 2000 and December 31, 1999, respectively. The Company has no liability remaining as of May 8, 2001.

During the second quarter of 2000, a former creditor of the Company filed suit against the Company seeking an unspecified amount of approximately $150,000 for unpaid invoices. During the third quarter of 2000, the Company reached a settlement agreement with the plaintiff's attorney to issue the plaintiff 40,000 shares of the Company's stock, valued at $17,500, as full settlement of claims made against the Company related to the suit. The Company has no liability remaining as of May 8, 2001.

The Company has also involved in legal proceedings from time to time arising out of the ordinary course of its prior business. There are no such currently pending proceedings, which are expected to have a material adverse effect on the Company.

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

There were no matters submitted during 2000 to a vote of security holders of the Company through the solicitation of proxies.

There was no annual meeting of stockholders held during 2000.

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PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common stock trades on the OTC Bulletin Board of the Nasdaq Stock Market under the symbol GECCE.OB. The following table sets forth the high and low sales price quotations of the Company's common stock for the periods indicated.

	2000		1999	
FISCAL QUARTER	HIGH	LOW	HIGH	LOW
First Quarter	$1.00	$0.31	$1.19	$0.69
Second Quarter	$0.56	$0.19	$2.00	$0.69
Third Quarter	$0.66	$0.20	$0.97	$0.75
Fourth Quarter	$0.28	$0.09	$1.03	$0.50

As of May 8, 2001, the Company had approximately 266 shareholders of record of its $0.01 par value common stock and approximately 26 shareholders of record of its $0.01 par value preferred stock.

The Company has not previously paid cash dividends on its common stock and does not intend to pay such dividends for the foreseeable future.

American Stock Transfer & Trust Company, 40 Wall Street, New York, NY 10022 is the Company's registrar and transfer agent with respect to its common stock and preferred stock and registrar, transfer agent and warrant agent with respect to the Company's warrants.

On August 17, 1999, the Company was notified by the Nasdaq SmallCap Market that the Company did not comply with the bid price requirement, as set forth in Nasdaq Marketplace Rule 4310 (c) (04). On January 28, 2000, the Company's common stock was delisted and became immediately eligible to trade on the OTC

Bulletin Board.

On April 23, 2001, the Company's ticker symbol was modified by having an `E' appended to the end indicating non-compliance with required SEC filings. The Company expects that this should be removed upon acceptance of the filing of this Form 10-K.

ITEM 6. SELECTED FINANCIAL DATA

The following financial information is derived from the consolidated financial statements of the Company and its wholly owned subsidiaries for the period indicated. The information set fort in the following table should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing in Item 7 of this report and the Company's consolidated financial statements and notes thereto appearing in Item 8 of the report. All per share data has been retroactively adjusted to reflect the one-for-four reverse stock split which became effective on September 15, 1998.

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For the Year ended December 31,
(In thousands, except per share data)

	2000	1999	1998	1997	1996
Revenues	$ -0-	$ 585	$ 30,623	$30,715	$ 21,237
Net Income/ (Loss) from Operations	(1,338)	(979)	(3,202)	330	(1,398)
Discontinued Operations	(245)	(1,432)	-0-	-0-	-0-
NET INCOME/ (LOSS)	(1,472)	(2,412)	(3,202)	330	(1,398)
NET INCOME/ (LOSS) PER COMMON SHARE	(0.32)	(1.10)	(2.63)	0.09	(1.80)
NET INCOME/ (LOSS) PER COMMON SHARE- DILUTED	(0.32)	(1.10)	(2.63)	0.08	(1.80)
Total Assets	201	1,610	26,381	29,074	27,687
Discounted Lease Rental	216	466	15,450	15,906	14,809
Total Liabilities	413	992	23,929	23,595	22,449
Total Stockholders' Equity/(Deficit)	(212)	618	2,452	5,478	5,238

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Company's consolidated financial statements and related notes thereto included elsewhere in Item 8 of this report.

Overview

In April 2001, Golf Entertainment, Inc. ceased to do business.

During the first quarter of 2000, Golf Entertainment, Inc. refocused its golf business to emphasize opportunities relating to golf Internet business. The Company launched its Internet based business, GolfBZ.com, Inc., on July 21, 2000. GolfBZ's business was to

broker golf-related business via the Internet by soliciting buyers and sellers of golf courses, driving ranges, manufacturers, distributors and being paid a commission upon the closing of a transaction. Due the overall economic slowdown and withdrawal of major sources of funding for golf businesses, management was not able to bring a business transaction to completion since the inception of the business.

On May 24, 2000, Traditions Acquisition Corporation, a wholly owned subsidiary of Golf Entertainment, Inc., ceased to do business. Traditions Acquisition Corporation ceased all operations of the Traditions Golf Club in Edmond, Oklahoma and began procedures to dissolve.

With respect to the discontinued leasing operations, the Company managed the remaining 5 leases not sold with the lease portfolio by collecting approximately $290,000 in minimum lease payments and repaying the recourse debt against the remaining leases of approximately $115,000. The net proceeds were used for general corporate purposes. Management also determined that the remaining off-lease inventory had no measurable economic value and wrote down the carrying value to $-0-. The Company also released the Buyer from certain obligations of approximately $55,500 in lieu of payment for lease portfolio related liabilities.

On April 6, 2001, the Board of Directors decided to cease operations of the Company. The Company's primary current remaining objective is to respond to any inquiries regarding a business combination with a potential purchaser or locate a target business that the Company believes will have significant growth potential and effect a business combination with that target. A business combination may involve the acquisition of, or merger with, a financially stable, mature company that desires to establish a public trading market for its securities while avoiding what it may deem to be adverse consequences of undertaking a public offering itself, such as time delays, significant expense, loss of voting control and other burdens (including significant professional fees) related to compliance with various federal and state securities laws. In the alternative, a business combination may involve a company that may be financially unstable or in its early stages of development or growth.

YEAR ENDED DECEMBER 31, 2000 COMPARED TO THE YEAR ENDED DECEMBER 31, 1999

REVENUES

Total revenues for the year ended December 31, 2000 from the golf management business were $253,234 comprised entirely of revenues from the Company's Traditions Golf Club for the period January 2000 to May 2000. Traditions Golf Club operations were acquired in May 1999. Total revenues for the period May 1999 to December 1999 were $585,482. The Company recorded revenues of $18,239 and $8,111,716 for the years ended December 31, 2000 and 1999, respectively, from the discontinued leasing business. For financial statement purposes for the year ended December 31, 2000, all leasing and golf management business revenues are shown net of leasing and golf management business expenses as discontinued operations.

COSTS AND EXPENSES

Total non-leasing costs and expenses for the year ended December 31, 2000 were $1,246,591, comprised of $835,451 of general and administrative expenses including $76,724 directly related to the golf brokerage business, $55,837 in depreciation expense, $5,174 in interest expenses, net of interest income, and $313,520 in settlement expenses. Expenses related to the golf management business of Traditions Golf Club were $42,429 related to cost of sales related to revenues and $302,220 of selling, general and administrative expenses related to the operations of the Traditions Golf Club, including depreciation expense of $28,958 and interest expense of $7,652. For financial statement purposes for the years ended December 31, 2000 and 1999, all expenses related to the golf management business are shown net of golf management revenues as discontinued operations. Total expenses directly related to the leasing business were $203,191. For financial statement purposes for the years ended December 31, 2000 and 1999, all leasing expenses are shown net of leasing revenues as discontinued operations.

Corporate expense decreased 6.7% from $813,542 for the year ended December 31, 1999 to $758,727 for the year ended December 31, 2000, a decrease of $54,815. The decrease in corporate expense is attributable to a decrease in staffing levels between periods, consolidation of operations to Alpharetta, Georgia and a concentrated effort by the Company's new management to reduce general expenses. Additionally, management reviewed the fixed assets of the Company for future economic benefit and determined that the assets had no residual value and were economically impaired. The Company reported an impairment charge of $128,267

Traditions Golf Club results were below expectations for the period January 1, 2000 through May 24, 2000. The subsidiary reported a net loss from operations of $91,414 for the period January 1, 2000 through May 24, 2000. For financial statement purposes, this is reported as discontinued operations.

DISCONTINUED OPERATIONS

Loss from discontinued operations decreased 82.8% from $1,432,446 for the year ended December 31, 1999 to $246,545 for the year ended December 31, 2000, a decrease of $1,185,901. The decrease in the loss from discontinued operations between periods is due the sale of the leasing portfolio at December 31, 1999 and to the write down of inventory and residual values related to the Company's leasing operations recorded in the 1999 period. The Company recorded a net loss on discontinued operations of $169,237 for the leasing business from the final write-off of inventory of $147,700 and the cancellation of a note receivable from the purchaser of the lease portfolio for additional taxes owed on the lease portfolio of $55,491 netted against a gain on disposal of certain inventory items of $4,840, the recovery of a security deposit of $10,874 and the finance income from the remaining leases of $18,239. The Company recorded a net loss on discontinued operations of $77,307 from the golf management business from the net loss from operations of $91,414 netted against a gain on the disposal of the net fixed assets of $14,107.

The consolidated financial statements do not reflect a provision for income taxes due to the utilization of net operating loss carryforwards and changes in the related valuation

allowance. At December 31, 2000, the Company had unexpired net operating loss carryforwards of approximately $8,300,000, which can be utilized to offset future taxable income, if any.

