

AMERIRESOURCE TECHNOLOGIES INC

Form 10-Q

May 20, 2008

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

FORM 10-Q

☒ Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the quarterly period ended March 31, 2008 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: 000-20033

AMERIRESOURCE TECHNOLOGIES, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation  
or organization)

84-1084784  
(I.R.S. Employer Identification No.)

3440 E. Russell Rd., Suite 217, Las Vegas,  
NV 89120

(Address of principal executive offices,  
including zip code)

(702) 214-4249

(Registrant's telephone number, including  
area code)

<http://www.ameriresourcetechologies.com>  
(Registrant's URL)

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 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 ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input checked="" type="checkbox"/>
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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares of common stock outstanding as of May 12, 2008 was 6,093,958,308.



\*EXPLANATORY NOTE - The Company filed an Amendment No. 1 to its Form 10-QSB to amend its Quarterly Report on Form 10-QSB for the quarter-ended March 31, 2007, ("the Original Filing"), in order to amend and restate the financial statements and related disclosures for matters related to the following previously report items: reversal of the original recording of the gain on extinguishment of debt associated with the settlement agreement between American Factors Group, LLC ("AFG"), AmeriResource Technologies, Inc., ("The Company"), and Delmar Janovec, (CEO/President), as a result of all cash considerations for the discharge of debt not being satisfied to derecognize the liability in accordance with Statement of Financial Accounting Standards Board No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities ("SFAS 140"), in addition to the Company discovering that during the Edgar process amounts reported within operating expenses in the Consolidated Statements of Operations within its Report on Form 10-QSB/A for the quarter-ended March 31, 2007, were transmitted with clerical errors.

Correction of the clerical errors discussed above resulted in no change to the previously reported operating loss, net loss, basic and diluted loss per share, operating cash flows, financing cash flows, or the decrease in cash for the quarter ended March 31, 2007. Additionally, the correction of the clerical errors resulted in no change to the equity or earnings (loss) per share made at the time of the Original Filing. Except as required to reflect the effects of the items described above, no additional modifications or updates in this Amendment have been made to the Original Filing.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

As used herein, the term “Company” refers to AmeriResource Technologies, Inc., a Delaware corporation, and its subsidiaries and predecessors, unless otherwise indicated. Consolidated, unaudited, condensed interim financial statements including a balance sheet for the Company as of the quarter ended March 31, 2008, statement of operations, and statement of cash flows for the interim period up to the date of such balance sheet and the comparable periods of the preceding year are attached hereto beginning on Page F-1 and are incorporated herein by this reference.

The condensed consolidated interim financial statements included herein, presented in accordance with United States generally accepted accounting principles and stated in US dollars, have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

These statements reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management are necessary for fair presentation of the information contained therein. It is suggested that these condensed consolidated interim financial statements be read in conjunction with the financial statements of the Company for the year-ended December 31, 2007, and notes thereto included in the Company's Form 10-KSB annual report. The Company follows the same accounting policies in the preparation of interim reports.

AMERIRESOURCE TECHNOLOGIES INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

As of March 31, 2008

(Unaudited)

Current Assets:		
Cash	\$	133,703
Accounts receivable		13,705
Interest receivable		55,000
Prepaid expenses		6,000
Inventory		151,458
Note receivable		16,265
Total Current Assets		376,131
Fixed Assets		
Fixed assets at cost		222,733
Accumulated depreciation		(82,653)
		140,080
Other Assets		
Notes receivable - Long term		475,000
Investment in marketable securities		850,000
Intangible assets - net of accumulated amortization		123,099
Goodwill		507,496
Deposits		25,282
		1,980,877
Total Assets	\$	2,497,088

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current Liabilities:		
Accounts payable	\$	319,812
Accrued expenses		328,080
Accrued interest		338,093
Note Payable - related party		602,364
Note Payable		900,550
Total Current Liabilities		2,488,899
Other Liabilities		
Contingencies and commitments		250,571
Note payable		510,100
Total Other Liabilities		760,671
Total Liabilities		3,249,570

STOCKHOLDERS' DEFICIT

Preferred stock, \$.001 par value; 10,000,000 shares authorized		
Class A, issued and outstanding, 131,275 shares		131
Preferred stock, \$.001 par value; 10,000,000 shares authorized		
Class B, issued and outstanding, 177,012 shares		177
Preferred stock, \$.001 par value; 1,000,000 shares authorized		
Class C, issued and outstanding, 1,000,000 shares		1,000
Preferred stock, \$.001 par value; 750,000 shares authorized		

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Class D, issued and outstanding, 250,000 shares	250
Common stock, \$.0001 par value; 50,000,000,000 shares authorized; 4,151,574,238 shares issued and outstanding	415,157
Additional paid-in Capital	23,038,827
Comprehensive loss on marketable securities	(3,108)
Retained deficit	(24,001,447)
Minority interest	(203,469)
Total Stockholders' Deficit	(752,482)
Total Liabilities and Stockholders' Deficit	\$ 2,497,088

The accompanying notes are an integral part of these financial statements.

AMERIRESOURCE TECHNOLOGIES INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF OPERATIONS FOR  
THE THREE MONTHS ENDED MARCH 31, 2008 AND 2007  
(Unaudited)

	Three Months Ended March 31,	
	2008	2007
Revenues	\$ 1,092,092	\$ 471,353
Cost of goods sold	854,155	325,568
Gross profit	237,937	145,785
Operating expenses:		
Selling, general and administrative expenses	208,736	189,568
Salaries	158,552	194,316
Legal and professional	88,919	62,311
Consulting	875,595	461,873
Depreciation and amortization	13,169	18,582
Total operating expenses	1,344,971	926,650
Other income and expenses:		
Interest income	60,000	71
Interest expense	(738,077)	(16,598)
Total other income and expenses	(678,077)	(16,527)
Minority interest	228,530	310,590
Net loss before income tax provision	(1,556,581)	(486,802)
Income tax provision	-	-
Net loss	\$ (1,556,581)	\$ (486,802)
Net loss per common share	\$ (0.00)	\$ (0.06)
Weighted average common shares outstanding	1,208,642,571	7,818,721

The accompanying notes are an integral part of these financial statements.



AMERIRESOURCE TECHNOLOGIES INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
THE THREE MONTHS ENDED MARCH 31, 2008 AND 2007  
(Unaudited)

	Three Months Ended March 31,	
	2008	2007
Cash flows from operating activities:		
Net loss	\$ (1,556,581)	\$ (486,802)
Adjustment to reconcile net loss to cash used in operations:		
Stock issued to pay expenses (company and affiliate stock)	976,829	437,171
Depreciation	13,169	18,582
Minority interest	(228,530)	(310,590)
Interest expenses booked, not paid	590,000	
Change in operating accounts		
Accounts receivable	(13,405)	-
Accounts payable	(67,362)	(43,854)
Inventory	(32,238)	23,957
Accrued expenses	201,769	44,940
Net cash used in operating activities	(116,349)	(316,596)
Cash flows from investing activities:		
Purchase of assets	(5,976)	(10,247)
Net cash used for investing activities	(5,976)	(10,247)
Cash flows from financing activities:		
Proceeds from the sale of common stock	-	775,000
Cash payments on loans	-	(264,978)
Cash received on note receivable	25,000	-
Proceeds from loans	75,000	-
Net cash provided by financing activities	100,000	510,022
Increase (Decrease) in cash	(22,325)	183,179
Cash - Beginning of the period	156,028	93,637
Cash - March 31	\$ 133,703	\$ 276,816

The accompanying notes are an integral part of these financial statements.

