KLEVER MARKETING INC
Form 10QSB
May 21, 2003

[As adopted in Release No. 34-32231, April 28, 1993, 58 F.R. 26509]

U.S. 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: March 31, 2003

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE EXCHANGE ACT

For the transition period from to

Commission file number 0-18834

Klever Marketing, Inc.
(Exact name of small business issuer as specified in its charter)

Delaware	36-3688583
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

350 West 300 South, Suite 201, Salt Lake City, Utah 84101
(Address of principal executive offices)

(801) 322-1221
Issuer's telephone number

(Former name, former address and former fiscal year, if changed since last report.)

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDING DURING THE PRECEDING FIVE YEARS

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

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practical date: March 31, 2003 12,370,578

Transitional Small Business Disclosure Format (check one).
Yes ; No X

PART I

ITEM 1. FINANCIAL STATEMENTS

INDEPENDENT ACCOUNTANT'S REPORT

Klever Marketing, Inc.
(A Development Stage Company)

We have reviewed the accompanying balance sheets of Klever Marketing, Inc. (a development stage company) as of March 31, 2003, and the related statements of operations and cash flows for the three months ended March 31, 2003 and 2002. These financial statements are the responsibility of the Company's management.

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

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

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the balance sheet of Klever Marketing, Inc.(a development stage company) as of December 31, 2002, and the related statements of operations, cash flows, and stockholders' equity for the year then ended (not presented herein); and in our report dated April 25, 2003, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying balance sheet as of December 31, 2002, is fairly stated, in all material respects, in relation to the balance sheet from which it has been derived.

Note 1 of the Company's audited financial statements as of December 31, 2002, and for the year then ended discloses that the Company has suffered recurring losses from operations and has no established source of revenue at December 31, 2002. Our auditors' report on those financial statements includes an explanatory paragraph referring to the matter in Note 1 of those financial statements and indicating that these matters raised substantial doubt about the Company's ability to continue as a going concern. As indicated in Note 1 of the Company's unaudited interim financial statements as of March 31, 2003, and for the three months then ended, the Company has continued to suffer recurring losses from operations and still has no established source of revenue at March 31, 2003. The accompanying interim financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Respectfully submitted

/s/ Robison, Hill & Co.
Certified Public Accountants

Salt Lake City, Utah
May 20, 2003

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KLEVER MARKETING, INC.
(A Development Stage Company)
BALANCE SHEETS

ASSETS	March 31, 2003
Current Assets	
Cash	$ 15,092
Fixed Assets	
Office Equipment	148,067
Phase 2 Equipment	57,750
Less Accumulated Depreciation	(122,890)
Net Fixed Assets	82,927
Other Assets	
Patents	2,342,752
Less Accumulated Amortization	(1,970,409)
Net Other Assets	372,343
Total Assets	$ 470,362

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KLEVER MARKETING, INC.
(A Development Stage Company)
BALANCE SHEETS
(Continued)

	March 31, 2003
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current Liabilities	
Accounts Payable, Trade	$ 428,412
Accrued Liabilities	1,015,338
Related Party Payables	2,573,727
Short-term Notes Payable	1,643
Total Current Liabilities	4,019,120
Stockholders' Equity	
Preferred stock (Par Value $.01), 2,000,000 shares authorized. 168,434 shares issued and outstanding March 31, 2003 and December 31, 2002	1,684
Common Stock (Par Value $.01), 20,000,000 shares authorized. 12,370,578 shares issued and outstanding at March 31, 2003 and December 31, 2002	123,706
Common Stock to be issued, 1,635,584 shares at March 31, 2003 and 768,917 at December 31, 2002	16,356
Treasury Stock, 1,000 shares at March 31, 2003 and December 31, 2002	(1,000)
Paid in Capital in Excess of Par Value	12,156,917
Retained Deficit	(3,333,785)
Deficit Accumulated During Development Stage	(12,512,636)
Total Stockholders' Equity	(3,548,758)
Total Liabilities and Stockholders' Equity	$ 470,362

See accompanying notes and accountants' report.