NET EARNINGS

As a result of the foregoing, the Company recorded a net loss of $1,471,857 for the year ended December 31, 2000 as compared to a net loss of $2,411,691 for the year ended December 31, 1999.

YEAR ENDED DECEMBER 31, 1999 COMPARED TO THE YEAR ENDED DECEMBER 31, 1998
(Note: The discussion below pertains to the Company's discontinued leasing business.)

REVENUES

Total revenues for the year ended December 31, 1999 from the golf management business were $585,482 comprised entirely of revenues from the Company's Traditions Golf Club. Traditions Golf Club operations were acquired in May 1999. Total revenues were $8,111,716 and $30,623,016 for the years ended December 31, 1999 and 1998, respectively from the discontinued leasing business. For financial statement purposes for the years ended December 31, 1999 and 1998, all leasing revenues are shown net of leasing expenses as discontinued operations.

COSTS AND EXPENSES

Total non-leasing costs and expenses for the year ended December 31, 1999 were $751,185, comprised of $96,645 related to cost of sales related to revenues from golf management operations and $654,540 of selling, general and administrative expenses related to the operations of the Traditions Golf Club, including depreciation expense of $40,428 and interest expense of $11,827. Total expenses directly related to the leasing business were $9,238,710 and $25,778,551 for the years ended December 31, 1999 and 1998, respectively. For financial statement purposes for the year ended December 31, 1999 and 1998, all leasing expenses are shown net of leasing revenues as discontinued operations.

Corporate expense decreased 88.7% from $7,206,266 for the year ended December 31, 1998 to $813,542 for the year ended December 31, 1999, a decrease of $6,392,724. The decrease in corporate expense is attributable to a decrease in staffing levels between periods, consolidation of operations to Alpharetta, Georgia and a concentrated effort by the Company's new management to reduce general expenses and a forgiveness of debt of $385,197, net interest income of $5,771 and depreciation expense of $56,179.

Traditions Golf Club results were in line with expectations of a facility in its first full 12 months of operations. The subsidiary reported a net loss from operations of $165,703. For financial statement purposes for the year ended December 31, 1999, all golf management expenses are shown net of golf management revenues as discontinued operations.

DISCONTINUED OPERATIONS

Loss from discontinued operations increased 100.0% from $-0- for the year ended December 31, 1998 to $1,432,446 for the year ended December 31, 1999, an increase of $1,432,446. The increase in the loss from discontinued operations between periods is due to the sale of the leasing portfolio ad December 31, 1999 and to the write down of inventory and residual values related to the Company's leasing operations recorded in the 1999 period. The Company recorded a net loss on discontinued operations of $1,480,792 and a gain on disposal of the discontinued operations' net fixed assets of $48,346.

LIQUIDITY AND CAPITAL RESOURCES

The Company has very little cash and has had no substantial access to cash except for borrowings from insiders since the fourth quarter of 2000. The lack of liquidity has caused the Company to cease operations.

Previously, the Company had a line of credit with Merrill Lynch Business Financial Services, Inc. During December 1999, the Company was able to reach a Settlement Agreement with Merrill Lynch, whereby the Company will pay monthly installments over a 16-month period, beginning in April 2000. During 2000, the Company negotiated a final settlement Merrill Lynch whereby the Company paid $24,000 in cash and Merrill Lynch forgave the remaining $101,000. As of December 31, 2000, there was no amount outstanding to Merrill Lynch.

In March 1999, LEC Leasing, Inc. and IBM Corporation entered into an agreement whereby $347,884 of accounts payable obligations were converted into an 8% term note payable in monthly installments of $20,000. On November 12, 1999, the Company and IBM reached an agreement, subject to appropriate documentation, to substantially reduce the obligation and amend the repayment terms. As of December 31, 2000, the balance owed IBM is $39,750.

In November 1999, the Company finalized its lease negotiations in conjunction with its relocation to Alpharetta, Georgia. As part of the negotiations, the Company and landlord agreed to a build-out allowance. Actual costs of the build-out were greater than the allowance. The Company paid for the build-out with a combination of cash and a note payable to the landlord of $15,980 to be repaid over 5 years (lease term) at 10%. As of December 31, 2000, the Note Payable balance was $12,929.

On November 30, 2000, the Company agreed to sell up to $500,000 of Convertible Notes to the Company's Chairman/CEO, Ronald G. Farrell. The balance of the Convertible Notes was $105,000 as of December 31, 2000. Through May 9, 2001, the Company has been able to sell additional Convertible Notes of $77,000. The Company has been unable to sell any of its Convertible Notes since May 9, 2001 and it will not be able to continue operations.

The Company believes that inflation has not been a significant factor in its business.

The Company did not suffer any adverse consequences as a result of any "Y2K" problems.

RECENTLY ISSUED ACCOUNTING STANDARDS

Management does not believe that any recently issued but not yet adopted accounting standards will have a material effect on the Company's results of operations or on the reported amounts of its assets and liabilities upon adoption.

FUTURE PLANS

On April 6, 2000, the Board of Directors decided to cease operations of the Company. The Company's primary remaining objective is to respond to any inquiries regarding a business combination with a potential purchaser or locate a target business that the Company believes will have significant growth potential and effect a business combination with that target. A business combination may involve the acquisition of, or merger with, a financially stable, mature company that desires to establish a public trading market for its securities while avoiding what it may deem to be adverse consequences of undertaking a public offering itself, such as time delays, significant expense, loss of voting control and other burdens (including significant professional fees) related to compliance with various federal and state securities laws. In the alternative, a business combination may involve a company that may be financially unstable or in its early stages of development or growth.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Certain statements herein and in the future filings by the Company with the Securities and Exchange Commission and in the Company's written and oral statements made by or with the approval of an authorized executive officer constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, and the Company intends that such forward-looking statements be subject to the safe-harbors created thereby. The words and phrases "looking ahead", "we are confident", "should be", "will be", "predicted", "believe", "expect" and "anticipate" and similar expressions identify forward-looking statements. These and other similar forward-looking statements reflect the Company's current views with respect to future events and financial performance, but are subject to many uncertainties and factors relating to the Company's operations and business environment which may cause the actual results of the Company to be materially different from any future results expressed or implied by such forward-looking statements. Examples of such uncertainties include, but are not limited to, changes in customer demand and requirements, the availability and timing of external capital, interest rate fluctuations, changes in federal income tax laws and regulations, competition, unanticipated expenses and delays in the integration of newly-acquired businesses, industry specific factors and worldwide economic and business conditions. With respect to economic conditions, a recession can cause customers to put off leisure time activities and adversely affect the Company's revenue. The Company undertakes no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Index to Consolidated Financial Statements PAGE

The consolidated financial statements of the Company are filed under this Item 8 pursuant to Regulation S-X. Financial statement schedules are omitted because either they are not required under the instructions, are inapplicable, or the information is included elsewhere in the financial statements.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Inapplicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS

Name	Age	Position
Ronald G. Farrell	57	Chairman of the Board, Chief Executive Officer and President
Larry M. Segall	45	Director
John F. Chiste	44	Director
Scott A. Lane	36	Chief Financial Officer & Secretary

BIOGRAPHICAL INFORMATION ABOUT DIRECTORS AND EXECUTIVE OFFICERS

Ronald G. Farrell. Mr. Farrell, age 57, has served as the Chairman of the Board, and Chief Executive Officer of the Company since November 20, 1998, and as President since August 16, 1999. Mr. Farrell tendered his resignation on April 6, 2001 effective April 30, 2001. On April 26, 2001, Mr. Farrell withdrew his resignation. From July 1992 through December 1996, Mr. Farrell served as Chairman and CEO of Computer Integration Corp., a publicly traded company. Mr. Farrell is the founder, Chairman and President of R.G. Farrell, Inc. and RGF Investments, Inc., both founded in 1985. These companies are wholly owned by Mr. Farrell and are engaged in financial consulting in connection with private placements, public offerings, venture capital transactions and leveraged buyout and roll-up transactions. During the ten years from 1985 to 1995, Mr. Farrell directed the acquisition of fourteen companies and was instrumental in four public offerings.

Larry M. Segall. Mr. Segall, age 45, served as a Director of the Company since November 1989 through April 2001. Mr. Segall resigned April 6, 2001. Mr. Segall is currently the Chief Financial Officer of AdClip Networks Corporation, a Internet marketing company. Mr. Segall was previously the Chief Financial Officer of Vitamin Shoppe Industries, Inc. from October 1997 to November 2000. From 1985 to 1996, Mr. Segall held a number of financial management positions and was Vice President, Treasurer and Controller of Tiffany & Co. In 1997, he was Senior Vice President - Merchandising Planning for Tiffany & Co. and was responsible for worldwide strategic sales, merchandising and product planning, including product development, product sourcing/replenishment, internal manufacturing, inventory management and distribution resource planning. From 1983 to 1985 he was the Controller of Murijani International Ltd. From 1977 to 1983, he was employed by Deloitte & Touche LLP.

John F. Chiste. Mr. Chiste, age 43, served as a Director of the Company since December 1999 through April 2001. Mr. Chiste resigned April 6, 2001. Mr. Chiste has been the Treasurer and Chief Financial Officer Bluegreen Corp. since November 1997. From May 1994 to October 1997, he was the Chief Financial Officer of Computer Integration Corp. Prior to that, Mr. Chiste was Chief Financial Officer of Sports/Leisure, Inc. from May 1992 to December 1992. Prior to his employment by Sports/Leisure, Inc., Mr. Chiste

was employed by Ernst & Young, LLP for 13 years, most recently as a Senior Manager. Mr. Chiste is a Certified Public Accountant.