AMERIRESOURCE TECHNOLOGIES, INC.  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2008  
(Unaudited)

NOTE 1 – DESCRIPTION OF BUSINESS

As used herein, the term “Company” refers to AmeriResource Technologies, Inc., a Delaware corporation, and its subsidiaries and predecessors, unless the context indicates otherwise. The Company was formerly known as KLH Engineering Group, Inc. (“KLH Engineering”), which was incorporated on March 3, 1989 to provide diversified engineering services throughout the United States. KLH Engineering changed its name to AmeriResource Technologies, Inc. on July 16, 1996. Although the Company’s operations have historically consisted of providing engineering and construction services, the Company closed and/or sold off its engineering subsidiaries due to continued losses in 1996. The Company then began to focus on locating viable businesses that were in a niche market, had assets and revenues, and had the desire or need to become an operating subsidiary of a Public Company

NOTE 2 – BASIS OF PRESENTATION

The accompanying unaudited and condensed consolidated financial statements included herein have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP), for interim financial statements, and pursuant to the instructions for Form 10-Q, and Item 310 (b) of Regulation S-B of the Securities and Exchange Commission. Accordingly, the statements do not include certain information and footnote disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles in the United States of America have been condensed or omitted. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2008, and March 31, 2007, are not necessarily indicative of the results that may be expected for the fiscal year-ended December 31, 2008. For further information, the statements should be read in conjunction with the financial statements and notes thereto included in the Company’s Annual Report on Form 10-KSB for the fiscal year-ended December 31, 2007. The Company follows the same accounting policies in the preparation of interim reports.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the reporting period. In these financial statements assets and liabilities involve extensive reliance on management’s estimates. Actual results could differ from those estimates.

AMERIRESOURCE TECHNOLOGIES, INC.  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2008  
(Unaudited)

NOTE 2 – BASIS OF PRESENTATION - (Continued)

Principles of consolidation

The condensed consolidated financial statements include the combined accounts of AmeriResource Technologies, Inc., West Texas Real Estate & Resources', Inc., RoboServer Systems, Inc., Self-Serve Technologies, Inc., Net2Auction Corporation, Auction Wagon Inc., BizAuctions, Inc., BizAuctions Corp., Business Auctions, Inc., and VoIPCOM USA, Inc. All material intercompany transactions and accounts have been eliminated in consolidation.

Earnings (Loss) per common share

Basic earnings (loss) per common share are calculated by dividing net income (loss) by the weighted average shares of common stock outstanding during the period. Options, warrants, and convertible debt outstanding are not included in the computation because the effect would be antidilutive.

NOTE 3 – GOING CONCERN UNCERTAINTY

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. The Company has incurred continuing losses and has not yet generated sufficient working capital to support its operations. The Company's ability to continue as a going concern is dependent, among other things, on its ability to reduce certain costs, increase sales and revenues, obtain additional financing through equity, and eventually, attaining a profitable level of operations.

It is management's opinion the going concern basis of reporting its financial condition and results of operations is appropriate at this time. The Company plans to increase cash flows through increased revenues, reduce expenses through consolidation, and purchase additional revenue producing assets through equity, and the sale or closure of unprofitable subsidiary operations.

AMERIRESOURCE TECHNOLOGIES, INC.  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2008  
(Unaudited)

NOTE 4 – STOCKHOLDERS' DEFICIT

Common stock

The Company is authorized to issue Fifty Billion (50,000,000,000) shares of Common Stock and Ten Million (10,000,000) shares of preferred stock ("Preferred Stock"), as of March 31, 2008. The Company filed with the State of Delaware an Amendment to the Articles of Incorporation whereby increasing the authorized from Three Billion (3,000,000,000) to Fifty Billion (50,000,000,000) that became effective on March 7, 2008. Please see Item 4. Submission of Matters to a Vote of Security Holders, for additional information. As of March 31, 2008, there were approximately 4,151,574,238 shares of Common Stock issued and outstanding.

In February of 2002, the Company approved a 100 for 1 reverse stock split, and in December of 2004, the Company approved a 40 for 1 reverse stock split, and in November of 2007, the Company approved a 50 for 1 reverse stock split. The shares are shown after the reverse stock splits. During the first quarter of 2008, the Company issued a total of 3,992,420,000 shares of common stock as follows:

The Company issued 3,774,735,000 shares of common stock for consulting services valued at \$875,595.

The Company issued 217,685,000 shares of common stock for legal and professional services valued at \$88,919.

On January 2, 2008, the Board of Directors of the Company authorized and caused to be filed amendment no. 1 to the S-8 Registration Statement on Form S-8 whereby, increasing the Company's Stock Incentive Plan by an additional 1,200,000,000 shares of common stock of the Company.

On February 15, 2008, the Board of Directors of the Company authorized and caused to be filed amendment no. 2 to the S-8 Registration Statement on Form S-8 whereby, increasing the Company's Stock Incentive Plan by an additional 1,500,000,000 shares of common stock of the Company.

On March 12, 2008, the Board of Directors of the Company authorized and caused to be filed an amendment no. 3 to the S-8 Registration Statement on Form S-8 whereby, increasing the Company's Stock Incentive Plan by an additional 7,000,000,000 shares of common stock of the Company.

At May 12, the Company had 6,093,958,308 shares of common stock issued and outstanding.

AMERIRESOURCE TECHNOLOGIES, INC.  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2008  
(Unaudited)

NOTE 4 – STOCKHOLDERS' DEFICIT - (Continued)

Preferred stock

Both Series A and B preferred stock bear a cumulative \$.125 per share per annum dividend, payable quarterly. The shareholders have a liquidation preference of \$1.25 per share, and in addition, all unpaid accumulated dividends are to be paid before any distributions are made to common shareholders. These shares are subject to redemption by the Company, at any time after the second anniversary of the issue dates (ranging from August 1990 through December 1995) of such shares and at a price of \$1.25 plus all unpaid accumulated dividends. Each preferred share is convertible, at any time prior to a notified redemption date, to one common share. The preferred shares have equal voting rights with common shares and no shares were converted in the period ending March 31, 2008. Dividends are not payable until declared by the Company.

On February 22, 2002, the Company filed a "Certificate of Designation" with the Secretary of State with the State of Delaware to designate 1,000,000 shares of its Preferred Stock as "Series C Preferred Stock". Each share of the Series C Stock shall be convertible into common stock of the Company based on the stated value of the \$2.00 divided by 50% of the average closing price of the Common Stock on five business days preceding the date of conversion. Each share of the outstanding Series C Preferred shall be redeemable by the Corporation at any time at the redemption price. The redemption price shall equal \$2.00 per share with interest of 8% per annum. The holders of the Series C is entitled to receive \$2.00 per share before the holders of common stock or any junior securities receive any amount as a result of liquidation.

On February 22, 2002, the Company filed a "Certificate of Designation" with the Secretary of State of the State of Delaware to designate 750,000 shares of its Preferred Stock as "Series D Preferred Stock". Each share of the Series D Stock shall be convertible into one share of common stock of the Company. Each share of the outstanding Series D Preferred is redeemable by the Corporation at any time at the redemption price. The redemption price shall equal \$.001 per share with interest of 8% per annum. The holders of the Series D is entitled to receive \$.001 per share before the holders of common stock or any junior securities receive any amount as a result of liquidation.

AMERIRESOURCE TECHNOLOGIES, INC.  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2008  
(Unaudited)

## NOTE 4 – STOCKHOLDERS’ DEFICIT - (Continued)

On December 19, 2005, the Company filed a “Certificate of Designation” with the Secretary of State of Delaware to designate 1,000,000 shares of the Preferred Stock as “Series E Preferred Stock”. Each share of the outstanding Series E Preferred shall be convertible into common stock of the Company based on the stated value of the \$0.50 divided by 50% of the average closing price of the Common Stock on five business days preceding the date of conversion. Each share of the outstanding Series C Preferred shall be redeemable by the Corporation at any time at the redemption price. The redemption price shall equal \$0.50 per share with interest of 8% per annum. The holders of the Series E is entitled to receive \$0.50 per share before the holders of common stock or any junior securities receive any amount as a result of liquidation.

## NOTE 5-NOTE RECEIVABLE

As of March 31, 2008, the Company had the following amounts as notes receivables.

Note receivable of \$6,065 from First Americans Mortgage Corp, bearing interest at the prime rate, principal and interest payable on demand.

Note receivable of \$10,000 in principle from Candwich Food Distributors with interest of \$1,500 with principle and interest due on August 10, 2008.