KLEVER MARKETING, INC.
(A Development Stage Company)
STATEMENTS OF OPERATIONS

	For the Three Months Ended March 31, 2003	For the Three Months Ended March 31, 2002
Revenue	$ -	$ -
Expenses		
Sales and Marketing	-	-
General and Administrative	172,895	137,174
Research and Development	-	-
Total Expenses	172,895	137,174
Other Income (Expense)		
Interest Income	-	-
Interest Expense	(86,259)	(68,567)
Loss on sale of assets	-	-
Capital gain on sale of investments	-	-
Total Other Income (Expense)	(86,259)	(68,567)
Loss Before Taxes	(259,154)	(205,741)
Income Taxes	-	-
Net Loss After Taxes	$ (259,154)	$ (205,741)
Weighted Average Shares Outstanding	12,970,578	12,674,807
Loss per Common Share	$ (0.02)	$ (0.02)

See accompanying notes and accountants' report.

KLEVER MARKETING, INC.
(A Development Stage Company)
STATEMENT OF CASH FLOWS

	For the Three Months Ended March 31,	
	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	$ (259,154)	$ (205,741)
Adjustments used to reconcile net loss to net cash provided by (used in) operating activities:		
Stock issued for general and administrative		-
Stock issued for research and development		-
Stock returned for services not rendered		-
Write-off of assets	-	-
Compensation expense from stock options	-	-
Stock issued for interest expense		-
Stock issued for accounts payable		-
Deferred income		-
Depreciation and amortization	58,021	59,366
(Increase) decrease in accounts receivable	-	-
(Increase) decrease in shareholder receivable	-	-
(Increase) decrease in other assets & prepaids	-	10,353
Increase (decrease) in accounts payable	(7,516)	3,689
Increase (decrease) in accrued liabilities	137,197	76,789
Net cash used in operating activities	(71,452)	(55,544)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition/Sale of equipment, net	-	8,940
Acquisition of patents	(3,746)	(2,278)
Acquisition/Sale of stock, net	-	-
Net cash used by investing activities	(3,746)	6,662

KLEVER MARKETING, INC.
(A Development Stage Company)
STATEMENT OF CASH FLOWS
(Continued)

	For the Three Months Ended March 31, 2003	For the Three Months Ended March 31, 2002
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from capital stock	$ 65,000	$ -
Proceeds from shareholder loans	22,430	50,674
Principal payments on lease obligations	(564)	(1,601)
Cash payments on notes payable	-	-
Net Cash Provided by Financing Activities	86,866	49,073
Net Increase (Decrease) in Cash and Cash Equivalents	11,668	191
Cash and Cash Equivalents at Beginning of the Period	3,424	-
Cash and Cash Equivalents at End of the Period	$ 15,092	$ 191
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest	$ -	$ -
Income Taxes	$ -	$ -

See accompanying notes and accountants' report.

KLEVER MARKETING, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002

NOTE 1 - NATURE OF OPERATIONS AND GOING CONCERN

This summary of accounting policies for Klever Marketing, Inc. (a development stage company) is presented to assist in understanding the Company's financial statements. The accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

The unaudited financial statements as of March 31, 2003 and for the three months then ended reflect, in the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to fairly state the financial position and results of operations for the three months. Operating results for interim periods are not necessarily indicative of the results which can be expected for full years.

The accompanying financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assume that the Company will continue in operation for at least one year and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several conditions and events cast doubt about the Company's ability to continue as a "going concern". The Company has incurred net losses of approximately $259,000 for the three months ended March 31, 2003, net losses of approximately $206,000 for the three months ended March 31, 2002, and net losses of approximately $12,500,000 since the inception of the development stage on July 5, 1996. The Company also has a liquidity problem, and requires additional financing in order to finance its business activities on an ongoing basis. The Company is actively pursuing alternative financing and has had discussions with various third parties, although no firm commitments have been obtained.