Scott A. Lane. Mr. Lane, age 36, became the Chief Financial Officer of the Company in March 2000. Mr. Lane tendered his resignation on April 6, 2001 effective April 30, 2001. On April 26, 2001, Mr. Lane withdrew his resignation. Prior to joining the Company, Mr. Lane was with BWAY Corporation as a project manager since May 1998. From November 1991 through May 1998, Mr. Lane held progressive management positions in accounting with Turner Broadcasting System, Inc. From June 1986 to November 1991, Mr. Lane was with a large local public accounting firm in Atlanta. Mr. Lane is a Certified Public Accountant.

ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth information with respect to the compensation paid and/or accrued to each of the Company's executive officers for services rendered in all capacities to the Company during the three years ended December 31, 1999. No other executive officer received annual compensation in excess of $100,000 in any of the three fiscal years ended December 31, 2000. This information includes the dollar value of base salaries, bonuses, awards, the number of stock options granted and certain other compensation, if any, whether paid or deferred.

(A) SUMMARY COMPENSATION TABLE

Name of Individual and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)
Ronald G. Farrell	2000	$201,000	--	--
Chairman & CEO	1999	$353,976	--	--

	1998	$ --	--	--
Michael F. Daniels	2000	$ --	--	$ --
President(1)	1999	$134,448	--	$ --(1)
	1998	$326,385	--	$34,573(2)
William J. Vargas	2000	$ --	--	$ 3,692(3)
CFO & Secretary	1999	$110,250	--	$19,028(3)
	1998	$123,417	--	--
Scott A. Lane	2000	$ 66,668	--	--
CFO & Secretary	1999	$ --	--	--
	1998	$ --	--	--

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Name of Individual and Principal Position	Fiscal Year	Restricted Stock Awards($)	Securities Underlying Options/SARs(#)	All Other Annual Compensation
Ronald G. Farrell	2000	--	2,000,000	--
Chairman & CEO	1999	--	200,000	--
	1998	--	300,000	--
Michael F. Daniels	2000	--	--(5)	--(4)
President	1999	--	--(5)	--(4)
	1998	--	200,000(5)	2,500(4)
William J. Vargas	2000	--	--(5)	--(4)
CFO & Secretary	1999	--	--(5)	--(4)
	1998	--	77,500(5)	1,825(4)
Scott A. Lane	2000	--	50,000	--
	1999	--	--	--
	1998	--	--	--

(1) Michael F. Daniels served as the Company's Chairman & CEO during the period January 1, 1996 through November 20, 1998. Mr. Daniels resigned as President of the Company in March, 1999. Mr. Daniels employment agreement with one of the Company's subsidiaries was terminated in May 1999. See Item 3. Legal Proceedings.

(2) Consists of commission income based upon realization of excess residual values related to leases entered into prior to May 15, 1993.

(3) Represents amounts paid as a consultant during the fourth quarter of 1999 and the first quarter of 2000.

(4) Represents Company matching contribution to 401(k) Profit Sharing Plan.

(5) In January of 1997, August of 1997 and January of 1998, Messrs. Daniels

and Vargas were granted stock options to purchase an aggregate of 404,000 shares and 163,750 shares, respectively. On December 8, 1997, Messrs. Daniels and Vargas voluntarily rescinded their respective 1997 option grants, together with all grants received prior thereto, with the exception of 147,531 stock options received by Mr. Daniels during 1993. In October 1998, Messrs. Daniels and Vargas voluntarily rescinded their respective 1998 option grants, to the extent that they had not been exercised, except for 2,500 stock options received by Mr. Vargas. Messrs. Daniels and Vargas received no compensation for such rescissions. All share amounts have been retroactively adjusted to reflect the one-for-four reverse stock split that was effective September 15, 1998.

(B) OPTION/SAR GRANTS IN LAST FISCAL YEAR

Name	Number of Securities Underlying Options/SAR's Granted (#)	Percent of Total Options/SAR's Granted to In Fiscal Year	Exercise or Base Price ($/Sh)	Expiration Date
Ronald G. Farrell	2,000,000(1)	92.2%	$0.13	11/30/10
Scott A. Lane	50,000	2.3%	$0.31	3/29/05

(1) In November, 2000, Mr. Farrell accepted an option grant of 2,000,000 shares in lieu of compensation for the six months from July 1, 2000 through December 31, 2000.

(C) AGGREGATED OPTION/SAR EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR END OPTION/SAR VALUES

Name	Shares Acquired On Exercised	Value Realized	Number of Securities Underlying Options/SAR's At Fiscal Year End(#) Exercisable/ Unexercisable	Value of Unexercised In-The-Money Options/SAR's At Fiscal Year End($) Exercisable/ Unexercisable
Ronald G. Farrell	----	----	2,400,000/100,000	-0-/-0-
Scott A. Lane	----	----	-0-/50,000	-0-/-0-

The last sales price for the Company's Common Stock on the OTC Bulletin Board on December 31, 2000 was $0.09.

(D) DIRECTORS' COMPENSATION

Each non-employee director of the Company is paid $500 per month. In addition, each director is entitled to participate in the Company's stock option plans. The Company does not pay its directors any additional fees for committee participation.

(E) EMPLOYMENT CONTRACTS

Ronald G. Farrell serves as the Company's Chief Executive Officer under an employment agreement dated November 30, 1998 and effective January 1, 1999 through

December 31, 2003, as amended. Mr. Farrell's compensation under such agreement was originally $240,000 through December 31, 1999, and increases by 10% per year thereafter, but was amended in May, 1999 to an annual salary of $360,000 through December 31, 1999, with annual 10% increases, due to increased responsibility associated with the Company's golf operations. Mr. Farrell's contract was extended on November 30, 2000 through December 31, 2005 under the same terms and conditions. In addition, Mr. Farrell is eligible to receive an annual bonus, payable quarterly, based on Company performance. Such bonus may not exceed Mr. Farrell's base salary for such respective fiscal year. Mr. Farrell was granted the option to purchase a total of 2,000,000 shares of the Company's Common Stock in lieu of cash compensation for the six months between July 1, 2000 and December 31, 2000. The option grant vests immediately and is exercisable for 10 years. Mr. Farrell was also granted the option to purchase a total of 300,000 shares of the Company's Common Stock, vesting in 100,000 share increments on each of December 31, 1999, December 31, 2000 and December 31, 2001. Pursuant to such employment agreement, if Mr. Farrell should die during the term thereof, a death benefit equal to eighteen months salary (currently $594,000) shall be paid to his estate. Mr. Farrell may be terminated for cause.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of February 8, 2001, certain information concerning those persons known to the Company, based on information obtained from such persons, with respect to the beneficial ownership (as such term is defined in Rule 13d-3 under the Securities Exchange Act of 1934) of shares (the "Common Stock") of common stock, $0.01 par value, of the Company by (i) each person known by the Company to be the owner of more than 5% of the outstanding Common Stock, (ii) each Director of the Company and the nominee for Director, (iii) each executive officer of the Company earning more than $100,000 during the year ended December 31, 2000 and (iv) all executive officers and Directors as a group:

Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership (2)	Percentage of Class (3)
LEC Acquisition LLC	2,912,932 (4)	23.2%

Ronald G. Farrell	7,165,000 (5)	57.0%
Larry M. Segall	137,177 (6)	1.1%
John F. Chiste	20,000 (7)	0.2%
Scott A. Lane	50,000 (8)	0.4%
Michael Daniels	95,000 (9)	0.8%
Debra Alisero	10,000 (9)	0.1%
Scott Printing Corporation	25,000 (10)	0.2%
All Directors and Executive Officers as a Group (6 persons)	7,372,177	58.6%

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(1) The address for all individuals identified herein is 9925 Haynes Bridge Road, Suite 200, PMB #226, Alpharetta, Georgia 30004.

(2) Unless otherwise noted, the Company believes that all persons named in the table have sole investment power with respect to all shares of common stock beneficially owned by them. A person is deemed to be the beneficial owner of securities that can be acquired by such person within 60 days from the date hereof upon the exercise of warrants or options or upon the conversion of convertible securities. Each beneficial owner's percentage ownership is determined by assuming that options or warrants or shares of Series A Convertible Preferred Stock that are held by such person (but not those held by any other person) and which are exercisable or convertible within 60 days from the date hereof have been exercised or converted.

(3) Based on 12,579,043 shares of Common Stock outstanding as of May 9, 2000.

(4) The Company granted LEC Acquisition LLC a warrant to purchase 6% Convertible Debentures of the Company in the principal amount of $1,429,170 which are convertible into shares of Common Stock. LEC Acquisition LLC has purchased 2,759,432 shares pursuant to such convertible debentures for $827,830. LEC Acquisition LLC has purchased 38,500 shares on the open market for $38,285. The number of shares of Common Stock reflected in the Table includes 500,000 shares available under a warrant issued by the Company on April 25, 2000. LEC Acquisition LLC terminated the Debenture Agreement with the Company on August 12, 2000. Mr. Farrell, as the managing partner of LEC Acquisition LLC, exercises voting control over shares held by LEC Acquisition LLC. Additionally, pursuant to the terms of the operating agreement of the LLC, RGF Investments, Inc., a member of the LLC, will receive and Mr. Farrell may receive shares of Common Stock at such time as the LLC distributes shares of Common Stock to its members. Mr. Farrell has disclaimed beneficial ownership of shares owned by LEC Acquisition, LLC.

