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GSI TECHNOLOGIES USA INC /DE  
Form 10QSB  
September 20, 2002

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

FORM 10-QSB

(MARK ONE)

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

For the quarterly period ended JULY 31, 2002.

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

COMMISSION FILE NUMBER: 0-31229

GSI TECHNOLOGIES USA INC.

-----  
(Exact name of small business issuer as specified in its charter)

Delaware 65-0902449

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

2001 McGill College Avenue, Suite 1310, Montreal, Quebec H3A 1G1 Canada

-----  
(Address of principal executive offices)

(514) 940-5262

-----  
(Issuer's Telephone Number, including Area Code)

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [X] Yes[ ] No[ ]

As of March 15th, 2002, there were 25,802,134 shares of the issuer's \$.001 par value common stock issued and outstanding

Transitional Business Disclosure Format (Check one): Yes [ ] No[X]

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For the Quarter Ended July 31, 2002  
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## PART I - FINANCIAL INFORMATION

### Item 1. Financial statements

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GSI TECHNOLOGIES USA, INC.  
BALANCE SHEET  
AT JULY 31, 2002  
(UNAUDITED)

ASSETS  
-----

Current Assets	
Receivables, net (principally related party)	1 624 163
Total current assets	1 624 163
Property and equipment, net	33 008
Intangible assets, net	212 350
Other assets	19 908
TOTAL ASSETS	1 889 428

## LIABILITIES AND STOCKHOLDERS' EQUITY

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Current Liabilities	
Accounts payable	863 390
Notes Payable	80 452
Other current liabilities	116 821
	-----
Total current liabilities	1 060 664
Stockholder's Equity	
Common Stock, class A, \$1.00 par value; authorized 5,000,000 shares; issued and outstanding none	-
Common Stock, class B, \$.001 par value; authorized 55,000,000 shares; issued and outstanding - 25,802,134	25 802
Paid in Capital	5 243 740
Deficit accumulated during the development stage	(4 441 165)
Accumulated other comprehensive income	388
	-----
Total Shareholder's Equity	828 765
 TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	 \$ 1 889 428 =====

Read the accompanying summary of significant accounting notes to  
Financial statements, which are an integral part of this financial statement

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GSI TECHNOLOGIES USA, INC.  
STATEMENT OF OPERATIONS  
FOR THE THREE AND NINE MONTHS ENDED JULY 31, 2002 AND 2001  
(UNAUDITED)

	Three months ended July 31,		Nine months ended July	
	2002	2001	2002	2001
	-----	-----	-----	-----
Revenues	\$ -	\$ 48 750	\$ 23 750	\$ -
Cost of Sales	-	27 977	10 634	-
Gross Profit	-	20 773	13 116	-
Operating Expenses:				
Marketing	-	12 024	24 412	-
Management and administrative fees	-	127 809	1 534	-
Salaries and related costs	-	6 159	38 996	-
Rent	-	129 866	51 426	-
Financing expense	-	-	-	-
Professional fees	-	117 061	9 029	-
Consulting	-	40 246	-	-
Depreciation	973	3 847	2 920	-
Amortization	23 845	24 070	71 537	-
Travel	-	4 256	-	-
Other selling, general and administrative	1 556	70 733	47 396	-

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Total operating expenses	26 374	536 071	247 249
Loss before other income (expense)	(26 374)	(515 298)	(234 133)
Other income (expense):			
Interest income (principally related party)		90 114	
Interest expense (principally related party)	(8 863)	238 470	(17 622)
Foreign exchange gain/(loss)	-	-	(15 960)
Equity in net earnings (loss) of affiliates	-	197 006	-
Total other income (expense)	(8 863)	525 590	(33 582)
Net Loss	(35 237)	10 292	(267 715)
Basic weighted average common shares outstanding	25 802 134	21 076 636	22 869 528
Basic Loss per common share	\$ (0,00)	\$ 0,00	\$ (0,01)

Read the accompanying summary of significant accounting notes to Financial statements, which are an integral part of this financial statement

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GSI TECHNOLOGIES USA, INC.  
STATEMENT OF CASH FLOWS  
FOR THE THREE AND NINE MONTHS ENDED JULY 31, 2002 AND 2001  
(UNAUDITED)

	For the nine months ended July 31,	
	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	\$ (267 715)	\$ (590 562)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	74 457	79 506
Issuance of stock for contract settlement	38 996	5 000
Accrued Interest Expense	12 179	(45 121)
Accrued Interest Income	-	(284 576)
Equity in net earnings (loss) of affiliates	-	(416 414)
Changes in Operating assets and liabilities:		
Receivables and other assets	(4 871)	(69 084)
Accounts Payable and Accrued Liabilities	140 937	163 452
Net cash provided by/(used in) operating activities	(6 019)	(1 157 799)
CASH FLOWS FROM INVESTING ACTIVITIES:		