Collateralized Promissory Note of \$500,000 from JMJ Financial with Maturity Date of January 8, 2012.

Total Notes Receivables	\$ 491,265
Less current portion	\$ 16,265
Long term notes receivable	\$ 475,000

## NOTE 6- NOTE PAYABLE

The Company had the following notes payable as of 3/31/08.

Line of Credit, dated March 25, 2007, interest is Prime plus 3%, due and payable March 10, 2008.

Note was extended until March 10, 2009. \$ 100,050

American Factors Group Settlement Agreement dated March 27, 2006, revised in March 2007, July, 2007, and March 15, 2008. Note is due on December 31, 2008. \$ 172,000

Note dated April 12, 2005, interest is prime plus 3% originally due on November 12, 2005, extended through November 4, 2007, convertible into 20,000,000 shares of VoIPCOM USA, Inc., common stock. Note was converted on April 7, 2008 into 21,600,000 shares of common restricted stock that included principal and interest. \$ 80,000

Note dated June 29, 2007, interest is 3% per month, due and payable on or before December 31, 2007. Note has been extended to June 30, 2008. \$ 109,500

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Note dated May 8, 2006, interest is 12%, due and payable on May 8, 2008, convertible into RoboServer common stock at \$0.01, per share. Note will be converted on or before May 8, 2008 into 10,000,000 shares of RoboServer common stock.	\$ 100,000
Note dated June 28, 2006, interest is 10% due and payable on June 28, 2008, convertible into BizAuctions common stock at \$0.01, per share. Note will be converted on or before June 28, 2008 into 12,500,000 shares of BizAuctions common stock.	\$ 125,000
Note dated May 29, 2007 was due and payable on November 30, 2007. Note was amended on December 17, 2007 and extended to December 17, 2010. Interest is 10% per year and is convertible into common stock at the option of the lender.	\$ 35,000
Note dated December 13, 2007 due and payable on December 13, 2010. Interest is 10% per year and is convertible into common stock at the option of the lender	\$ 37,000
Note dated July 9, 2007, interest is \$611.11 per day with interest paid through September 1, 2007.	\$ 100,000
Convertible Promissory Note due on the maturity date of January 8, 2011 with a one-time interest charge of 12% of the principle amount. Principle and interest is convertible into common stock of the company.	\$ 495,100
Convertible Promissory Note due on the maturity date of January 8, 2011, with a one-time interest charge of 12% of the principle amount. Principle and interest is convertible into common stock of the company.	\$ 75,000
Total notes payable	\$ 1,410,650
Less current portion	(900,550)
Long-term portion	\$ 510,100

AMERIRESOURCE TECHNOLOGIES, INC.  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2008  
(Unaudited)

NOTE 6- NOTE PAYABLE - (CONTINUED)

Maturities of notes payable as March 31, 2008, are as follows:

2008	\$ 900,500
2009	\$ 100,000
2010	\$ 410,100
2011	\$ -0-

NOTE 7 – BENEFICIAL CONVERSION FEATURE

On January 8, 2008, the Company entered into a Convertible Promissory Note with a principal amount of \$90,000. The note contains an embedded beneficial conversion feature and accordingly, based on EITF 98-5, the Company has determined the intrinsic value, and recorded additional interest expense and increased the Additional Paid-in Capital to reflect this. The note is convertible into common stock at the rate of ½ of the average 3 lowest stock prices for the preceding 20 trading days. The intrinsic value was determined to be \$122,903 at the commitment date. Based on EITF 98-5, the additional interest expense and increased Paid-In Capital is limited to the note amount (\$90,000).

On January 8, 2008, the Company entered into a Convertible Promissory Note with a principal amount of \$500,000. The note contains an embedded beneficial conversion feature and accordingly, based on EITF 98-5, the Company has determined the intrinsic value, and recorded additional interest expense and increased the Additional Paid-in Capital to reflect this. The note is convertible into common stock at the rate of ½ of the average 3 lowest stock prices for the preceding 20 trading days. The intrinsic value was determined to be \$682,796 at the commitment date. Based on EITF 98-5, the additional interest expense and increased Paid-In Capital is limited to the note amount (\$500,000).

note 8– COMMITMENTS AND CONTINGENCIES

The Company, from time to time, may be subject to legal proceedings and claims that arise in the ordinary course of its business. The Company is currently covered adequately for workmen's compensation, business property & casualty insurance, and general liability meeting the standard limits which are customary in the industry.



AMERIRESOURCE TECHNOLOGIES, INC.  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2008  
(Unaudited)

NOTE 8— COMMITMENTS AND CONTINGENCIES - (CONTINUED)

American Factors Group, L.L.C. vs. AmeriResource Technologies, Inc., et al. This case was filed in the United States District Court, District of New Jersey, Case Number 3:97cv01094(GEB). In February 2000, the parties stipulated to the dismissal of certain claims in this suit with prejudice. This stipulation dismissed all of the claims in this suit except for the claims against defendants Rod Clawson, Michael Cederstrom and Tim Masters. These remaining claims were resolved pursuant to a Settlement Agreement, which has been subsequently amended. The Settlement Agreement provided for the payment by the Company and Delmar Janovec of certain obligations and judgments entered against the defendants. The Company and Delmar Janovec, and AFG entered into a Settlement Agreement on March 27, 2006, which was amended on March 14, 2007, and subsequently on March 15, 2008, pursuant to the following terms:

AMENDMENT #2 TO SETTLEMENT AGREEMENT

Amendment dated as of March 15, 2008 to Settlement Agreement dated July 12, 2007 (the “Agreement”) between American Factors Group LLC (“AFG”), AmeriResource Technologies, Inc. (“ARRT”), and Delmar Janovec (“Janovec”).

1. The date on which the \$222,000 owing by ARRT and Janovec pursuant to the Agreement is hereby extended to December 31, 2008.
2. AFG waives all prior defaults by ARRT and Janovec of their obligations under the Agreement.
3. The parties acknowledge that the debt and the note evidencing it have been assigned by Nancy Hood Robins to Payroll Funding Company, LLC. Payment of the debt is to be made to the assignee in good funds wired to the following account:

PAYROLL FUNDING COMPANY, LLC  
3440 EAST RUSSELL ROAD  
LAS VEGAS NEVADA 89120  
BANK WEST OF NEVADA

For additional information regarding the AFG, AMRE, and Janovec Settlement Agreements can be viewed under the Company’s 8-K filing on March 31, 2006, and as an Exhibit 10.1 to the Company’s Form 10-KSB filed on April 15, 2005, on the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov).

AMERIRESOURCE TECHNOLOGIES, INC.  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2008  
(Unaudited)

NOTE 8- COMMITMENTS AND CONTINGENCIES-(CONTINUED)

Auction Boulevards-Green Endeavors LTD., formerly Net2Auction, Inc., office located at 17412 Ventura Boulevard, Encino, CA 91316 consists of approximately 700 sq. ft. of office space and 800 sq. ft. of warehouse space for \$3,419. The office lease extends through December 31, 2008. The Company is currently working with a leasing agent in Encino for the sublease of the space to another business.

The engineering and sales office of RoboServer and Self-Serve Technologies consists of approximately 2,000 sq. ft. and is located at 10979 San Diego Mission Rd., San Diego, CA 92108. The office is subject to a lease that runs through September 30, 2008 at \$2,011 per month with an option to extend for an additional one (1) year with an increase of four (4) percent. RoboServer is subleasing the office from Net2Auction Corporation at the cost of the lease.

The Company's subsidiary, Net2Auction Corporation, currently subleases the second office-warehouse space at 10969 San Diego Mission Rd., San Diego, California 92108 to AuctionWagon, Inc. AuctionWagon leases approximately 750 sq. ft. of office space for \$1.48 per sq. ft. on a month to month lease. The lease runs through September, 30, 2008 at \$2,268 per month.