(5) Includes options to purchase 2,500,000 shares of Common Stock granted to Mr. Farrell, 2,400,000 shares, which are currently exercisable. Also

includes 115,000 shares owned by Sports M&A.com, Inc., a corporation which Mr. Farrell is the sole stockholder. Also includes the potential conversion of demand debentures held by Mr. Farrell of 4,550,000 shares.

(6) Includes options to purchase 83,333 shares of Common Stock granted to Mr. Segall, which are currently exercisable.

(7) Includes options to purchase 20,000 shares of Common Stock granted to Mr. Chiste, which are currently exercisable.

(8) Includes options to purchase 50,000 shares of Common Stock granted to Mr. Lane, which none are currently exercisable.

(9) The Company has been informed that Mr. Daniels and Ms. Alisero have granted a proxy to Mr. Farrell to vote such shares through May 3, 2001.

(10) The Company has been informed that Scott Printing Corporation has granted a proxy to Mr. Farrell to vote such shares through December 31, 2001.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company has granted LEC Acquisition LLC a warrant to purchase 6% Convertible Debentures of the Company in the principal amount of $1,429,170 which are convertible into shares of Common Stock. LEC Acquisition LLC has purchased 2,759,432 shares pursuant to such convertible debentures for $827,830. LEC Acquisition LLC has purchased 38,500 shares on the open market for $38,285. The number of shares of Common Stock reflected in the Table includes 500,000 shares available under a warrant issued by the Company on April 25, 2000. LEC Acquisition LLC terminated the Debenture Agreement with the Company on August 12, 2000. Mr. Farrell, as the managing partner of LEC Acquisition LLC, exercises voting control over shares held by LEC Acquisition LLC. Additionally, pursuant to the terms of the operating agreement of the LLC, RGF Investments, Inc., a member of the LLC, will receive and Mr. Farrell may receive shares of Common Stock at such time as the LLC distributes shares of Common Stock to its members. Mr. Farrell has disclaimed beneficial ownership of shares owned by LEC Acquisition, LLC.

During the third quarter of 2000, Sports M&A.com, Inc., an entity whose sole shareholder is Ronald G. Farrell, purchased $23,000 of Convertible Notes from the Company and subsequently converted them into 115,000 shares of the Company's common stock.

During the fourth quarter of 2000, Ronald G. Farrell, the Company's Chairman and Chief Executive Officer, purchased $105,000 of Convertible Notes from the Company. Subsequent to December 31, 2001, Ronald G. Farrell has purchased additional notes totaling $57,000 and $25,000 during the first and second quarter of 2001, respectively. The notes are convertible in shares of the Company's common stock.

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

The following documents are filed as a part of this report:

(a) (1) The Consolidated Financial Statements included in Item 8 hereof and set forth on pages 25-48.

(2) The Financial Statement Schedules listed in the Index to the Financial Statement Schedules.

(3) The exhibits listed in the Index to Exhibits.

(b) Reports on Form 8-K.

The Company did not file any Reports on Form 8-K during the fourth quarter of 2000.

The Company filed a Report on Form 8-K on April 9, 2001 regarding the cessation of the Company's business.

SIGNATURES

In accordance with the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GOLF ENTERTAINMENT, INC.

Date: May 17, 2001

By: /s/ Ronald G. Farrell
Ronald G. Farrell
Chief Executive Officer

In accordance with the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

Date: May 17, 2001

By: /s/ Ronald G. Farrell
Ronald G. Farrell
Chief Executive Officer and Director
(Principal Executive Officer)

Date: May 17, 2001

By: /s/ Scott A. Lane
Scott A. Lane
Chief Financial Officer
(Principal Financial and Accounting Officer)

Independent Auditors' Report

The Board of Directors and Stockholders
Golf Entertainment, Inc.

We have audited the accompanying consolidated balance sheets of Golf

Entertainment, Inc. (formerly LEC Technologies, Inc.) and Subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of operations, stockholders' equity/(deficit), and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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 financial position of Golf Entertainment, Inc. (formerly LEC Technologies, Inc.) and Subsidiaries as of December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has incurred losses from operations, has a working capital deficiency and a stockholders' deficiency that raise substantial doubt about its ability to continue as a going concern. Management's plan in regard to these matters is also described in Note 1. The financial statements do not include any adjustments that may result from this uncertainty.

/s/ Goldstein Golub Kessler LLP

New York, New York
May 14, 2001

GOLF ENTERTAINMENT, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	DECEMBER 31, 2000	DECEMBER 31, 1999
ASSETS		
CURRENT ASSETS		
Cash	1,914	23,945
Prepaid expenses	25,352	--
Notes and accounts receivable, other	--	329,833
Total current assets	27,266	353,778
FURNITURE AND EQUIPMENT, net of accumulated depreciation of -0- and 124,611 as of December 31, 2000 and 1999, respectively	--	226,075

OTHER ASSETS		
Assets related to discontinued operations	173,990	1,030,033
TOTAL ASSETS	201,256	1,609,886

The accompanying notes and independent auditors' report should be read in conjunction with the consolidated financial statements.

GOLF ENTERTAINMENT, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	DECEMBER 31, 2000	DECEMBER 31, 1999
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	149,768	82,710
Accrued liabilities	29,196	168,597
Notes payable	105,000	--
Current maturities of long-term debt	22,252	2,636
Total current liabilities	306,216	253,943
LONG-TERM DEBT	10,017	12,930
OTHER LIABILITIES		
Liabilities related to discontinued operations	39,750	667,675
Other liabilities	57,254	57,254
Total other liabilities	97,004	724,929
TOTAL LIABILITIES	413,237	991,802
STOCKHOLDERS' EQUITY/(DEFICIT)		
Series A convertible preferred stock, $0.01 par value, 1,000,000 shares authorized, 380,000 shares issued; 228,516 shares outstanding at December 31, 2000 and 1999, respectively	2,285	2,285
Common stock, $0.01 par value, 25,000,000 shares authorized, 5,293,044 and 3,201,711 shares issued and outstanding at December 31, 2000 and 1999, respectively	52,930	32,017
Additional paid-in capital	11,535,349	10,914,470

Accumulated deficit	(11,802,545)	(10,330,688
TOTAL STOCKHOLDERS' EQUITY/(DEFICIT)	(211,981)	618,084
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY/(DEFICIT)	201,256	1,609,886

The accompanying notes and independent auditors' report should be read in conjunction with the consolidated financial statements.

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GOLF ENTERTAINMENT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31,

	2000	1999
Selling, general & administrative	1,148,971	522,076
Depreciation and amortization	55,837	56,179
Impairment charge	128,267	--
Interest expense, net	5,174	265
	1,338,249	(578,520)
Loss from continuing operations	(1,338,249)	(578,520)
Loss from discontinued operations	(260,652)	(2,266,714)
Gain on disposal	14,107	48,346
Net Loss before extraordinary item	(1,584,794)	(2,796,888)
Extraordinary income-gain on forgiveness of debt	112,937	385,197
Net Loss	(1,471,857)	(2,411,691)
Loss per share from continuing operations	(0.29)	(0.26)
Loss per share from discontinued operations	(0.06)	(1.04)
Gain per share on disposal	0.00	0.02
Extraordinary gain per share	0.03	0.18

Loss per common share - basic	(0.32)	(1.10)
Loss per common share - diluted	(0.32)	(1.10)

The accompanying notes and independent auditors' report should be read in conjunction with the consolidated financial statements.

GOLF ENTERTAINMENT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(1,471,857)	(2,411,691)
Adjustments to reconcile net loss to cash provided by operating activities:		
Depreciation & Amortization	84,795	2,785,366
Write down of inventory and residual values	147,700	694,630
Stock compensation expense	161,792	96,564
Gain on disposal	--	(49,024)
Write-off of notes receivable	305,324	--
Impairment charge	128,267	--
Forgiveness of debt	(112,937)	(385,197)
Change in assets and liabilities due to operating activities:		
(Increase) decrease in accounts receivable	--	2,919,397
Increase in prepaid expenses	(25,352)	--
Decrease in inventory	--	445,599
Increase (decrease) in accounts payable	78,996	(3,341,572)
Increase (decrease) in accrued liabilities	(139,402)	(539,765)
Increase (decrease) in other liabilities	--	(47,944)
Decrease in assets disposed of	387,684	--
Decrease in liabilities disposed of	(401,734)	--
Total adjustments	615,133	2,578,054
Net cash provided by (used in) operating activities	(856,724)	166,363
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sales and disposals of off-lease inventory	--	--
Proceeds from sales of furniture, fixtures and equipment	47,700	7,820
Purchases of furniture and equipment	(6,039)	(73,623)
Decrease in notes receivable-employees	--	143,376
Decrease (increase) in notes receivable	49,509	(379,833)
Additions to net investment in sales-type and direct financing leases	--	--
Sales-type and direct financing lease rentals received	292,012	1,846,830

Net cash provided by (used in) investing activities	383,182	1,544,570

CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from nonrecourse and recourse discounted lease rentals	--	--
Payments on nonrecourse and recourse discounted lease rentals	--	(2,182,856)
Proceeds from notes payable	134,500	15,980
Payments on notes payable	(162,989)	(275,973)
Proceeds from sale of stock	480,000	380,830
Purchase of treasury stock	--	--
Net cash provided by (used in) financing activities	451,511	(2,062,019)
Net increase (decrease) in cash	(22,031)	(351,086)
Cash at beginning of period	23,945	391,705
Cash at end of period	1,914	40,619
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period for:		
Interest	15,745	1,302,841
Income Taxes	--	--

The accompanying notes and independent auditors' report should be read in conjunction with the consolidated financial statements.