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Net cash provided by/(used in) investing activities		
Loan Receivable, principally related parties	-	928 421
Purchase of property and equipment	-	(28 376)
	-----	-----
Net cash provided by/(used in) investing activities	-	900 045
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from:		
Notes payable, principally related parties	-	50 000
Sales of common stock	-	225 000
	-----	-----
Net cash provided by/(used in) financing activities	-	275 000
	-----	-----
Effect of exchange rate changes on cash and cash equivalents	-	-
	-----	-----
Net increase (decrease) in cash and cash equivalents	(6 019)	17 246
Cash and cash equivalents, beginning of period	6 019	4 404
	-----	-----
Cash and cash equivalents, end of period	\$ 0	\$ 21 650
	=====	=====

SUPPLEMENTAL SCHEDULE OF NON CASH INVESTING AND FINANCING ACTIVITIES:

None

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GSI TECHNOLOGIES USA, INC.  
(A COMPANY IN THE DEVELOPMENT STAGE)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Unaudited)

JULY 31, 2002

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited condensed financial statements of GSI Technologies USA, Inc. have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and Article 10 of Regulation S-X. The financial statements reflect all adjustments consisting of normal recurring adjustments, which in the opinion of management, are necessary for a fair presentation of the results for the periods shown. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

These financial statements should be read in conjunction with the audited financial statements and footnotes thereto included in GSI Technologies USA, Inc.'s 10K-SB as filed with the Securities and Exchange Commission.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial

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statements and that effect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The accompanying financial statements reflect GSI Technologies USA, Inc. is no longer considered to be in the development stage. From inception (July 06, 1998) through October 31, 2001, The Company was considered to be in the development stage.

### NOTE 2 - REVENUE RECOGNITION

Revenue from sales of display units are recorded at the time the units are delivered. Revenues from sub-licensing the master licensing agreement are recognized over the term of the sub-licensing agreement.

In December 1999, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 101 ("SAB 101"), "Revenue Recognition," which provides guidance on the recognition, presentation and disclosure of revenue in financial statements filed with the SEC. SAB 101 outlines the basic criteria that must be met to recognize revenue and provide guidance for disclosures related to revenue recognition policies. Management believes that GSI Technologies USA, Inc.'s revenue recognition practices are in conformity with the guidelines of SAB 101.

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### NOTE 3 - NET EARNINGS (LOSS) PER SHARE

Earnings (Loss) per common share are calculated under the provisions of SFAS No. 128, "Earnings per Share," which establishes standards for computing and presenting earnings per share. SFAS No. 128 requires the Company to report both basic earnings (loss) per share, which is based on the weighted-average number of common shares outstanding during the period, and diluted earnings (loss) per share, which is based on the weighted-average number of common shares outstanding plus all potential dilutive common shares outstanding. Options and warrants are not considered in calculating diluted earnings (loss) per share since considering such items would have an anti-dilutive effect.

### NOTE 4 - GOING CONCERN

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The Company reported a net loss of \$267,715 for the nine months ended July 31, 2002 (unaudited). Continuation of the Company as a going concern is dependent upon obtaining sufficient working capital for its planned activity. Management of the Company has developed a strategy, which it believes will accomplish this objective through financing, which will enable the Company to operate for the coming year.

### NOTE 5 - STOCKHOLDER'S EQUITY

During the nine-month period ending January 31, 2002, the Company issued 900,000 shares of common stock class B to settle liabilities in the amount of \$87,625. The Company also issued 400,000 shares to the President of the Company to settle unpaid salaries for the period.

## Item 2. Management's discussion and analysis

-----  
Forward looking statements.

This report contains forward-looking statements that are based on the Company's beliefs as well as assumptions made by and information currently available to the Company. When used in this report, the words "believe," "expect," "anticipate," "estimate," and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions, including without limitation, the overall strength of the national securities markets, the Company's present financial condition and the risks and uncertainties concerning the availability of additional capital as and when required, technological changes, increased competition, and general economic conditions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or projected. The Company cautions potential investors not to place undue reliance on any such forward-looking statements, all of which speak only as of the date made.

## Overview

GSI Technologies USA (GSI USA) specializes in offering broadcasting solutions principally for out home advertising, such as electronic billboards, interactive advertising kiosks and any type of animated electronic screens with full video capabilities. GSI USA's software enable user to transmit pin point animated information contact as well as receive full motion video, graphics and audio files. GSI's software and concept allows advertisers to reach more consumer on a daily bases and permits to measure impact of their ads by interacting with consumer.