The Company's future capital requirements will depend on numerous factors including, but not limited to, continued progress in developing its products, and market penetration.

These financial statements do not reflect adjustments that would be necessary if the Company were unable to continue as a "going concern". While management believes that the actions already taken or planned, will mitigate the adverse conditions and events which raise doubt about the validity of the "going concern" assumption used in preparing these financial statements, there can be no assurance that these actions will be successful.

If the Company were unable to continue as a "going concern", then substantial adjustments would be necessary to the carrying values of assets, the reported amounts of its liabilities, the reported revenues and expenses, and the balance sheet classifications used.

KLEVER MARKETING, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002
(continued)

NOTE 1 - NATURE OF OPERATIONS AND GOING CONCERN (continued)

Organization and Basis of Presentation

The Company was organized under the laws of the State of Delaware in December 1989. The Company was in the Development stage from 1989 to 1991. The Company was an operating company from 1992 to December 8, 1993 when it filed petitions for relief under Chapter 11 bankruptcy. The Company was inactive until July 5, 1996 when the Company merged with Klever Kart, Inc. in a reverse merger and changed its name to Klever Marketing, Inc. During the period from July 5, 1996 to December 31, 2002, the Company has been in the development stage, except for an approximate 2-month period in 2000 when the Company generated revenue from installations of their Klever-Kart system in stores.

Nature of Business

The Company was formed for the purpose of creating a vehicle to obtain capital, to file and acquire patents, to seek out, investigate, develop, manufacture and market electronic in-store advertising, directory and coupon services which have potential for profit. The Company is currently in the process of the commercialization of the patented process it has acquired.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

This summary of accounting policies for Klever Marketing, Inc. is presented to assist in understanding the Company's financial statements. The accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Cash Equivalents

For the purpose of reporting cash flows, the Company considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes.

Pervasiveness 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 and disclosure of contingent assets and liabilities at the date of the financial

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KLEVER MARKETING, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002
(continued)

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES (continued)

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

Reclassifications

Certain reclassifications have been made in the 2002 financial statements to conform with the 2003 presentation.

Loss per Share

The reconciliations of the numerators and denominators of the basic loss per share computations are as follows:

	Loss	Shares
	For the three months ended Marc	
BASIC LOSS PER SHARE		
Loss available to common shareholders	$ (259,154)	12,970,578
	For the three months ended Marc	
BASIC LOSS PER SHARE		
Loss available to common shareholders	$ (205,741)	12,674,807

Basic earnings per common share were computed by dividing net loss by the weighted average number of shares of common stock outstanding during the year. Diluted loss per common share for the three months ended March 31, 2003 and 2002 are not presented as it would be anti- dilutive.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES (continued)

Concentration of Credit Risk

The Company has no significant off-balance-sheet concentrations of credit risk such as foreign exchange contracts, options contracts or other foreign hedging arrangements.

Fixed Assets

Fixed assets are stated at cost. Depreciation and amortization are computed using the straight- line method over the estimated economic useful lives of the related assets as follows:

Computer equipment	3 years
Office furniture and fixtures	5-10 years

Upon sale or other disposition of property and equipment, the cost and related accumulated depreciation or amortization are removed from the accounts and any gain or loss is included in the determination of income or loss.

Expenditures for maintenance and repairs are charged to expense as incurred. Major overhauls and betterments are capitalized and depreciated over their estimated economic useful lives.

Intangibles

Intangibles associated with certain technology agreements are amortized over 10 -14 years.

NOTE 3 - INCOME TAXES

The Company has accumulated tax losses estimated at $16,000,000 expiring in years 2007 through 2022. Current tax laws limit the amount of loss available to be offset against future taxable income when a substantial change in ownership occurs. The amount of net operating loss carryforward available to offset future taxable income may be limited if there is a substantial change in ownership.