GOLF ENTERTAINMENT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY/(DEFICIT)
AS OF DECEMBER 31, 2000

	PREFERRED STOCK		COMMON STOCK		ADDITIONAL PAID-IN	ACCUMULATED	TREA
	SHARES	AMOUNT	SHARES	AMOUNT	CAPITAL	DEFICIT	STO
Balance at December 31, 1997	229,016	2,290	1,220,568	12,206	10,419,038	(4,716,732)	(144
Exercise of stock options			234,375	2,344	146,637		
Purchase of treasury stock							(66
Write-off of shareholder notes receivables							

Retirement of treasury stock			(44,550)	(446)	(210,690)		211
Net loss, 1998						(3,202,265)	
Balance at December 31, 1998	229,016	2,290	1,410,393	14,104	10,354,985	(7,918,997)	
Conversion of preferred stock to common	(500)	(5)	219	2	3		
Stock compensation expense			110,000	1,100	95,464		
Issuances of stock in lieu of payment			345,000	3,450	96,549		
Sale of stock			1,336,099	13,361	367,469		
Net loss, 1999						(2,411,691)	
Balance at December 31, 1999	228,516	2,285	3,201,711	32,017	10,914,470	(10,330,688)	
Issuance of stock for services			78,000	780	73,988		
Issuance of stock for settlements			375,000	3,750	83,274		
Sale of stock			1,638,333	16,383	463,617		
Net loss, 2000						(1,471,857)	
Balance at December 31, 2000	228,516	2,285	5,293,044	52,930	11,535,349	(11,802,545)	

The accompanying notes and independent auditors' report should be read in conjunction with the consolidated financial statements.

GOLF ENTERTAINMENT, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Nature of Operations: Golf Entertainment, Inc. and subsidiaries (LEC Leasing, Inc. or "LEC"; Superior Computer Systems, Inc. or "SCS"; Pacific Mountain Computer Products, Inc. or "PMCPI"; Atlantic Digital International, Inc. or "ADI"; LEC Distribution, Inc; TJ Computer Services, Inc.; Traditions Acquisition Corporation and GolfBZ.com, Inc. or "GolfBZ") (collectively, the "Company" or "Golf") has ceased doing business as of April 6, 2001. Mr. Ronald G. Farrell introduced in late 1998 a plan to re-orient the Company from the equipment leasing business to the golf industry, including owning and operating golf courses, as well as other opportunities in Internet ".com" businesses. On February 17, 1999, the stockholders of the Company approved the issuance of convertible debentures to an investment company managed by Mr. Farrell, as well as the change of the Company's name to Golf Entertainment, Inc. from LEC Technologies, Inc. On April 6, 2001, the Board of Directors decided to cease operations of the Company.

The Company's former line of business was leasing business equipment.

Organization: The Company was originally founded in 1980 under the name TJ Computer Services, Inc. ("TJCS"). In 1989, all of the outstanding common stock of TJCS was acquired by Harrison Development, Inc., an inactive public corporation organized in Colorado, which then changed its name to TJ Systems Corporation. In October 1991, the Company reincorporated in the State of Delaware and in June 1995, changed its name to Leasing Edge Corporation. On

March 12, 1997, the Company's shareholders' approved a change in the Company's name to LEC Technologies, Inc. In February 1999, the Company's shareholders approved a change in the Company's name to Golf Entertainment, Inc.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Intercompany accounts and transactions have been eliminated in consolidation.

Allowance for Doubtful Accounts

The following table reflects changes in the Company's estimated reserve for doubtful accounts for each of the three years in the period ended December 31, 2000.

	Balance at Beginning of Period	Expense	Write-off	Balance at End of Period
1998	$157,405	$ 250,350	$ 103,388	$ 304,367
1999	$304,367	$ 62,878	$ 360,906	$ 6,339
2000	$ 6,339	$ -0-	$ 6,339	$ -0-

Use of Estimates

The preparation of these consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As shown in the accompanying consolidated financial statements, the Company has incurred a net loss of $1,471,857 in 2000. In addition, the Company has a stockholders' deficiency of $211,981 at December 31, 2000. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing and the attainment of an adequate level of profitable operations. Management believes that the action it is taking will provide the opportunity for the Company to continue as a going concern.

Furniture and Equipment

Furniture and equipment are recorded at cost. Expenditures that materially increase the life of the assets are capitalized. Ordinary repairs and maintenance are charged to expense as incurred.

Depreciation and amortization are provided on the straight-line method over the following useful lives:

Computer equipment	3 to 5 years
Furniture and office equipment	5 to 7 years
Leasehold improvements	Term of lease

Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed Of:

Management periodically evaluates the carrying value of its long-lived assets, including operating leases, furniture and equipment, and intangible assets. Whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable, the Company recognizes an impairment loss for the difference between the carrying value and the estimated net future cash flows attributable to such asset. As a result of the review of the remaining fixed assets of the Company, primarily used computer equipment, management has recorded an impairment charge of $128,267 during the year ended December 31, 2000.

As a result of operating losses at SCS and PMCPI, management determined that the carrying value of the goodwill associated with the acquisition of these entities exceeded the estimated net future cash flows attributable to them and, consequently, recorded an impairment loss of $567,360 during the year ended December 31, 1998.

Income Taxes

The Company uses the asset and liability method to account for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance for any tax benefits, which may not ultimately be realized.

Stock Option Plans

Prior to January 1, 1996, the Company accounted for its stock option plans in accordance with the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB No. 25"), and related interpretations. As such, compensation would be recorded on the date of grant only if the current market price of the underlying stock exceeded the exercise price. On January 1, 1996, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"), which permits entities to recognize as expense over the vesting period the fair value of all stock-based awards on the date of grant. Alternatively, SFAS No. 123 also allows entities to continue to apply the provisions of APB No. 25 and provide pro forma net income and pro forma earnings per share disclosures for employee stock option grants made in 1995 and future years as if the fair-value-based method defined in SFAS No. 123 had been applied. The Company has elected to continue to apply the provisions of APB No. 25 and provide the pro forma disclosure provisions of SFAS No. 123.

Earnings Per Share

Basic and diluted loss per share are computed in accordance with SFAS No. 128, "Earnings Per Share". Potential common shares have not been included in the computation of diluted earnings per share because the effect would be antidilutive.

Recently Issued Accounting Standards

Management does not believe that any recently issued but not yet adopted accounting standards will have a material effect on the Company's results of operations or on the reported amounts of its assets and liabilities upon adoption.

Reclassification

Certain reclassifications have been made in the 1999 and 1998 financial statements to conform to the 2000 presentation.

QUARTERLY INFORMATION

	QUARTER ENDED MARCH 31, 2000	QUARTER ENDED JUNE 30, 2000	QUARTER ENDED SEPTEMBER 30, 2000	QUARTER ENDED DECEMBER 31, 2000	D
Net loss	(716,626)	(207,156)	(374,046)	(174,029)	
Loss per share	(0.19)	(0.04)	(0.06)	(0.03)	

NOTE 2: LEASE ACCOUNTING POLICIES

SFAS No. 13 requires that a lessor classify each lease as either a direct financing, sales-type or operating lease.

Leased Assets

Direct financing and sales-type leases - Direct financing and sales-type leased assets consist of the future minimum lease payments plus the present value of the estimated unguaranteed residual less unearned finance income (collectively referred to as the net investment).

Operating Leases - Operating leased assets consist of the equipment cost less accumulated depreciation.

Revenue, Costs and Expenses

Direct Financing Leases - Revenue consists of interest earned on the present value of the lease payments and residual and is included in finance income in the accompanying Consolidated Statements of Operations. Revenue is recognized periodically over the lease term as a constant percentage return on the net investment. There are no costs and expenses related to direct financing leases since revenue is recorded on a net basis.

Sales-type Leases - Revenue consists of the present value of the total contractual lease payments and is recognized at lease inception. Costs and expenses consist of the equipment's net book value at lease inception, less the present value of the residual. Interest earned on the present value of the lease payments and the residual, which is recognized periodically over the lease term as a constant percentage return on the net investment, is included in finance income in the accompanying Consolidated Statements of Operations.

Operating Leases - Revenue consists of the contractual lease payments and is recognized on a straight-line basis over the lease term. Costs and expenses are principally depreciation on the equipment, which is recognized on a straight-line basis over the term of the lease to the Company's estimate of the equipment's residual value.

NOTE 3: LEASED ASSETS

The components of the net investment in sales-type and direct financing leases, which are included in assets related to discontinued operations, as of December 31 are as follows:

	2000	1999
Total future minimum lease payments	$ 181,523	$ 502,707
Less unearned finance income	(7,533)	(36,705)
Total	$ 173,990	$ 466,002

Future minimum lease payments on sales-type and direct financing leases as of December 31, 2000 are as follows:

Years ending December 31,	
2001	$150,892
2002	30,631
	$181,523

There are no future minimum lease rentals on operating leases due to sale of the lease portfolio.