CSI USA is holder of a worldwide license on technologies. GSI has accomplished all market tests indoor and outdoor and has proved to offer worlds best technologies for advertising applications.

## Results from operations

9 months ending July 31, 2002 and 2001

During GSI's nine months from November 1, 2001 to July 31 2002, GSI USA incurred a loss of \$267,715 or \$.01 per share versus a loss of \$590,562 or .03 per share in the same period in 2001.

## Revenues

\$23,750 in revenue was recognized during the nine-month period, versus \$181,043 for the same period in the prior year. This is related to sub-licensing agreements realized over the respective terms.

## Cost of revenues and direct operating costs

According to the master license agreement with GSI Canada, GSI USA owns 60% of the price of any sub-license it sells to a new licensee. This amount is payable to GSI Canada by the end of the calendar quarter in which the sub-license is granted its sub-license. GSI USA has incurred \$10,634 in direct operating cost for this nine-month period, versus 92,070 for the same period in

the prior year.

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#### Operating expenses

During the nine months ended July 31, 2002, GSI USA has incurred \$247,249 in operating expenses versus \$1,425,646 for the same period in 2001.

#### Other income

During the nine months ending July 31, 2002, zero in interest was earned mainly on the outstanding loan to GSI Canada due to the fact that it has protection from the bankruptcy courts, while \$17,622 in interest was incurred. This amount is principally for loans outstanding.

#### Liquidity and capital resources

At July 31, 2002 GSI USA had zero in cash. Cash used in operating activities during the nine months ending July 31, 2002 was 6,019, which was mainly attributable to the net cash loss from operations plus changes in net operating assets and liabilities.

Cash used by investing activities during the period reflects additional short-term loans to GSI Canada in the amount of \$0.

Cash provided from financing activities during the period was zero.

The result of all activities during the nine-month period ending July 31, 2002 was a net decrease of \$6,019 in our cash position.

#### MANAGEMENT DISCUSSION AND ANALYSIS

##### GSI USA

We have completed our restructuring program, concentrating on our core business to serve, inform and communicate with the consumer in its daily environment, offering information media content out of home as well as providing services to citizens customized to their needs on a day-to-day basis.

After a 2 year beta testing, in real, in real market application, our affiliate GSI CANADA through its R&D Center and team has learned a great deal of experience, by managing a network of 32 City Columns through the Ivanoh Shopping Malls' network in Canada.

After unfortunate September 11th events, we concentrated on trying to improve our concept to allow our 2-way software multimedia pack to become a tool and information center in the event of any public crisis. The defense department has recently published a 2000 pages report on lack of communications on September 11th events.

Our vision is to deploy a wide network of kiosks in public areas such as airports, malls, offices building, postal offices, subways, government offices etc.

Our R&D team enhances our software modular applications, allowing to install cameras integrated in our units offering monitoring sources to serve authorities



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and prompt reaction informational capabilities in the event of any security problems.

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On June the 5th and the 6th, 2002, we were exhibitors in the homeland defense and security show in Wahsington D.C. featuring our new Servi Column product. We have a great deal of interest for our product by many government department and public authorities.

In our last 10Q, we disclosed our negotiations with Boston based corporation Bio Defense integrating the mail defender product in our Servicolumn to be installed in post offices' network.

We are currently pursuing presentations to postal communities worldwide.

Based on a Montreal agreement between GSI TECHNOLOGIES USA Inc and Bio Defense, we have no longer exclusive licensing agreement to distribute the mail defender units in our network. Our affiliate GSI Canada has not concluded manufacturing assembly contract with Bio Defense. Both parties have mutually agreed to suspend negotiations till further notice.

The Board of Directors of GSI TECHNOLOGIES USA Inc is considering negotiating the potential acquisition of our affiliate after restructuring program is completed.

The benefits of Government programs are tremendous and represent a leading edge value for the benefit of GSI TECHNOLOGIES USA shareholders.

All operations research, broadcast and engineering are now operated by GSI CANADA.

All sales and licensing are performed by GSI TECHNOLOGIES USA Inc.

Our Cash requirements for the next quarter represent approximately \$150,000.00 in total. We are currently negotiating with financial institutions as well as investment bankers and sophisticated investors to seek for more capitalization.

Our administrative officers were still trying to conclude final agreement with Stellar Holdings, and are evaluating the potential of our mutual venture.