KLEVER MARKETING, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002
(continued)

NOTE 4 - LEASE COMMITMENT

The Company currently leases approximately 1,620 square feet of office space from Four Cabo's Enterprises, Ltd. on a month to month basis. The lease payments are approximately $2,042 per month.

The Company has also entered into lease agreements for the rental of computer equipment. These leases expire between September 2003 and May 2004. The total monthly lease payments due on the above leases is approximately $210.

During 2000, the Company entered into a financing agreement for the purchase of a laser printer. The payments on this agreement are $312 per month for a term of 36 months. During 2002, the remainder of the obligation on the laser printer was paid.

The minimum future lease payments under these leases for the next five years are:

Year Ended December 31,	
2003	$ 4,254
2004	445
2005	-
2006	-
2007	-
Total minimum future lease payments	$ 4,699

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NOTE 5 - RESEARCH AND DEVELOPMENT

Research and development of the Klever-Kart System began with the sole purpose of reducing thefts of shopping carts. A voice-activated alarm system was envisioned. As time and technology progressed, the present embodiment of the Klever-Kart System evolved into a "product specific" point-of-purchase advertising system consisting of an easily readable electronic display that attaches to any shopping cart, a shelf mounted message sending unit that automatically sends featured products' ad-message to the display and a host computer using proprietary software.

During the three months ended March 31, 2003 and 2002, the Company expended $0 and $0, respectively for research and development of the technology involved with its patents.

KLEVER MARKETING, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002
(continued)

NOTE 6- RELATED PARTY TRANSACTIONS

OLSON FARMS, INC. LOANS TO THE COMPANY.

Olson Farms, Inc. made a $150,000.00 unsecured loan to the Company on February 26, 2001. This note has a six-month term at 10% annual interest maturing on August 26, 2001. The maker of the note may give written notice within 10-days of maturity, to the Company, to convert the principal and interest into common stock with a convertible price of $1.05 (10-day weighted average from February 26, 2001 and the nine days prior).

Olson Farms made an unsecured loan to the Company on January 7, 2002 for $1,835.84. This note has an annual interest rate of 8% and matures on January 7, 2004. An option was granted in connection with this note for 3,060 shares at a strike price of $1.00 and an expiration date of January 7, 2005.

OLSON FOUNDATION LOANS TO THE COMPANY.

Olson Foundation loaned the Company $60,000 on July 16, 2001, of which is secured by a blanket lien on the assets of the Company. An Interest rate of 10% compounded monthly applies until January 15, 2002. Principal and all due and unpaid interest are to be paid on January 16, 2002, or the interest rate increases to 15% compounded daily. Warrants were issued in conjunction with this loan for 18,182 common shares at a strike price of $0.01 and an expiration date of July 16, 2006. This note is convertible to Class C convertible preferred shares or to Class D convertible preferred shares at the option of the note holder.

Olson Foundation loaned the Company $90,000 on July 30, 2001, of which is secured by a blanket lien on the assets of the Company. An Interest rate of 10% compounded monthly applies until January 30, 2002. Principal and all due and unpaid interest are to be paid on January 30, 2002, or the interest rate increases to 15% compounded daily. Warrants were issued in conjunction with this loan for 27,273 common shares at a strike price of $0.01 and an expiration date of July 30, 2006. This note is convertible to Class C convertible preferred shares or to Class D convertible preferred shares at the option of the note holder.

Olson Foundation made unsecured loans to the Company on May 3, 2002, August 16, 2002, and October 29, 2002 for $7,359, $10,000, and $1,059.37, respectively. These notes are payable within two years plus interest at 8% per annum. In conjunction with the notes, Olson Foundation also received common stock options for each note at a ratio of 1.667 common shares for each dollar loaned.

KLEVER MARKETING, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002
(continued)

NOTE 6- RELATED PARTY TRANSACTIONS (continued)

ESTATE OF PETER D. OLSON.