NOTE 4: ACQUISITION OF TRADITIONS GOLF CLUB

On May 22, 1999, Traditions Acquisition Corporation, a wholly-owned subsidiary of Golf Entertainment, Inc, acquired substantially all of the assets except for real estate of Golf Traditions I, Ltd., a partnership that developed Traditions Golf Club in Edmond, Oklahoma. Traditions Golf Club has a 4,500 yard, 18 hole, par 60 executive length golf course, a 20 acre practice range of 80 tees with multiple target greens, an 18 hole practice putting course, a mini-course for juniors, a pro shop and a club house. The purchase price for the acquisition was approximately $454,073, and was equal to the liabilities assumed, approximately $454,073. The purchase method of accounting was used to establish and record a new cost basis for the assets acquired and liabilities assumed. Concurrently, the Company entered into a ground lease for a 4-year term with two (2) additional term options of two (2) years each for $24,000 per month. This lease is accounted for as an operating lease.

The operating results for the acquisition have been included in the Company's consolidated financial statements since the date of acquisition.

The following unaudited proforma results assume the acquisition of Traditions Golf Club occurred at the beginning of the year ended December 31, 1999.

Net sales	888,009
Net expenses	2,083,680
Discontinued operations	(1,480,792)
Gain on disposal	48,346
Extraordinary item	385,197
Net loss	(2,628,117)
Basic earnings per share	(1.20)
Diluted earnings per share	(1.20)

NOTE 5: DISCONTINUED OPERATIONS

In 1998, the Board of Directors determined that, in light of the significant losses from the Company's equipment leasing business and the sizeable indebtedness of the Company from that business, that it was in the best interest of the Company that its equipment leasing business be sold and the Company should develop a golf entertainment business. The Directors agreed to the Sale to repay indebtedness incurred in connection with the Company's equipment leasing business and to generate capital for the development of the golf entertainment business. The Company received approximately $14,000 in cash (after deducting expenses of approximately $315,000), plus a note receivable of $75,000 with monthly payments of $2,834 through June 2002. The Company released the remaining balance of approximately $55,500 in lieu of payment of portfolio related expenses. These funds were used to pay ongoing expenses of the Company and repay Excel Bank,

N.A. for certain recourse debt not being assumed by the Buyer. Furthermore, the Buyer assumed approximately $12,500,000 of debt associated with the Company's business equipment leases and approximately $2,600,000 of senior secured debt.

Revenue related to the discontinued leasing operations was $18,239, $8,102,630, and $30,623,016 for the years ended December 31, 2000, 1999 and 1998, respectively. At December 31, 2001, the Company had approximately $-0- of lease inventory, $173,990 of leased assets, and $39,750 of related lease liabilities.

On May 24, 2000, Traditions Acquisition Corporation, a wholly owned subsidiary of Golf Entertainment, Inc., ceased doing business. Traditions Acquisition Corporation ceased all operations of the Traditions Golf Club in Edmond, Oklahoma and began procedures to dissolve. The subsidiary's recorded assets of $385,384 and recorded liabilities of $401,734 were written down to $-0-. Pursuant to the terms of the lease agreement, by which Traditions Acquisition Corporation had leased the Traditions Golf Club facility, all future lease payments would become due from Traditions Acquisition Corporation upon termination of that lease. The owner of the facility terminated the lease agreement effective May 23, 2000. The total remaining lease liability of Traditions Acquisition Corporation is $888,000. This liability is not guaranteed by Golf Entertainment, Inc. Traditions Acquisition Corporation is currently in the process of dissolution.

Revenue related to the discontinued golf operations was $253,234, $585,482 and $-0- for the years ended December 31, 2000, 1999 and 1998, respectively. At December 31, 2000, the Company had no assets or related golf liabilities.

Due to the cessation of business by Golf Entertainment, Inc. on April 6, 2001, the Company sold its subsidiary, GolfBZ.com, Inc., and the related intangible assets to Ronald G. Farrell, the Company's Chairman and Chief Executive Officer, on May 10, 2001 for $25,000.

NOTE 6: INCOME TAXES

Total income tax expense (benefit) differed from the "expected" income tax expense (benefit) determined by applying the statutory federal income tax rate of 35% for the years ended December 31 as follows:

	2000	1999	19
Computed "expected" income tax expense (benefit)	$ (515,150)	$ (844,092)	$ (1,1
Change in valuation allowance for deferred tax assets	464,952	809,429	1,1
Nondeductible expenses	50,198	34,663	
Total tax expense	$ --	$ --	$

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and tax liabilities at December 31, 2000 and 1999 are presented below:

	December 31, 2000	December 31, 1999
Deferred Tax Assets		
Allowances for doubtful accounts, inventory obsolescence and residual value realization not currently deductible	$ --	$ 712,884
Net operating loss carryforwards	2,638,478	1,460,642
Total gross deferred tax assets	2,638,478	2,173,526
Valuation allowance	(2,638,478)	(2,173,526)
Net deferred tax assets	$ --	$ --
Deferred Tax Liabilities		
Net deferred taxes liabilities	$ --	$ --

The Company has recorded a valuation allowance in accordance with the provisions of SFAS No. 109 "Accounting for Income Taxes" to reflect the estimated amount of deferred tax assets which may not be realized. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. At December 31, 2000 and 1999, the Company determined that $2,638,478 and $2,173,526, respectively, of tax benefits did not meet the realization criteria.

At December 31, 2000, the Company has net operating loss carryforwards for Federal income tax purposes of approximately $8,300,000 which are available to offset future taxable income, if any, through 2020.

NOTE 7: NONRECOURSE AND RECOURSE DISCOUNTED LEASE RENTALS

The Company assigned the rentals of its leases to financial institutions at fixed rates on a nonrecourse or, to a lesser extent, on a recourse basis but retained the residual rights. In return for future lease payments, the Company received a discounted cash payment. Discounted lease rentals as of December 31, 2000 and 1999 were $-0- and $115,941 respectively of which $-0- and $115,941 are recourse, respectively. Interest expense on discounted lease rentals for the years ended December 31, 2000 and 1999 was $-0- and $838,584, respectively.

NOTE 8: NOTES PAYABLE AND LINES OF CREDIT

Notes Payable and Lines of Credit

Previously, the Company had a line of credit with Merrill Lynch Business Financial Services, Inc. During December 1999, the Company was able to reach a Settlement Agreement with Merrill Lynch, whereby the Company will pay monthly installments over a 16-month period, beginning in April 2000. During 2000, the Company negotiated a final settlement with Merrill Lynch whereby the Company paid $24,000 in cash and

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Merrill Lynch forgave the remaining $101,000. As of December 31, 2000, there was no amount outstanding to Merrill Lynch.

In March 1999, LEC Leasing, Inc. and IBM Corporation entered into an agreement whereby $347,884 of accounts payable obligations were converted into an 8% term note payable in monthly installments of $20,000. On November 12, 1999, the Company and IBM reached an agreement, subject to appropriate documentation, to substantially reduce the obligation and amend the repayment terms. As of December 31, 2000, the balance owed IBM is $39,750.

In November 1999, the Company finalized its lease negotiations in conjunction with its relocation to Alpharetta, Georgia. As part of the negotiations, the Company and landlord agreed to a build-out allowance. Actual costs of the build-out were greater than the allowance. The Company paid for the build-out with a combination of cash and a note payable to the landlord of $15,980 to be repaid over 5 years (lease term) at 10%. As of December 31, 2000, the Note Payable balance was $12,929.

On November 30, 2000, the Company agreed to sell up to $500,000 of Convertible Notes to the Company's Chairman/CEO, Ronald G. Farrell. The balance of the Convertible Notes was $105,000 as of December 31, 2000.

Notes payable and lines of credit consist of the following at December 31,

	2000	1999
Term note payable to Northwinds Center, LP, payments of $340 including interest at 10%, due October 31, 2004	12,929	15,566
Term note payable to Imperial Premium, Finance Company, payments of $1,842 including interest at 17.8%, due June 25,2001	10,590	-0-
Term note payable to Scott Printing Corporation, due in monthly installments Beginning December 1, 2000 of $1,250 For 4 months, $2,500 for 2 months With interest at 0.0%	8,750	-0-
Demand convertible note payable to Ronald G. Farrell, interest accruing at Prime plus 2.0%, due upon demand	105,000	-0-
	$ 137,269	$ 15,556

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Required annual principal payments as of December 31, 2000 are as follows:

2001	$ 127,253
2002	3,217
2003	3,554
2004	3,245
Total	$ 137,253

NOTE 9: COMMITMENTS AND CONTINGENCIES

a) Lease Agreements

The Company leases its office space under an operating lease expiring October 2004. The minimum future rental payments required as of December 31, 2000 under the operating lease are:

Years ending December 31,

2001	$ 76,800
2002	79,106
2003	81,477

2004	69,753
Total	$307,136

Rental expense on operating leases was $74,961, $344,883, and $301,658 for the years ended December 31, 2000, 1999, and 1998, respectively. The Company has notified the landlord that it will close the Office on June 30, 2001.

b) Employment Contracts

The Company has employment agreements with one of its executive officers with remaining terms of approximately five years. Under this agreement, the employee is entitled to receive other employee benefits of the Company, including medical and life insurance coverage. If the agreement is terminated due to the death of an employee, a death benefit equal to eighteen months salary shall be paid to the employee's estate, currently $594,000. The Company may terminate for cause. The Company's annual expense under these agreements is approximately $360,000. The annual base salary under such agreement was $240,000 for the period January 1, 1999 through December 31, 2000, but was amended in May, 1999 to an annual salary of $360,000 through December 31, 2000, with annual 10% increases thereafter, due to increased responsibility associated with the Company's operations. Mr. Farrell's contract was extended on November 30, 2000 through December 31, 2005 under the same terms and conditions. Mr. Farrell was granted the option to purchase a total of 2,000,000 shares of the Company's Common Stock in lieu of cash compensation for the six months between July 1, 2000 and December 31, 2000. The option grant vests immediately and is exercisable for 10 years.