The Company's subsidiary, Net2Auction Corporation and BizAuctions, Inc., on July 18, 2006, entered into a Lease Agreement ("Lease") with Mars Enterprises, Inc. for the premises located at 1510 Corporate Center Drive, San Diego California. The Lease term is for three (3) years and three (3) months and the Lease will terminate on October 17, 2009, with an option, for an additional two (2) years. The premise governed by the Lease is a freestanding industrial warehouse space consisting of approximately 20,193 square feet. Rent under the lease is at the following monthly prices;

- 1510 Corporate Center Drive from July 18, 2006 through July 31, 2007 is \$12,115 with cam charges of \$3,231, per month.
- 1510 Corporate Center Drive from August 1, 2007 through July 31, 2008 is \$12,540 with cam charges of \$3,231, per month.
- 1510 Corporate Center Drive from August 1, 2008 through October 17th, 2009 is \$12,979 with cam charges of \$3,231, per month.

Option Years

1510 Corporate Center Drive from October 17, 2009 through October 17, 2010 is \$13,433 with cam charges of \$3,231, per month.

AMERIRESOURCE TECHNOLOGIES, INC.  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2008  
(Unaudited)

NOTE 8— COMMITMENTS AND CONTINGENCIES (Continued)

1510 Corporate Center Drive from October 17, 2010 through October 17, 2011 is \$13,903 with cam charges of \$3,231, per month.

The Lease was guaranteed by Delmar Janovec and Brent Crouch.

The Company's corporate offices consist of two offices with approximately 510 sq. ft. and are located at 3440 E. Russell Rd., Suite 217 & 206, Las Vegas, Nevada 89120. The offices are subject to a six (6) month lease at \$868 per month, and \$959, per month.

Green Endeavors LTD., formerly Net2Auction, Inc., provided AuctionWagon, Inc. shareholders a Price Protection on the Net2Auction shares in the event the share price is below the share price of its common stock at the close of trading on October 6, 2007, Green Endeavors LTD, will issue within thirty days following the October 6, 2007 date, an additional one million ninety-five thousand (1,095,000) shares of common restricted stock to be distributed to the AuctionWagon, Inc. shareholders pro rata.

The shares were not issued as the Company entered into an agreement to sell its controlling interests in Green Endeavors LTD, to Nexia Holdings, Inc. on June 21, 2007, which was subsequently closed on October 19, 2007

The Company and former AuctionWagon shareholders reached an agreement where the Company will issue Twenty-one Thousand nine hundred (21,900) shares of SuperVoting Preferred stock from the Company's Six Hundred Fifty Thousand (650,000) shares of SuperVoting Preferred which the Company retained in Green Endeavors LTD, pursuant to the terms of the Stock Exchange Agreement. The SuperVoting Preferred stock will be issued during the 2nd Qtr. of 2008 to the AuctionWagon shareholders pro rata.

The Company has recorded contingencies in the amount of \$250,571 that consist of trade payables for various vendors owed by the Company and its subsidiaries as of March 31, 2008.

Don Davidson, Plaintiff vs. BizAuctions Corporation and Delmar Janovec; The plaintiff filed a complaint in 21st Judicial Circuit Court, St. Louis County, Missouri, Case Number 08SL-CC00079. The complaint was filed for breach of a contract for a failure to repay a loan in the amount of \$100,000, plus interest, legal and court fees. The company and Delmar Janovec are in discussions with the Plaintiff on a settlement agreement or repayment plan. The loan was not guaranteed by AmeriResource.

For additional information regarding the AFG, AMRE, and Janovec Settlement Agreements, can be viewed under the Company's 8-K filing on March 31, 2006, and as an Exhibit 10.2 to the Company's Form 10KSB filed on May 10, 2007, and as an Exhibit 10.1 to the Company's Form 10-KSB filed on April 15, 2005, on the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov).

AMERIRESOURCE TECHNOLOGIES, INC.  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2008  
(Unaudited)

NOTE 8- COMMITMENTS AND CONTINGENCIES (Continued)

Although there are some contingencies that exist with the Company and its subsidiaries, there are no new contingencies that have occurred since the last physical year-ended, December 31, 2007, that have not been reflected in the financial statements for this period.

NOTE 9-MINORITY INTERESTS

During the period ended March 31, 2008, the Company was considered to have sufficient ownership and control of RoboServer Systems Corp., BizAuctions, Inc., and VoIPCOM USA, Inc., therefore the companies are being reported as subsidiaries on a consolidated basis. Minority interests losses attributed to RoboServer and BizAuctions are approximately \$156,867, and \$71,663, respectively.

NOTE 10-RELATED PARTY TRANSACTION

At March 31, 2008, the Company had notes payable to officers, a former officer, and other stockholders stockholders. Some of the notes were retired and stock was issued in satisfaction of the notes payable. In addition, there was related interest expense incurred and accrued interest the Company paid by issuing stock.

The Company also issued Super-Voting Preferred Stock in RoboServer Systems Corp. to an officer for services rendered.

As of March 31, 2008, the Company had notes payable to its president, Delmar Janovec, in the amount of \$433,160, and \$200,000 for accrued salary for calendar years 2007, 2006 and 2005. The note is payable on demand with interest accruing at 9% and is convertible into common stock, at the option of the lender. The accrued salary and interest is included in Accrued Expenses.

AMERIRESOURCE TECHNOLOGIES, INC.  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2008  
(Unaudited)

NOTE 10-RELATED PARTY TRANSACTION-(Continued)

In December 2005, the Company's subsidiary, Net2Auction, issued 187,000 shares of restricted common stock in Green Endeavors LTD., formerly Net2Auction, Inc., to Brent Crouch, CFO, of the BizAuctions, Inc. and RoboServer to purchase two vans valued at \$35,000.

At March 31, 2008, the Company had notes payable to Brent Crouch, CFO, of the subsidiaries, and in the amount of \$132,204. Note is payable on demand, with interest at 9%, and is convertible into common stock, at the option of the lender.

The convertible notes and corresponding amounts that are owed to Delmar Janovec and Brent Crouch do not contain a beneficial conversion feature.

NOTE 11-SUBSEQUENT EVENTS

The Company has entered into a Share Purchase Agreement, dated May 12, 2008, by and between AmeriResource Technologies, Inc. and Choi Kok Peng, a Malaysia citizen and business owner to sell one million (1,000,000) (shares remaining after a 200-for-1 reverse split of the VCMU common shares) shares of common restricted stock and six million five hundred thousand (6,500,000) shares of preferred stock for a price of \$200,000.

ITEM 2. MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING INFORMATION

This quarterly report contains forward-looking statements. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward looking statements. These statements relate to future events or to the Company's future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. There are a number of factors that could cause the Company's actual results to differ materially from those indicated by such forward-looking statements.

Although the Company believes the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance, or achievements. Although all such forward-looking statements are accurate and consequently do not assume responsibility for the ultimate accuracy and completeness of such forward-looking statements. The Company is under no duty to update any of the forward-looking statements after the date of this report to confirm such statements to actual results.

GENERAL

As used herein, the term "Company" refers to AmeriResource Technologies, Inc., a Delaware corporation, and its subsidiaries and predecessors, unless the context indicates otherwise. The Company was formerly known as KLH Engineering Group, Inc. ("KLH Engineering"), which was incorporated on March 3, 1989 to provide diversified engineering services throughout the United States. KLH Engineering changed its name to AmeriResource Technologies, Inc. on July 16, 1996. Although the Company's operations have historically consisted of providing engineering and construction services, the Company closed and/or sold off its engineering subsidiaries due to continued losses in 1996. The Company then began to focus on locating viable businesses that were in a niche market, had assets and revenues, and had the desire or need to become an operating subsidiary of a Public Company.