Peter D. Olson loaned the Company $12,500, $12,500, and $3,750 on September 1, 1998, September 17, 1998, and September 22, 1998, respectively. These notes bear an interest rate of 10% per annum.

PRESIDIO INVESTMENTS, LLC LOAN TO THE COMPANY.

Presidio Investments, LLC has loaned the Company $1,000,000, which loan is secured by a blanket lien on the assets of the Company. The sole trustee of Presidio Investments, LLC is William J. Howard, trustee of the Olson Legacy Trust, whose residual beneficiary is the Olson Foundation. The Olson Foundation was the guarantor for funds borrowed from Northern Trust Bank which funds were used to make the loan to the Company. This note was amended on March22, 2001 with an additional $500,000 loaned to the Company between January 1, 2001 and March 22, 2001. An Interest rate of 8% applies until March 31, 2001 and increases to 10% on April 1st, 2001. Principal and all due and unpaid interest are to be paid on October 1, 2001. This note is convertible to Class C convertible preferred shares at the option of the note holder.

OLSON LEGACY TRUST LOAN TO THE COMPANY

Olson Legacy Trust made unsecured loans to the Company on October 19, 2001 and November 15, 2001 in the amounts of $20,706 and $30,000, respectively. The notes are payable within two years plus interest at 8% per annum. In conjunction with the notes, Olson Foundation received common stock options for each note at a ratio of 1.667 common shares for each dollar loaned to the Company.

DIRECTOR LOAN TO THE COMPANY

On October 20, 1998, the Company borrowed $150,000 from Mount Olympus

Waters, Inc. at an annual interest rate of 12% and a maturity date of April 30, 1999. The Company made a payment of $50,000 on February 26, 1999.

DIRECTOR LOAN TO THE COMPANY

On February 20, 2001, the Company borrowed $50,000 from Leonard D. Southwick, a member of the Board of Directors. This loan was repaid on February 26, 2001. The interest rate on

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KLEVER MARKETING, INC.
(a Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)

NOTE 6 - RELATED PARTY TRANSACTIONS (continued)

the note was 9% and matured on March 19, 2001.

DIRECTOR AND OFFICER LOAN TO THE COMPANY

Richard J. Trout loaned the Company $396.85, $163.00 and $568.08 on September 16, 2002, March 19, 2003, and April 28, 2003, respectively. These notes are payable within two years plus interest at 8% per annum. In conjunction with the notes, Mr. Trout received common stock options at a ratio of 1.667 common shares for each dollar loaned to the Company.

ARBINGER LOANS TO THE COMPANY

The loans listed below were made to the Company by The Arbinger Institute. The Arbinger Institute is controlled by four equal partners, of which C. Terry Warner and D. Paul Smith are each a partner.

DATE	Principal	Annual Interest Rate	Maturity Date	Common Stock Option # Shares	Option Strike Price
10/19/01	$10,000.00	8.00%	10/19/02	16,667	$1.00
12/31/01	$6,617.04	8.00%	12/31/02	11,028	$1.00
01/30/02	$15,000.00	8.00%	01/30/04	25,000	$1.00
02/18/02	$4,000.00	8.00%	02/18/03	6,667	$1.00
07/02/02	$7,700.00	8.00%	07/02/03	12,833	$1.00
08/30/02	$200.00	8.00%	08/30/04	333	$1.00
09/18/02	$8,500.00	8.00%	09/18/04	14,167	$1.00
11/19/02	$5,500.00	8.00%	11/19/04	9,167	$1.00
04/08/03	$1,200.00	8.00%	04/08/05	2,000	$1.00
Total	$58,717.04			97,862	

DIRECTOR LOANS TO THE COMPANY

C. Terry Warner made unsecured loans to the Company on September 27, 2002, August 12, 2002, April 16, 2003, May 2, 2003, May 5, 2003, and May 8, 2003 in the amounts of $15,000, $21,348, $10,000, $1,500, $800, and $19,000, respectively. These notes are payable within two years plus interest at 8% per annum. In conjunction with the notes, Olson Foundation received

KLEVER MARKETING, INC.
(a Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)

NOTE 6 - RELATED PARTY TRANSACTIONS (continued)

common stock options for each note at a ratio of 1.667 common shares for each dollar loaned to the Company.