In addition, pursuant to the terms of the agreement, such officer is eligible to receive an annual bonus equal to five percent (5%) of the Company's operating income for the year.

Such bonus may not exceed such officer's base salary for each respective fiscal year.

NOTE 10: RELATED PARTY TRANSACTIONS

a) Company's Board of Directors

A current director of the Company was formerly the Chief Financial Officer of Vitamin Shoppe Industries, Inc. and was formerly an officer of Tiffany & Co., two of the Company's leasing business former customers. Another former director of the Company was formerly the Chief Operating Officer of NetGrocer, Inc., one of the Company's leasing business former customers. Neither director received any cash or other remuneration from the Company other than their fees as directors and participation in the Company's stock option plans. The Company believes that the terms of its lease arrangements with Vitamin Shoppe Industries, Inc., Tiffany & Co. and NetGrocer, Inc. were fair and were reached on an arms-length basis.

The Chairman of the Board of Directors and Chief Executive Officer currently holds $105,000 of the Company's Convertible Demand Notes. Mr. Farrell also owns all of the stock of a privately-held company that owns 115,000 shares of the Company's common stock. The Company believes that the terms and conditions of the financing arrangements were fair.

b) Aggregate Effect of Transactions with Related Parties

The Board of Directors of the Company has reviewed the aggregate effect on operations of the above-described transactions and concluded that such transactions were in the best interest of the Company and on terms as fair to the Company as could have been obtained from unaffiliated parties.

NOTE 11: STOCKHOLDERS' EQUITY

In 2000, the company issued 78,000 shares of restricted common stock for services. The fair market value of the shares on the dates of issue was $74,768 and was expensed in 2000.

Also in 2000, the Company issued 375,000 shares of restricted common stock for settlement of legal claims. The fair market value of the shares on the dates of issue was $87,024 and was expensed in 2000.

Also in 2000, LEC Acquisition LLC acquired 1,523,333 shares of common stock. The fair market value of the shares at the dates of issue was $457,000.

Also in 2000, Sports M&A.com, Inc. acquired 115,000 shares of the common stock. The fair market value of the shares at the dates of issue was $23,000.

In 1999, the Company issued 110,000 shares of restricted common stock for

compensation. The fair market value of the shares at the date of issue was $96,564 and was expensed in 1999.

Also in 1999, the Company issued 345,000 shares of restricted common stock in lieu of payment. The fair market value of the shares at the date of issue was $99,999.

Also in 1999, 5 shares of the Company's preferred stock was converted to 219 shares of common stock. There was no economic effect to the company.

Also in 1999, LEC Acquisition LLC exercised its option to acquire 1,236,099 shares of common stock in exchange for its convertible notes. The fair market value of the shares at the dates of issue was $370,830.

Also in 1999, other 6% convertible notes were exercised at the stated option rate of $0.10 per share. 10,000 shares were issued.

On September 15, 1998, the Company's shareholder's approved a one-for-four reverse stock split. All share data have been retroactively adjusted to give effect to the reverse split as of the first date presented.

A. SERIES A CONVERTIBLE PREFERRED STOCK

In August of 1993, the Company completed the sale of 380,000 shares of Series A Convertible Preferred Stock originally convertible in 14 shares of common stock. Currently, the Preferred Stock is convertible at the holders option at any time into 0.4375 shares of common stock at a conversion price of $22.72 per share after giving effect to the reverse stock splits of 8 to 1 and 4 to 1 on February 24, 1999 and September 15, 1998, respectively. Outstanding Series A Preferred Stock is redeemable by the Company at $10.00 per share plus accrued and unpaid dividends. No warrants are outstanding as of December 31, 2000. The Series A Preferred Stock pays dividends in arrears at an annual rate of $1.00 per share. A conversion bonus equal to $0.25 per share of Series A Preferred Stock converted shall be payable to any holder who converts such shares after the date in any calendar quarter on which dividends accrue and prior to such date for the succeeding calendar quarter.

At December 31, 2000 and 1999, there were 228,516 shares of preferred stock outstanding. Also, at December 31, 2000 and 1999, there were -0- and 1,506,544 warrants outstanding, respectively.

Accrued and unpaid preferred stock dividends were $57,254 at December 31, 2000 and 1999. The preferred stock has unaccrued and unpaid dividends in the amounts of $457,532 and $228,516 for December 31, 2000 and 1999, respectively.

B. WARRANTS AND STOCK OPTIONS

Warrants

On November 30, 1998, the Company and LEC Acquisition LLC, a limited liability company whose managing partner is Ronald G. Farrell, the Company's Chairman and Chief Executive Officer, entered into a Subscription Agreement whereby LEC Acquisition LLC was granted a one year warrant to purchase 6% Convertible Debentures up to an aggregate principal amount of $1,429,170. The 6% Convertible Debentures are convertible into up to an aggregate of 4,763,901 shares of the Company's common stock, such conversion being subject to shareholder approval. On February 17, 1999, the Company's shareholders approved a resolution authorizing the Company to issue such shares upon conversion of the 6% Convertible Debentures. On November 11, 1999, the Board of Directors approved an amendment to the Subscription Agreement to extend the Warrant exercise period to November 29, 2000. On April 25, 2000, the Company granted to LEC Acquisition, LLC a three year warrant to purchase 500,000 shares of the Common Stock of the Company. On August 12, 2000, LEC Acquisition LLC formally notified the Company that it was terminating the Debenture Agreement.

Stock Options

1) Key Employee and Director

Options granted to employees generally vest over a three to five year period and expire five years from the date of grant. Options granted to directors are immediately vested and expire ten years from the date of grant. Under the stock option plans, the exercise price of each option at issuance equals the market price of the Company's common stock on the date of grant.

Additionally, a former officer of the Company has 14,531 options to acquire common stock at an exercise price of $0.32 per share. The options were granted in 1993 in lieu of prospective commissions and were subject to a three-year vesting.

The Company applies APB Opinion No. 25 and related Interpretations in accounting for its plans. Accordingly, no compensation cost has been recognized for its fixed stock option plans in the consolidated financial statements. Had compensation cost for the Company's stock option plans been determined consistent with SFAS No. 123, the Company's net earnings (loss) available to common stockholders and earnings (loss) per common weighted average share would have been reduced to the pro forma amounts indicated below (in thousands, except per share data):

	2000	1999
Net loss available to common stockholders:		
As reported	$(1,472)	$(2,412)
Pro forma	(1,793)	(2,493)
Loss per common weighted average share:		
As reported	$ (0.32)	$ (1.10)
Pro forma	(0.39)	(1.14)

For purposes of calculating the compensation cost consistent with SFAS No. 123, the fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions used for grants in 2000, 1999 and 1998, respectively: dividend yield of 0.0% for each year; expected volatility of 100 percent, 60 percent and 52 percent; risk free interest rates of 6.00%, 6.00%, and 5.83%; and expected lives of one year, three years and five years.

Additional information on shares subject to options is as follows:

	2000		1999	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighte Average Exercis Price
Outstanding at beginning of year	690,781	$ 0.97	415,781	$ 1.1
Granted	2,289,999	0.14	275,000	0.7
Exercised	-0-		-0-	
Forfeited	(83,750)	2.59	-0-	
Outstanding at end of year	2,897,030	0.27	690,781	0.9
Options exer-cisable at year end	2,637,030	0.25	490,781	1.0
Weighted average fair value of options granted during the year		$ 0.14		$ 0.7

The following table summarizes information about stock options outstanding at

December 31, 2000:

Range of exercise prices	Options Outstanding: Weighted Average Number of Shares	Weighted Remaining Contractual Life	Average Exercise Price
$0.10	60,000	9.8 yrs	$0.10
0.13	2,090,000	9.8 yrs	0.13
0.20	10,000	9.8 yrs	0.20
0.31	119,999	6.3 yrs	0.31
0.32	14,531	2.7 yrs	0.32
0.69	300,000	7.9 yrs	0.69
0.75	275,000	4.0 yrs	0.75
0.81	20,000	7.8 yrs	0.81
3.00	7,500	1.2 yrs	3.00
	2,897,030	8.8 yrs	$0.27

Range of exercise prices	Options Exercisable: Number of Shares	Weighted Average Exercise Price
$0.10	60,000	$0.10
0.13	2,000,000	0.13
0.20	10,000	0.20
0.31	49,999	0.31
0.32	14,531	0.32
0.69	200,000	0.69
0.75	275,000	0.75
0.81	20,000	0.81
3.00	7,500	3.00
	2,637,030	0.25

2) Other Options

Options granted to other than employees/directors are accounted for based on the fair value method pursuant to SFAS No. 123 utilizing the Black-Scholes option-pricing method.

The Company issued a warrant to LEC Acquisition, LLC on April 25, 2000 for 500,000 shares of the Company's Common Stock at the purchase price of $0.20 per share. The warrant's term is for three years. The warrants may be exercised in whole or in part.