AmeriResource Technologies, Inc. (the "Company") conducts its business as a holding Company in a structure that includes several wholly-owned and majority-owned subsidiaries which are involved in software development for the Fast-Food and full service restaurant industry, and as a commercial liquidator for some of the nation's top retailers for their excess inventory, overstocks, and returned merchandise selling the products on eBay. The Company's subsidiaries are listed below and with the percent of ownership as of March 31, 2008, as follows; RoboServer Systems Corp. ("RBSY"), Self-Serve Technologies, Inc. ("SSTI"), Net2Auction Corporation ("NAC"), AuctionWagon Inc. ("AWI"), Auction Boulevard ("AB"), BizAuctions, Inc. ("BZCN") and, BizAuctions Corp. ("BAC"), Business Auctions, Inc. ("BSAI"), VoIPCOM USA Inc., ("VCMU"). As of March 31, 2008, the Company owned 100% of Net2Auction Corporation, and AuctionWagon Inc. The Company owned approximately 40% of RoboServer's common stock and upon conversion of the Super-Voting Preferred would give the Company approximately 59% control. Self-Serve Technologies, Inc. is a wholly owned subsidiary. RoboServer is publicly traded on the Pink Sheets under the symbol "RBSY. The Company owned approximately 59% of BizAuctions, Inc.'s common stock and upon conversion of the Super-Voting Preferred would give the Company approximately 81% ownership or control of BizAuctions, Inc. BizAuctions Corp. and Business Auctions, Inc. are wholly-owned subsidiaries of BizAuctions, Inc. BizAuctions, Inc., is publicly traded on the Pink Sheets under the symbol "BZCN." The Company owns approximately 97% of VoIPCOM USA, Inc.'s common stock and upon conversion of the Preferred would give the Company approximately 99% control. VoIPCOM USA, Inc. is publicly traded on the Pink Sheets under the symbol "VCMU". Despite the operations of our various subsidiaries, the Company continues to search for viable business operations to acquire or merge with in order to increase the Company's revenues, asset base and achieve profitability.



The Company will continue to strive to attain consistent profitability through acquisitions of revenue producing businesses, growing the business models of BizAuctions and RoboServer, and or divestitures of our current subsidiaries if an attractive offer from possible suitors is received. As of March 31, 2008, the Company had a total of 15 full time employees and 7 full time consultants.

The Company continues to search for viable business operations to acquire or merge with in order to increase the Company's asset base, revenues, and to achieve profitability on a consistent level.

On May 18, 2004, the Company's subsidiary, Self-Serve Technologies, Inc. ("SSTI"), purchased software and hardware system and self-serve system called Point of Sales ("POS") from Curtis Chambers, a software engineer and the owner and developer of the POS system, for twenty-five million (25,000,000) shares of the Company's restricted stock. As part of this transaction, Mr. Chambers assumed the position of Lead Developer with Self-Serve Technologies, Inc. and remained with the Company until he resigned from the Company in September of 2006.

On August 26, 2004, the Company entered into an agreement whereby it sold 100% of its interest in its subsidiary, Self-Serve Technologies, Inc. to RoboServer. In exchange, RoboServer issued to the Company, 25,000,000 shares of RoboServer, common stock and 6,500,000 shares of RoboServer, preferred stock. The Company acquired approximately 99% of the RoboServer voting rights through the exchange at the time of the transaction. As the Company's subsidiary, RoboServer is now developing the Company's self-serve kiosk application and point of sale technologies

The POS-Self-Serve system is a specialized application whereby, utilizing the POS software in a Kiosk application that allows management the flexibility of reducing staffing requirements thus lowering the labor expenses for the restaurant. This application also allows the customer to order the food as well as pay in a much faster time period and reduces the possibility of creating incorrect orders. The original POS software and hardware system have been in commercial use since 2001 in southern California with the new applications in use since December of 2005.

Since the acquisition of the POS system and self-serve systems, RoboServer has concentrated its development on the RoboServer self-serve kiosk application to the fast-food and full service restaurant industries. RoboServer's self-serve systems are designed to work like ATM machines, allowing customers to quickly and easily place orders, pay, and go. Industry estimates and market observations show that self-serve technologies can cut customer waiting time by 33%.

RoboServer free standing kiosks are manufactured by KIS Kiosks. RoboServer's partnership with KIS allows us to offer the competitive pricing and top quality hardware products available. The market for RoboServer's point-of-sale and self-serve technologies is increasing rapidly. Business owners are seeking out self-serve kiosks to allow such owners to provide more efficient services to their customers as well as reduce labor costs. Other partners include Pro-Tech Inc. which is RoboServer's supplier for outdoor kiosks. Currently, the very popular two-side "Assisted Server CT-MY1" is manufactured by Team Research and RoboServer holds the licensing rights to the "Assisted-Server CT-MY1" POS self-service units. Business owners have expressed the need to migrate customers to self-service without losing contact with them, thus, RoboServer is the first to market with the "Assisted-Server CT-MY1" to accomplish that. The "Assisted Server CT-MY1", is a natural progression from traditional POS line ordering to self-service with the latest version of the "Assisted-Server" referred to as the "3-N-1 POS Self-Server" as it operates as a stand along kiosk, or a Self-Service unit where counter helpers can interact and be part of the ordering process, or strictly as a POS where the counter helper orders and uses as a POS. All three of these modes of operation have the ability to take credit/debit cards or with attendants input, the customers can pay with cash.



RoboServer has installed two (2) of its pilot self-serve units in two (2) different fast-food franchisees, with the first installation at Angelo's Burgers in Encinitas, CA, and the second installation at Dairy Queen in Oceanside, CA. The Angelo's Burgers installation was completed in the fall of 2005, and the Dairy Queen in the spring of 2006. Due to on-going maintenance issues at Angelo's Burgers with the kitchen staff and electrical infrastructure, RoboServer removed the kiosks in the fall of 2007. RoboServer has no plans of reinstalling the kiosk until the maintenance issues are worked out with the staff. Since the installation of the pilot self-serve free-standing kiosk in Dairy Queen, RoboServer has installed a 2nd model, a counter-top self-serve unit in the fall of 2006. RoboServer will be installing the "Assisted Server" for a pilot test in the Oceanside DQ in the 2nd or 3rd quarter of 2008.

RoboServer created two new divisions, iOrder and LineBuster during the fall of 2007 to facilitate the software programming and manufacturing of the hardware or kiosks whether free standing, wall mounted, or counter-top. iOrder provides interactive self-service ordering software for the restaurant and fast-food industry, and develops custom interfaces and systems for a variety of specialized kiosk applications. iOrder offers software for the following industries; restaurants, payment systems, theater, sports and entertainment ticketing and informational systems. LineBuster is the division that provides the kiosk solutions or the hardware which is configured to handle restaurant, theatre, financial and informational applications. The hardware-kiosks are free-standing floor units, wall mounted, and counter-top units. RoboServer shares are quoted on the pink sheets under the stock symbol "RBSY." For more information, please visit [www.roboservercorp.com](http://www.roboservercorp.com).

#### Net2Auction Corporation (NAC)

On December 2, 2004, the Company entered into a stock purchase agreement whereby it sold 100% of its interest in Net2Auction Corporation to Green Endeavors LTD., formerly Net2Auction, Inc., in exchange, Net2Auction, Inc. issued to the Company 25,000,000 shares of Net2Auction, Inc. common stock and 6,500,000 shares of Net2Auction, Inc. preferred stock. Following the exchange, the Company held approximately 99% of the voting rights of Green Endeavor LTD, at the time of the transaction.

#### AuctionWagon (AWI)

On September 30, 2005, Green Endeavors LTD., formerly Net2Auction, Inc., executed a Stock Exchange Agreement with AuctionWagon, Inc.'s shareholders, whereby AuctionWagon, Inc. shareholders transferred to Green Endeavors LTD., 100% of the outstanding common stock of AuctionWagon Inc. in exchange for 1,825,000 shares of Green Endeavors LTD., common stock.

Green Endeavors LTD. provided the AuctionWagon shareholders a Price Protection on the shares of stock of Green Endeavors LTD. issued in the above transaction. In the event the Green Endeavor LTD. stock price, as of the close of day October 6, 2007, was below the stock price stated in the September 30, 2005 agreement above, Green Endeavors would issue, within thirty days following October 6, 2007, an additional 1,095,000 shares of Green Endeavors LTD., common stock to be distributed to the AuctionWagon Shareholders, pro rata.

The shares were not issued as the Company entered into an agreement to sell its controlling interests in Green Endeavors LTD, to Nexia Holdings, Inc. on June 21, 2007, which was subsequently closed on October 19, 2007.