DIRECTOR AND OFFICER LOANS TO THE COMPANY

The loans listed below were made to the Company by D. Paul Smith, a member of the Board of Directors:

DATE	Principal	Annual Interest Rate	Maturity Date	Common Stock Option # Shares	Option Strike Price
12/31/02	$25,000.00	8.00%	12/31/04	41,667	$1.00
02/21/03	$5,000.00	8.00%	02/21/05	8,333	$1.00
03/31/03	$15,000.00	8.00%	03/31/05	25,000	$1.00
04/10/02	$15,000.00	8.00%	04/10/03	25,000	$1.00
08/30/02	$370.23	8.00%	08/30/04	617	$1.00
11/01/02	$364.82	8.00%	11/01/04	608	$1.00
11/04/02	$15,000.00	8.00%	11/04/04	25,000	$1.00
Total	$75,735.05			126,225	

THE SEABURY GROUP LOAN TO THE COMPANY

The Seabury Group loaned the Company $60,000 on July 5, 2001, of which is secured by a blanket lien on the assets of the Company. An Interest rate of 10% compounded monthly applies until January 5, 2002. Principal and all due and unpaid interest are to be paid on January 5, 2002, or the interest rate increases to 15% compounded daily. Warrants were issued in conjunction with this loan for 18,182 common shares at a strike price of $0.01 and an expiration date of July 5, 2006. This note is convertible to Class C convertible preferred shares or to Class D convertible preferred shares at the option of the note holder.

The Seabury Group loaned the Company $190,000 on August 22, 2001, of which is secured by a blanket lien on the assets of the Company. An Interest rate of 10% compounded monthly applies until February 22, 2002. Principal and all due and unpaid interest are to be paid on February 22, 2002, or the interest rate increases to 15% compounded daily. Warrants were issued in conjunction with this loan for 57,576 common shares at a strike price of $0.01 and an expiration date

NOTE 6 - RELATED PARTY TRANSACTIONS (continued)

of August 22, 2006. This note is convertible to Class C convertible preferred shares or to Class D convertible preferred shares at the option of the note holder.

PAUL G. BEGUM

On February 1, 2000 an accrued liability owed to Paul G. Begum in the amount of $306,666.64 was converted to common shares by exercise of options for the purchase of 579,585 shares at $.86 per share and a note receivable in the amount of $191,776.46. The note is payable in thirty-six equal installments with interest at the rate of eight percent. The note is collateralized by 100,000 shares of the Company's common shares. As of July 31, 2001, the total balance on the note receivable was $98,375. On July 31, 2001, the Company forgave the remaining amount owed on the receivable in exchange for 100,000 shares of common stock that were returned to the Company.

During the year ended December 31, 2001, the Company accrued additional liabilities from a separation agreement with Paul G. Begum. The total amount of these liabilities at March 31, 2003 is $79,020.

NOTE 7- STOCK OPTIONS

The shareholders approved, by a majority vote, the adoption of the 1998 Stock Incentive Plan (the "Plan"). Under the Plan, 3,500,000 shares of common stock are reserved for issuance upon the exercise of options which may be granted from time-to-time to officers, directors and certain employees and consultants of the Company or its subsidiaries. The Plan permits the award of both qualified and non-qualified incentive stock options. Under the Plan, an additional 500,000 shares

KLEVER MARKETING, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002
(continued)

NOTE 7- STOCK OPTIONS (continued)

of common stock are reserved for issuance in the form of restricted stock grants. As of March 31, 2003, 2,938,969 options had been granted under the Plan, and another 1,443,020 options had been granted outside of the Plan. Compensation expense charged to operations in 2002 and 2001 is $0 and $0. The following is a summary of transactions:

	Shares Unde
	March 31,
	2003
Outstanding, beginning of year	4,047,005
Granted during the year	360,834
Canceled during the year	(25,850)
Exercised during the year	-
Outstanding, end of year (at prices ranging from $.01 to $3.00 per share)	4,381,989
Eligible, end of year for exercise currently (at prices ranging from $.01 to $3.00 per share)	3,548,655

NOTE 8 - PREFERRED STOCK

On February 7, 2000 the Board of Directors authorized and established "Class A Voting Preferred Stock" ("Class A Shares") as a class of its $.01 par value, 2,000,000 shares authorized, preferred stock. Class A Shares consisted of 1,000,000, 125,000 shares thereof were designated as Series 1 shares. On May 20, 2002, the Board of Directors amended the number of authorized shares of Class A voting preferred stock to 55,000 shares.

Class A Shares are convertible into Common Stock at an initial conversion price of $2.60 (subject to adjustment).

Holders of Class A Shares shall be entitled to receive when and as declared by the Board of Directors of the Company out of any funds at the time legally available therefor dividends at the rate of $2.20 per share per annum, payable semi-annually on the first day of January and July of each year. Such dividends shall accrue on each such share from the date of its original issuance and shall accrue from day to day, whether or not earned or declared. Such dividend shall be cumulative and may be paid in cash or in kind through the distribution of .0425 Class A Shares, Series 1, for each

KLEVER MARKETING, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002
(continued)

NOTE 8 - PREFERRED STOCK (continued)

outstanding Class A Share, on each dividend payment date. In addition, each holder of Class A Shares shall be entitled to receive, when and as declared, a dividend equal to each dividend declared and paid on the shares of Common Stock, on a share for share basis. If there is a split or dividend on the Common Stock, then the Class A Share dividends shall be adjusted as if a similar split or dividend had occurred with respect to the Class A Shares.

Class A Shareholders shall be entitled to one vote for each share of Common Stock into which such Class A Shares could then be converted, and shall have voting rights and powers equal to that of a holder of Common Stock. The Holders of Class A Shares shall vote with the holders of Common Stock and not as a separate class.

Class A Shares carry a liquidation preference of $26 per share plus any accrued but unpaid dividends on such shares, if any, and adjusted for combinations, splits, dividends or distributions of shares of stock with respect to such shares.

The Class A Shares shall be redeemable by the Company, in whole or in part, at the option of the Board of Directors of the Company, at any time and from time to time on or after July 1, 2002. The redemption price shall be $26 per share together with accrued but unpaid dividends on such shares, if any.

On September 24, 2000 the Board of Directors authorized and established "Class B Voting Preferred Stock" ("Class B Shares") as a class of its $.01 par value, 2,000,000 shares authorized, preferred stock. Class B Shares consisted of 250,000, 125,000 shares thereof were designated as Series 1 shares. On May 20, 2002, the Board of Directors amended the number of authorized shares of Class B voting preferred stock to 42,000 shares.

Class B Shares are convertible into Common Stock at an initial conversion price of $1.70 (subject to adjustment).

Holders of Class B Shares shall be entitled to receive when and as declared by the Board of Directors of the Corporation out of any funds at the time legally available therefore dividends at the rate of the Original Issue Price divided by 11.8181818 per share per annum, payable semi-annually on the first day of January and July of each year. Such dividends shall accrue on each such share from the date of its original issuance and shall accrue from day to day, whether or not earned or declared. Such dividends shall be cumulative and may be paid in cash or in kind through the distribution of .0425 Class B Shares, of the same Series for which the dividend is accrued, for each

KLEVER MARKETING, INC.
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NOTES TO FINANCIAL STATEMENTS
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(continued)