### Investment in affiliates

As of March 2nd 2002, GSI TECHNOLOGIES USA had no longer any investments in affiliate.

### Product sales, distribution and provision of services

Our affiliate GSI Canada R&D's team have completed tremendous break through in GSI's software of version 2.0 with modular applications of the managing and scheduling module allowing to monitor on a day to day bases the sales and hits per day. The engineers continue to enhance the capabilities of the software integrating interactive capabilities for the consumer to respond to the content messages and animated advertising.

It allows advertisers to measure impact of their marketing campaign through network pinpoint consumer environment.

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Our affiliate continues to benefit from tax credit program, and is completing an anticipated demand of incomes from Canadian government for 2002's benefits.

The R&D's team has developed a large experience in managing networks of interactive advertising modules and finished the development of specific units such as:

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- City column, indoor display unit 3 faces advertising screen, with interactive touch screen unit and Internet access. These 32 units are in operation and have given results over the past 2 years in the shopping center environment.
- Transa Column, has 2 faces display unit with Internet kiosk and integrating ATM bank terminal. The target market is directly oriented to offer multi transactional capabilities for banking services as well as E-com transactions supported by advertising broadcast content. The consumer can use the units to pay bills, make a transaction, withdraw cash and take E-Mails and Internet access. We have completed a market study with banking institutions and identify the need for such product in North America as well as Europe. We are currently negotiating with Canada Post and some banks the implementation of a large network in North America. We believe that we will conclude before the end of the next quarter.
- Sky Column, full outdoors video LED screens for high traffic areas bill board size. We have been managing this type of screens for over 5 years and a half.
- Digicolumn, display kiosk using plasma screen, technology integrated in totem supports, vertical and horizontal applications.
- I Column, the latest technology, 15 inches LED screen integrating computer to the back of the screen on a very robust industrial application. We have made recent sales of 150 units in indoor and outdoor market. The hype around this product allows us to fit units in various position to generate instant impulses to buy in stores, kiosks, restaurants, airports in a cash counter area.

Our objective is to ramp up revenues from sales of units as well as revenues from broadcasting technical support maintenance, production of content and consulting contracts.

In any of these sales the media operator must buy from GSI software license as well as sub license for using the concept in each respective markets.

In April 2001, GSI USA sold a license to the More Group in United Kingdom division of Clear Channel International. More Group has deployed its first installations of Sky columns in city of Swindom and Bristol.

The GSI's server system has been installed successfully in England. Our software has been running the operations with great satisfaction from the More Group.

In September 2001, the Dauphin Group in France division of Clear Channel International acquired a technologies license for its territory.

On March 7th, GSI USA received a purchase order from Dauphin to install server system in Paris and service contract for monitoring the broadcast network. Our engineers have instaled the systems on the week of March 18th 2002.

Clear Channel is counting on the 2 pilots projects in UK and France to move the concept worldwide. If these projects are successful, the advertising group will

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deploy a worldwide network.

On August 15, 2002, Adshel Clear Channel, has given to GSI TECHNOLOGIES USA INC. an R&D contract to develop specific modular applications to our software.

We are currently negotiating with Adshel a 3-year contract for R&D to serve and develop the Adshel business plan and deployment of their electronic advertising contract.

GSI is very proud to serve the Clear Channel Group and very happy to be the official supplier retained by this giant media group.

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Our management team has reoriented their sales targets and strategies. We have put together an aggressive sales plan for United States by putting together partnerships ventures, including specific high profile corporation acting respectively in their field of activities such as:

- Media Operator sales group
- Banking institution
- Information content, media broadcaster
- Property owner, governments, public institutions for locations
- GSI USA product & Systems

By joining these forces together based on our past experience, service units driven by advertising revenues and services create multi revenue potential, using the power of each respective partner.

Now, that we have completed our pilot projects and business sales strategies, we have focused and trained our sales staff to penetrate the United States market.

In July 2002, GSI TECHNOLOGIES USA INC. has completed a licensing agreement with Californian based corporation SN ENTERTAINMENT. The agreement is a 10-year exclusive licensing agreement to allow SN ENTERTAINMENT to install electronic advertising screen network in the adult business environment. SN ENTERTAINMENT has concluded for the first phase a leasing agreement to install 250 plasma screens in men's adult clubs. The potential of the adult market is very impressive.

### PART II - OTHER INFORMATION

#### Item 1. Legal proceedings

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##### Legal proceeding

On December 15, 2000, we signed an agreement with the Quebec Securities Commission to conform to filing requirements for any sales of shares to residents of the Province. Our former President also agreed that the sale of any shares directly by himself or shares owned by companies in which he has an interest would be in conformity with the filing requirements in the jurisdiction of Quebec.