The Company and former AuctionWagon shareholders reached an agreement where the Company will issue Twenty-one Thousand nine hundred (21,900) shares of SuperVoting referred stock from the Company's Six Hundred Fifty Thousand (650,000) shares of SuperVoting Preferred which the Company retained in Green Endeavors LTD, pursuant to the terms of the Stock Exchange Agreement. The SuperVoting Preferred stock will be issued during the 2nd Qtr. of 2008 to the AuctionWagon shareholders.

AuctionWagon, Inc. is engaged in the business of providing software design and product development for businesses that are in the business of selling on eBay. AuctionWagon, Inc. was incorporated in September of 2003 and became the first eBay consignment store in the Los Angeles market. AuctionWagon, Inc. is the first company to qualify as both an eBay certified developer and an eBay Trading Post. AuctionWagon is a frontrunner in both the retail and software segments of the industry, being featured in Entrepreneur, the New York Times, and the Wall Street Journal. AuctionWagon currently markets its consignment software to drop-off stores, and maintains a national affiliate network of drop-off locations.

AuctionWagon's software, Store Manager Pro G2, performs virtually all of the functions needed by an eBay consignment store, from printing contracts, barcodes, and inventory labels to managing its inventory, payment, shipping, check writing, and integrating photo editing. The Store Manager Pro offers multiple levels of software supporting different business requirements and charges both a monthly fee and an initial fee. The fees range from \$99 to \$330 per month, per customer. Since January 1, 2006, AWI has added approximately 200 new customer accounts. AuctionWagon's software continues to be a widely used by commercial business users doing business on eBay. To learn more, please visit our website at [www.auctionwagon.com](http://www.auctionwagon.com).

Auction Boulevard (AB)

On September 14, 2005, Green Endeavors LTD., formerly Net2Auction, Inc. executed an Asset Purchase Agreement with Netelectronics.com and Jake Ptasznik, the sole shareholder of the Netelectronics.com, for the assets of Netelectronics.com and trade name, Auction Boulevard, Inc., ("ABI"). Auction Boulevard, conducted sales on eBay for customers who had dropped off items to be sold on a consignment basis. The Agreement called for a payment of \$45,000 in cash, with an additional issuance of 17,177 shares of Green Endeavors LTD., formerly Net2Auction common stock valued at \$0.49 per share, to Jake Ptasznik.

The Company closed down the store in Encino in September of 2007, due to continued losses and subsequently moved the assets and the operations of BizAuctions to San Diego, CA.

BizAuctions, Inc., formerly Kootenai Corp. (BZCN)

On June 27, 2006, Green Endeavors LTD., formerly Net2Auction acquired control of Kootenai Corp. through the purchase of Fifty Million (50,000,000) shares of common stock from the majority shareholder of Kootenai Corp. for, One Hundred Seventy Thousand (\$170,000) US dollars. Kootenai Corp. later acquired BizAuctions Corp., from Net2Auction, Inc., for the issuance of Fifty Million (50,000,000) shares of common stock and Twelve Million (12,000,000) shares of Preferred stock. Subsequent to the acquisition of BizAuctions Corp., Kootenai Corp. changed its name to BizAuctions, Inc. BizAuctions, Corp., is a wholly-owned subsidiary of BizAuctions, Inc. BizAuctions is a publicly traded company which trades on the Pink Sheets under the symbol of BZCN.

BizAuctions has established itself as a leader within the eBay marketplace through its online auctions of well known name brand merchandise. Our designation on eBay as a Power-Seller ranks us amongst the most successful leaders on eBay in terms of sales and customer satisfaction. With a worldwide audience of approximately 250 million registered users, eBay provides us a well known and established forum to market and sell our merchandise for top dollar in a competitive bidding format.

Our strategy is that of the most basic of economic principles: Buy low and sell high. We have contracted with retailers that are leaders in their industry to purchase salvaged merchandise at a discount and sell for a profit on eBay. This salvaged merchandise is generally overstock inventory, display models, and customer returns. We sell everything from quality home goods and brand name clothes to high-tech electronics. We list the merchandise through our own proprietary software which is fully integrated and compliant with eBay. Once an auction ends, payment is collected via PayPal or credit card. We have our own designated Account Executives with both eBay and PayPal to help us achieve our highest potential.

Our sales volume and revenue has increased every period, as we have capitalized on the constant demand of a loyal and growing customer base. Our customers are excited to be able to purchase top of the line merchandise at a discount from retail prices. It is a winning combination that keeps us well positioned in the marketplace.

BizAuctions operates out of San Diego, CA. We are currently providing liquidation services to retailers in California, Arizona and are in the process of expanding into other states. Over the past 2 years, we have created and refined an efficient business model that will allow for expansion and growth in the years ahead. The current operational capacity has the ability to handle much more business that is limited only to our purchasing power. Our goal is to have operations strategically placed throughout the U.S. to accommodate our growth and demand for our products and services. For more information, please see [www.bizauctions.com](http://www.bizauctions.com).

#### VOIPCOM USA, INC. (VCMU)

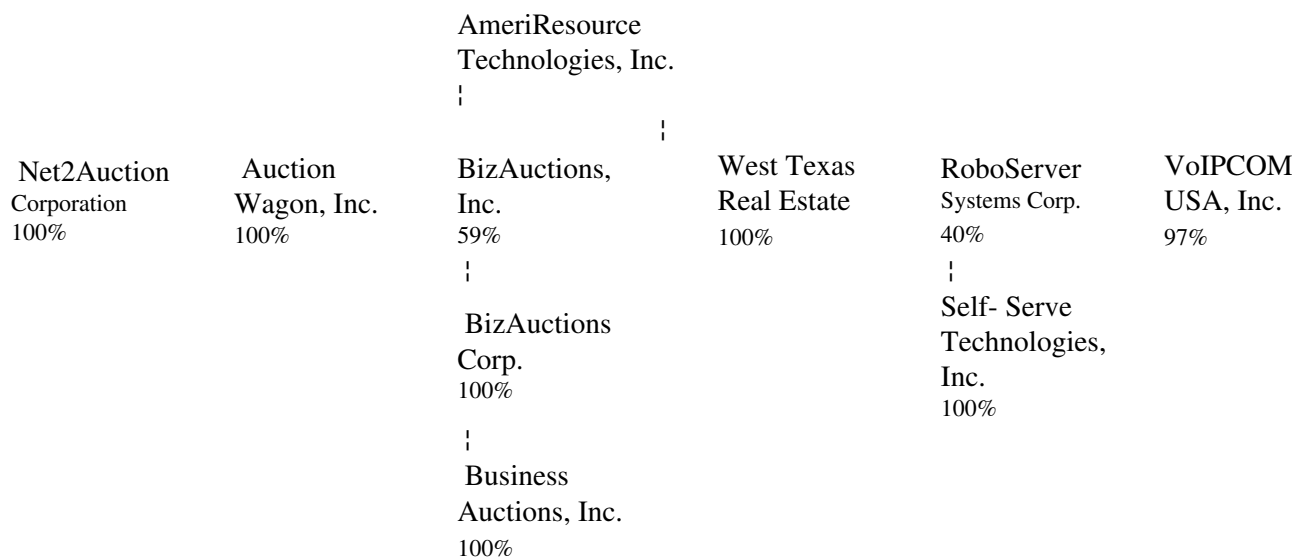
On April 15, 2005, the Company acquired 23,000,000 shares or approximately 97% of the outstanding voting common stock, of VoIPCOM USA, Inc. ("VCMU"). VoIPCOM USA, Inc., currently has minimal operations, its capital structure and broad base of shareholders position it as a viable entity that is searching for revenue generate assets to be acquired for the Company.

The acquisition was made pursuant to a certain Share Purchase Agreement, dated April 15, 2005, between the Company and BBG, Inc. The purchase price for the Shares was \$80,000, with the purchase being treated as an investment in subsidiaries. The Company has not decided what course of action it will undertake with VoIPCOM USA, Inc. however, the Company is considering reselling the shares or placing assets into VoIPCOM USA, Inc. The Company's common stock is quoted on the pink sheets under the stock symbol "VCMU". For more information, see [www.voipcomusa.com](http://www.voipcomusa.com).