NOTE 12: MAJOR CUSTOMERS

There are no significant customer relationships remaining after the sale of the lease portfolio.

NOTE 13: EMPLOYEE BENEFIT PLANS

The Company had a qualified 401(k) Profit Sharing Plan (the "Plan") covering all employees of the Company, including officers. During 1998, the Company contributed its required amounts of $49,386 to the Plan on behalf of the Plan's participants. The plan was terminated in 1999.

NOTE 14: SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES

During the year ended December 31, 2000, the Company issued 78,000 shares of common sock in exchange for services valued at $74,768; issued 375,000 shares of restricted common stock to satisfy settlement obligations valued at $87,024.

During the year ended December 31, 1999, the Company issued 110,000 shares of common stock in exchange for services valued at $96,564; converted $522,884 in accounts payable obligations into term notes; issued 345,000 shares of restricted common stock to satisfy accounts payable obligations of $100,000; and assumed $454,073 in liabilities in exchange for $454,073 in assets to be used in connection with the operations of the Traditions Golf Club.

During the year ended December 31, 1998, the Company issued 234,375 shares of common stock pursuant to the cashless exercise of stock options.

NOTE 15: DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The following disclosure of the estimated fair value of financial instruments was made in accordance with Statement of Financial Accounting Standards, "Disclosures about Fair Value of Financial Instruments" ("SFAS No. 107"). SFAS No. 107 specifically excludes certain items from its disclosure requirements such as the Company's investment in leased assets. Accordingly, the aggregate fair value amounts presented are not intended to represent the underlying value of the net assets of the Company.

The carrying amounts at December 31, 2000 and 1999 for receivables, accounts payable, accrued liabilities, notes payable and lines of credit approximate their fair values due to the short maturity of these instruments. As of December 31, 2000 and 1999, the carrying amount of recourse discounted lease rentals of $-0- and $115,941, respectively, approximate their fair values because the discount rates are comparable to current market rates of comparable debt having similar maturities and credit quality.

NOTE 16: 2000 FOURTH QUARTER CHARGES

During the fourth quarter of 2000, the Company recorded a charge of $97,700 to reduce

the carrying amount of certain assets related to discontinued operations. This charge resulted from a decrease in the market value due to obsolescence of the computer equipment held in storage facilities and reduced the carrying value to

$-0-.

During the fourth quarter of 2000, the Company recorded a charge of $128,267 to record the impairment on long-lived assets. This charge reduced the carrying value to $-0-.

NOTE 17: EARNINGS PER COMMON SHARE

In February of 1997, the Financial Accounting Standards Board issued SFAS No 128, "Earnings Per Share" ("SFAS No. 128"). SFAS No. 128 supersedes APB Opinion No. 15 and specifies the computation, presentation and disclosure requirements for earnings per share ("EPS"). It replaces the presentation of "primary EPS" with a presentation of "basic EPS" and "fully diluted EPS" with "diluted EPS". Basic EPS excludes dilution and is computed by dividing income available to common stockholders by the weighted average number of shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock and is computed similarly to fully diluted EPS under APB Opinion No. 15. The following EPS amounts reflect EPS as computed under SFAS No. 128 for the years ended December 31. All share and per share amounts have been retroactively adjusted to reflect the one-for-four reverse stock split which became effective on September 15, 1998:

	2000	1999	1998
Shares outstanding at beginning of period	3,201,711	1,410,393	1,197,268
Effect of issuance of common stock for compensation	74,434	45,342	--
Issuance of common stock in lieu of payment	--	175,535	--
Issuance of common stock for Settlements	165,738		
Sale of stock	1,212,065	553,873	--
Conversion of preferred stock	--	109	--
Issuance of common stock pursuant to private placement transactions	--	--	--
Exercise of stock options		--	32,748
Purchase of treasury stock	--	--	(13,419)
Weighted average common shares outstanding	4,653,948	2,185,252	1,216,597
Net loss	$ (1,471,857)	$ (2,411,691)	$ (3,202,265)
Preferred stock dividends	--	--	--
Net loss available to common shareholders	$ (1,471,857)	$ (2,411,691)	$ (3,202,265)
Loss per common share	$ (0.32)	$ (1.10)	$ (2.63)
Weighted average common shares outstanding	4,653,948	2,185,252	1,216,597
Effect of common shares			

issuable upon exercise of dilutive stock options	--	--	--
Weighted average common shares outstanding assuming dilution	4,653,948	2,185,252	1,216,597
Loss per common share assuming dilution	$ (0.32)	$ (1.10)	$ (2.63)

The following potentially dilutive securities were not included in the computation of dilutive EPS because the effect of doing so would be antidilutive:

	2000	1999	1998
Options	2,897,030	690,781	309,791
Warrants	1,506,544	1,207,075	1,207,179
Convertible preferred stock	99,976	228,516	100,195
Warrants issuable upon conversion of preferred stock if conversion occurred prior to August 4, 1998	--	--	71,568

NOTE 18: SUBSEQUENT EVENTS

In April 2001, the Board of Directors of the Company decided to cease the operations of the Company effective April 6, 2001 due to its economic unfeasibility. The officers of the Company had given notice of their resignation effective April 30, 2001. The officers have rescinded their resignations. The directors of the Company have given notice of their resignation effective April 6, 2001. Mr. Farrell has rescinded his resignation as Chairman of the Board of Directors.

Due to the cessation of business by Golf Entertainment, Inc. on April 6, 2001, the Company sold its subsidiary, GolfBZ.com, Inc., and the related intangible assets to Ronald G. Farrell, the Company's Chairman and Chief Executive Officer, on May 10, 2001 for $25,000.

(a) Exhibits

Exhibit Number	Description

3.1	Certificate of Incorporation.*
3.2	Certificate of Amendment of Certificate of Incorporation, dated June 23, 1995.**
3.3	Certificate of Amendment of Certificate of Incorporation, dated March 20, 1997.******
3.4	By laws.*
4.1	Specimen Common Stock Certificate.*
4.2	Specimen Series A Convertible Preferred Stock Certificate.*
4.3	Specimen Warrant Certificate.*
4.4	Certificate of Designation of Series A Convertible Preferred Stock.*
4.5	Form of Representative's Warrants.*
4.6	Form of Class C Common Stock Purchase Warrant.*****
4.7	Form of Class D Common Stock Purchase Warrant.*****
4.8	Amended and Restated Warrant Agency Agreement Dated as of March 3, 1998, between the Company and American Stock Transfer and Trust Company, as Warrant Agent.*****
10.1	Standard Office Lease - Gross dated April 7, 1995 between the Company and Jack Cason (relating to office space in Clark County, Nevada).**
10.2	1991 Directors' Stock Option Plan.*
10.3	1991 Key Employees' Stock Option Plan.*
10.4	1993 Directors' Stock Option Plan.*
10.5	1993 Key Employees' Stock Option Plan.*
10.6	1994 Stock Option Plan.****
10.7	1996 Stock Option Plan.*****
10.8	1997 Stock Option Plan.******
10.9	Form of 1996 Non-Plan Director Stock Option Agreement.******
10.10	Indemnification Agreement dated as of September 5, 1990 between the Company and Michael F. Daniels.*
10.11	Loan Agreement with Bank of America dated July 11, 1995.***
10.12	Amendment No. 1 to Loan Agreement with Bank of America.***
10.13	Amendment No. 2 to Loan Agreement with Bank of America.***
10.14	Amendment No. 3 to Loan Agreement with Bank of America.***
10.15	Amended and Restated Business Loan Agreement with Bank of America dated February 28, 1997.
10.16	Bank of America Loan Modification Agreement dated July 24, 1997.
10.17	Second Bank of America Loan Modification Agreement dated February 5, 1998.
10.18	Merrill Lynch Line of Credit Agreement.***
10.19	Amendment No. 1 to Merrill Lynch Line of Credit Agreement.***
10.20	Amendment No. 2 to Merrill Lynch Line of Credit Agreement.***

10.21	Letter Agreement and Collateral Installment Note dated as of October 8, 1997 with Merrill Lynch Business Financial Services, Inc.
10.22	Letter Agreement between the Registrant and Excel Bank, N.A. (formerly Union Chelsea National Bank) dated November 27, 1995.***
10.23	Revolving Credit Agreement with Excel Bank, N.A. dated as March 8, 1998.
21	List of Subsidiaries.

(F*) Incorporated by reference to the Company's Registration Statement on Form S-2, as filed with the Securities and Exchange Commission on June 10, 1993, Registration No. 33-64246.

(F**) Incorporated by reference to the Company's Post Effective Amendment No. 1 on Form S-2 to its Registration Statement on Form S-2, as filed with the Securities and Exchange Commission on August 1, 1995, Registration No. 33-93274.

(F***) Incorporated by reference to the Company's 1995 Annual Report on Form 10-KSB/A, as filed with the Securities and Exchange Commission on April 23, 1996, Commission File No. 0-18303.

(F****) Incorporated by reference to the Company's 1994 Proxy Statement, Commission File No. 0-18303.

(F*****) Incorporated by reference to the Company's 1996 Proxy Statement, Commission File No. 0-18303.

(F******) Incorporated by reference to the Company's Registration Statement on Form S-8/S-3, as filed with the Securities and Exchange Commission on June 11, 1997, Commission File No. 333-28921.