On September 2001, we concluded a partial settlement with the Quebec Securities for the release of promissory notes.

We remain party to one proceeding initiated by another party, Mr. Jacques Biron, against GSI Canada, GSI, our President and others in the Superior Court

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of the Province of Quebec, District of Montreal. An amount of \$98,766 in Canadian dollars has been claimed for our alleged failure to pay a commission and consequent damages relating to negotiations with GSI Canada for an acquisition. We have retained legal counsel in Montreal, Mr. Marc Cote of Labelle, Boudrault, Cote & Associates, who advises that, in his opinion, Mr. Biron's case against the company is without merit; that he has no right in law to sue GSI Technologies USA Inc.

On September 2001, we received a law sue from Mr. Alex Zervakos a former employee of GSI USA. Our lawyer in Quebec is negotiating with the adverse party in order to resolve this matter.

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During the last quarter, GSI USA received two law suits from former employees. Although, an understanding was reached with the two employees, they change their opinion later on, and filed in small claims courts. After review from our lawyers a motion to set aside default judgments continue cases. Consolidate cases and transfer to circuit court was deposited and accepted. We are waiting date for trial on settlement.

### Item 2. Changes to authorized shareholders' capital

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None

### Item 3. Defaults upon senior securities

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None.

### Item 4. Submission of matters to vote of security holders

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None.

### Item 5. Other information

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Late filing 10K

On February 4th, 2002, we became delinquent because we was late filing our annual 10K report. Our ticker symbol changed then from GSITB to GSIBE.

Since we have changed management of the corporation and reorganized the financial structure of the corporation, we were late filing our annual report 10K.

On March 5th, 2002, we were temporarily delisted from the OTCBB.

On March 8th, 2002, we have filed our 10K report.

We have appointed a market maker to fill in a c-211 form and will are still working directly with the NASD department to resolve that matter and anticipate that we will be relisted soon.

We now file our quarterly report 10Q on time and will do so in the future.

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Item 6. Exhibits and reports on Form 8-K  
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The following exhibits are contained in this 10-QSB:

None.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: September 18, 2002

GSI TECHNOLOGIES USA INC.

By: /s/ Rene Arbic  
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Rene Arbic  
Chief Executive Officer

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September 18, 2002

To: Mark Cohen, C.P.A.

In connection with your review of the balance sheet and related statements of income, retained earnings and cash flows of GSI Technologies USA, Inc. as of July 31, 2002 and for the purpose of expressing limited assurance that there are not material modifications that should be made to the statements in order for them to be in conformity with generally accepted accounting principles (or other comprehensive basis of accounting), we confirm, to the best of our knowledge and belief, the representations made to you during your review.

1. The financial statements referred to above present the financial position, results of operations, and cash flows of GSI Technologies USA, Inc. in conformity with generally accepted accounting principles. In that connection, we specifically confirm that -

- a. The Company's accounting principles and the practices and methods followed in applying them, are as directed in the financial statements.
- b. There have been no changes during the period from November 01, 2000 to July 31, 2002 in the Company's accounting principles and practices.

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- c. We have no plans or intention that may materially affect the carrying amounts or classifications of assets and liabilities.
  - d. There are no material transactions that may materially affect the carrying amounts or classifications of assets and liabilities.
  - e. There are no material losses (such as from obsolete inventory or purchase or sales commitments) that have not been properly accrued or disclosed in the financial statements.
  - f. There are no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, and there are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed. Also, we are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with Financial Accounting Standards Board Statement No. 5, Accounting for Contingencies, and we have consulted a lawyer concerning litigation claims, or assessments.
  - g. The Company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged, except as disclosed in the financial statements.
  - h. There are no related party transactions including sales, purchases, loans, transfers, leasing arrangements, guarantees, and amounts receivable or the payable to related parties that have not been properly disclosed in the financial statements.
  - i. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
  - j. To the best of our knowledge and belief, no events have occurred subsequent to the balance-sheet date and through the date of this letter that would require adjustment to or disclosure in the financial statements.
  - k. We have no knowledge of concentrations existing at the date of the financial statements that make the entity vulnerable to the risk of near-term severe impact that have not been properly disclosed in the financial statements. We understand that concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
  - l. Management has identified all significant estimates used in the preparation of the financial statements.
2. We have advised you of all actions taken at meetings of stockholders, board of directors, and committees of the board of directors, (or other similar bodies, as applicable) that may affect the financial statements.
3. We have responded fully to all inquiries made to us by you doing your review.

/s/ Rene Arbic

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Rene Arbic - President