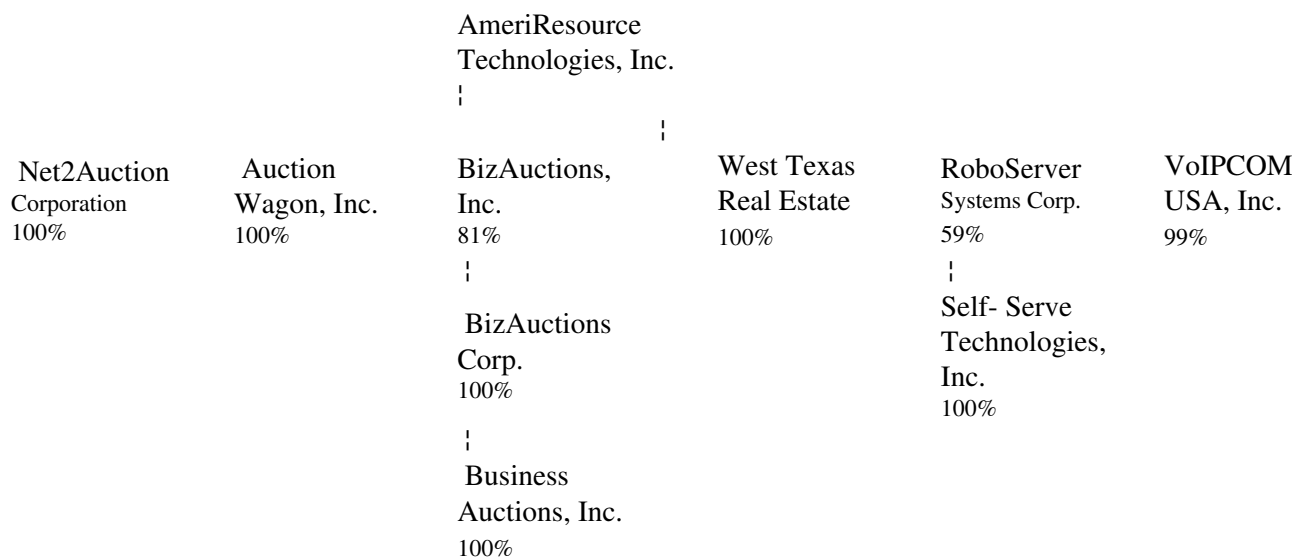
On April 12, 2005, the Company executed a convertible promissory note (the "Note") to CIDA Asset Management for \$80,000. The Note was executed to obtain funds to finance the purchase price for the VoIPCOM USA, Inc. shares in relation to the Stock Purchase Agreement. The Note accrues interest at the rate of prime plus three percent, and all unpaid principal and interest shall be payable on or before November 12, 2005. The note was guaranteed by the Company. The note was extended on November 4, 2005 through November 4, 2007. The note has conversion rights into VoIPCOM USA, Inc. common stock with the conversion and issuance of Twenty-one Million Six Hundred Thousand (21,600,000) shares of stock on April 7, 2008.

For further information on the corporate structure and ownership of its subsidiaries, please review the following two pages of this Form 10-Q statement and the Company's Form 10-KSB for year-ended December 31, 2007, filed on April 15, 2008, with the Securities and Exchange Commission. The Form 10-KSB can be viewed on the SEC website at [www.sec.gov](http://www.sec.gov).

CORPORATE CHART FOR SUBSIDIARY OWNERSHIP OF ITS COMMON STOCK



CORPORATE CHART FOR SUBSIDIARY OWNERSHIP UPON CONVERSION OF PREFERRED OR SUPERVOTING PREFERRED STOCK



## RESULTS OF OPERATIONS

## Results of Operations

The following discussion should be read in conjunction with the audited financial statements and notes thereto included in our annual report on Form 10-KSB for the fiscal year ended December 31, 2007, and should further be read in conjunction with the financial statements included in this report. Comparisons made between reporting periods herein are for the three-month period ended March 31, 2008, as compared to the same period in 2007.

## Revenues

Revenues for the 1st Qtr. ended March 31, 2008 were \$1,092,092 from \$471,353 for the same period ended March 31, 2007. This represented an increase of \$620,739 or 131% from March 31, 2007 to March 31, 2008. The increase in revenues is attributed to the increase of commercial liquidation accounts of its majority owned subsidiary, BizAuctions.

## Expenses

Operating expenses for the 1st Qtr. ended March 31, 2008 and March 31, 2007, were \$1,344,971, and \$926,650, respectively. This is an increase of \$418,321 and is attributed to an increase in general and administrative expenses of \$208,736 for March 31, 2008, an increase of \$19,171, as compared to \$189,568 for 2007, interest expense of \$738,077, an increase of \$721,479, as compared to \$16,598 for the same period in 2007, legal and professional fees of \$88,919, an increase of \$26,608, as compared to \$62,311 for the same period in 2007, and consulting expenses of \$875,595 for March 31, 2008, an increase of \$413,722 for the same period in 2007.

The Company's expenses for the first quarter ended March 31, 2008, as compared to the same period in 2007 are set forth below:

Expenses	2008	2007
General and Administrative	\$ 208,736	\$ 189,568
Consulting	875,595	461,873
Employee Salaries and Bonuses	158,552	194,316
Interest Expense	738,077	16,598
Legal and Professional	88,919	62,311
Depreciation and amortization	13,169	18,582
Total Expenses	2,083,048	835,511

## Operating Loss

The Company's net loss increased to \$1,556,581 in 2008 from \$797,392 in 2007. The increase in operating loss is attributed to an increase in General and Administrative expenses, legal and professional expenses, consulting expenses and a one-time interest expense related to a Convertible Note the Company entered into during this period. For more information relating to the Convertible Note, please see Note. 7- BENEFICIAL NOTE CONVERSION.

## Net Loss

The Company's net loss increased to \$1,556,581 in 2008 as compared to a net loss of \$486,802 in 2007. The increase in net loss is attributed to an increase in operations and sales for the quarter resulting in additional General and Administration expenses, consulting and legal expenses, and a one-time expense recorded for interest expenses of a Convertible Note. For more information relating to the Convertible Note expense, please see Note. 7 - BENEFICIAL NOTE CONVERSION

## Liquidity and Capital Resources

The Company's net cash used in operating activities for the quarter ended March 31, 2008 decreased to \$116,349, as compared to cash used by operations of \$316,596, for the same period in 2007. This decrease is mainly attributable to the Company's payments on accounts payable through the issuance of stock in 2008.

The Company's cash flow from financing activities was \$100,000 during the first quarter of 2008, as compared to \$510,022 for the same period in 2007. This decrease is due to the Company's receipt of cash from a subscription agreement during the first quarter of 2007.

The Company's cash flow used in investing activities was \$5,976 during the first quarter of 2008 as compared to \$10,247 for the same period in 2007. The decrease is due to the Company spending less on fixed assets during this period in 2008.

The Company has relied upon its chief executive officer for its capital requirements and liquidity. The Company's recurring losses, lack of cash flow and lack of cash on hand raise substantial doubt about the Company's ability to continue as a going concern. Management's plans with respect to these matters include raising additional working capital through equity or debt financing and acquisitions of ongoing concerns, which generate profits, ultimately allowing the Company to achieve consistent profitable operations. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

## OFF-BALANCE SHEET ARRANGEMENTS

We do not participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structure finance or special purpose entities ("SPEs"), which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes as part of our ongoing business. As of March 31, 2008, we were not involved in any unconsolidated SPE transactions.



## ACCOUNTING PRONOUNCEMENTS

### Recently Issued Accounting Standards

In February 2006, the FASB issued Statement of Financial Accounting Standards No. 155, Accounting for Certain Hybrid Financial Instruments ("SFAS No. 155"), which amends Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities ("SFAS No. 133") and Statement of Financial Accounting Standards

No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities ("SFAS No. 140"). SFAS No. 155 permits fair value measurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation, establishes a requirement to evaluate interests in securitized financial assets to identify interests that are freestanding derivatives or hybrid financial instruments containing embedded derivatives. The Company does not expect the adoption of SFAS 155 to have a material impact on the consolidated financial position, results of operations or cash flows.

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes-an interpretation of FASB Statement No. 109" (FIN 48), which clarifies the accounting for uncertainty in tax positions. This Interpretation requires that we recognize in our financial statements the benefit of a tax position if that position is more likely than not of being sustained on audit, based on the technical merits of the position. The provision's of FIN 48 become effective as of the beginning of our 2008 fiscal year, with the cumulative effect of the change in accounting principle record as an adjustment to opening retained earnings. We do not expect the adoption of FIN 48 to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

In September 2006, the FASB issued SFAS NO. 157 "Fair Value Measurements". SFAS No. 157 defined fair values established a framework for measuring fair value in generally accepted accounting principles and expand disclosure about fair value in generally accepted accounting principles and expands disclosure about fair values. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within theses fiscal years. Management believes that the adoption of SFAS No. 157 will not have a material impact on the consolidated financial results of the Company.

In September 2006, the Securities and Exchange Commission issued State Accounting Bulletin No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements", (SAB 108), which addresses how to quantify the effect of financial statement errors. The provisions of SAB 108 become effective as of the year ended 2007, our fiscal year. We do not expect the adoption of SAB 108 to have a significant impact on the financial statements.

SFAS No. 141(R). In December 2007, the FASB issued SFAS No. 141 (Revised 2007), Business Combinations. SFAS No. 141(R) will significantly change the accounting for business combinations. Under SFAS No. 141(R), an acquiring entity will be required to recognize all the assets acquired and liabilities assumed in a transaction at the acquisition-date fair value with limited exceptions. It also amends the accounting treatment for certain specific items including acquisition costs and non controlling minority interests and includes a substantial number of new disclosure requirements. SFAS No. 141(R) applies prospectively to business combinations for which the acquisition date is on or after January 1, 2009. The Company is currently evaluating the impact that the SFAS No. 141(R) will have on its financial statements.

ACCOUNTING PRONOUNCEMENTS-(CONTINUED)

SFAS No. 160. In December 2007, the FASB issued SFAS No. 160, "Non controlling Interests in Consolidated Financial Statements" - An Amendment of ARB No. 51. SFAS No. 160 establishes new accounting and reporting standards for the non controlling interest in a subsidiary and for the deconsolidation of a subsidiary. Specifically, this statement requires the recognition of a non controlling interest (minority interest) as equity in the consolidated financial statements and separate from the parent's equity. The amount of net income attributable to the non controlling interest will be included in consolidated net income on the face of the income statement. SFAS No. 160 also includes expanded disclosure requirements regarding the interests of the parent and its non controlling interest. SFAS No. 160 is effective for fiscal years, and interim periods beginning after January 1, 2009. The Company is currently evaluating the impact that the SFAS No. 160 will have on its financial statements.

SFAS No. 161. In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities-an amendment of FASB Statement No. 133" ("FAS 161"). FAS 161 changes the disclosure requirements for derivative instruments and hedging activities. Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. The guidance in FAS 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. This Statement encourages, but does not require, comparative disclosures for earlier periods at initial adoption. The Company is currently assessing the impact of FAS 161.

ITEM 3. CONTROLS AND PROCEDURES

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) promulgated under the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of an issuer's financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Internal control over financial reporting includes policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of an issuer's assets; and
- Provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that an issuer's receipts and expenditure are being made only in accordance with authorizations of its management and directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use or disposition of an issuer's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, the application of any evaluation of effectiveness to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that compliance with the policies or procedures may deteriorate.

As required by Rule 13a-15(c) promulgated under the Exchange Act, our management, with the participation of our Chief Executive Officer, evaluated the effectiveness of our internal control over financial reporting as of March 31, 2008 and December 31, 2007. Management's assessment was based on criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control—Integrated Framework ("COSO"). Our assessment did not identify deficiencies that were determined to be significant deficiencies in internal control.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the initiation, authorization, and recording, processing or reporting of reliable financial data. Since there were no significant deficiencies in our assessment, management concluded that our internal control over financial reporting was effective as of March 31, 2008 and December 31, 2007.

#### Remediation Plan

We are including information with respect to our internal control over financial reporting for the period subsequent to the March 31, 2008, and the December 31, 2007 periods in order to provide readers with a current understanding of the identified significant deficiencies, as well as how they were being addressed in our remediation plan.

Subsequent to March 31, 2008 and December 31, 2007 period, we had undertaken, extensive work to remediate the significant deficiencies identified in our internal control over financial reporting, including specific remediation initiatives as described below. The implementation of these initiatives was a priority for us in fiscal year 2006, 2007, and continues to be a priority in fiscal 2008. We had begun implementing the actions described below with respect to the identified significant deficiencies and had these deficiencies corrected by the year-end December 31, 2007;

Inadequate staffing. We have focused intensive efforts on improving the overall level of our staffing in a number of finance and accounting areas related to the significant deficiencies.

Ineffective Controls related to the Entering of Transactions into the General Ledger, Preparation of Certain Account Analyses, Account Summaries, and Account Reconciliations.

As a result of the adjustments made with respect to certain balance sheet accounts for the fiscal year-ended December 31, 2006, we determined a more detailed review for these accounts was necessary in connection with our quarterly and annual financial reporting process. The Company developed a more intensive financial close process to ensure a thorough review of entering transactions into the general ledger is performed, supporting schedules are adequately prepared and/or reviewed, and that they included adequate supporting documentation.

## PART II - OTHER INFORMATION

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

The Company received approval by written consent of holders of in excess of 50% of the voting rights of AmeriResource providing for shareholder authorization to the Board of Directors of the Company to increase the number of authorized shares of the common stock of the corporation from 3 billion shares to 50 billion shares and that the par value of the common stock shall remain the same at \$0.0001 on February 14, 2008. Notice of this change was given to all shareholders of record as of February 14, 2008, and prior to filing the change with the State of Delaware.

The Company filed with the State of Delaware an amendment to Articles of Incorporation whereby increasing the authorized shares of common stock from 3 billion shares to 50 billion shares with the preferred shares remaining the same at 10 million shares with a par value of \$.001, and received confirmation of the acceptance of the amendment on March 7, 2008.

### ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits required to be attached by Item 601 of Regulation S-B are listed in the Index to Exhibits beginning on page 10 of this Form 10-Q which is incorporated herein by reference.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMERIRESOURCE TECHNOLOGIES, INC.

Date: May 20, 2008

By: /s/ Delmar Janovec  
Delmar Janovec  
Chief Executive Officer

## INDEX TO EXHIBITS

EXHIBIT	DESCRIPTION
3.1	Articles of Incorporation of the Company, (Incorporated by reference from the Company's Form S-4, file number 33-44104, effective on February 11, 1992.)
3.2	Bylaws of the Company, (Incorporated by reference from the Company's Form S-4, file number 33-44104, effective on February 11, 1992.)

## MATERIAL CONTRACTS

10.1	Convertible Note, dated January 18, 2008 by and between JMJ Financial and the Company. (filed as an Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 18, 2008, and incorporated herein by reference).
10.2	Amended Settlement Agreement, dated March 15, 2008 by and between American Factors Group, LLC, AmeriResource Technologies, Inc., and Delmar Janovec.(filed as an Exhibit to the Form 10-KSB filed on March 31, 2008, and incorporated herein by reference).
14	Code of Ethics adopted by the Company.
21	Subsidiaries of Registrant
<u>31.1</u>	Certification of Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
<u>32.1</u>	Certification of Chief Executive Officer of AmeriResource Technologies, Inc. Pursuant to 18 U.S.C. §1350

## SUBSEQUENT EVENTS

<u>10.1</u>	Share Purchase Agreement, dated May 12, 2008, by and between AmeriResource Technologies, Inc. and Choi Kok Peng, (filed as Exhibit 10.1 to the Company's Current Report on Form 10-Q filed on May 20, 2008.)
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