NOTE 8 - PREFERRED STOCK (continued)

outstanding Class B Share, on each dividend payment date; provided, that if such dividends in respect of any period shall not have been paid or declared and set apart for payment for all outstanding Class B Shares by each payment date, then until all unpaid dividends thereon shall be paid or set apart for payment to the holders of such shares, the Corporation may not pay, declare or set apart any dividend or other distribution on its shares of Common Stock or other shares junior to the Class B Shares, nor may any other distributions, redemptions or other payments be made with respect to the shares of Common Stock or other junior shares. In addition to the foregoing, each holder of a Class B Share shall be entitled to receive, when and as declared, a dividend equal to each dividend declared and paid on the shares of Common Stock, on a share for share basis, so the holders of the Class B Shares shall be entitled to participate equally on a share for share basis with the holders of the shares of Common Stock. If there is a share split or dividend on the Common Stock, then the Class B Share dividends shall be adjusted as if a similar split or dividend had occurred with respect to the Class B Shares.

Class B Shareholders shall be entitled to one vote for each share of Common Stock into which such Class B Shares could then be converted and shall have voting rights and powers equal to the voting rights and powers of a holder of shares of Common Stock. The holders of Class B Shares shall vote with the holders of shares of Common Stock and not as a separate class.

Class B Shares shall carry a liquidation preference of $17 per share plus any accrued but unpaid dividends on such shares, if any, and adjusted for combinations, splits, dividends or distributions of shares of stock with respect to such shares.

The Class B Shares shall be redeemable by the Company, in whole or in part, at the option of the Board of Directors of the Company, at any time and from time to time on or after March 24, 2004 for Series 1, and such date as determined by the Board of Directors for each additional Series. The redemption price shall be $17.00 per share together with accrued but unpaid dividends on such shares, if any.

On January 2, 2001 the Board of Directors authorized and established "Class C Voting Preferred Stock" ("Class C Shares") as a class of its $.01 par value, 2,000,000 shares authorized, preferred stock. Class C Shares consisted of 500,000, 125,000 shares thereof were designated as Series 1 shares and 125,000 shares thereof were designated as Series 2 shares. On May 20, 2002, the Board of Directors amended the number of authorized shares of Class C voting preferred stock to 150,000 shares.

KLEVER MARKETING, INC.
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NOTES TO FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002
(continued)

NOTE 8 - PREFERRED STOCK (continued)

Class C Shares are convertible into Common Stock at an initial conversion price of $.66 (subject to adjustment).

Holders of Class C Shares shall be entitled to receive when and as declared by the Board of Directors of the Corporation out of any funds at the time legally available therefore dividends at the rate of the Original Issue Price divided by 11.8181818 per share per annum, payable semi-annually on the first day of January and July of each year. Such dividends shall accrue on each such share from the date of its original issuance and shall accrue from day to day, whether or not earned or declared. Such dividends shall be cumulative and may be paid in cash or in kind through the distribution of .0425 Class C Shares, of the same Series for which the dividend is accrued, for each outstanding Class C Share, on each dividend payment date; provided, that if such dividends in respect of any period shall not have been paid or declared and set apart for payment for all outstanding Class C Shares by each payment date, then until all unpaid dividends thereon shall be paid or set apart for payment to the holders of such shares, the Corporation may not pay, declare or set apart any dividend or other distribution on its shares of Common Stock or other shares junior to the Class C Shares, nor may any other distributions, redemptions or other payments be made with respect to the shares of Common Stock or other junior shares. In addition to the foregoing, each holder of a Class C Share shall be entitled to receive, when and as declared, a dividend equal to each dividend declared and paid on the shares of Common Stock, on a share for share basis, so the holders of the Class C Shares shall be entitled to participate equally on a share for share basis with the holders of the shares of Common Stock. If there is a share split or dividend on the Common Stock, then the Class C Share dividends shall be adjusted as if a similar split or dividend had occurred with respect to the Class C Shares.

Class C Shareholders shall be entitled to one vote for each share of Common Stock into which such Class C Shares could then be converted and shall have voting rights and powers equal to the voting rights and powers of a holder of shares of Common Stock. The holders of Class C Shares shall vote with the holders of shares of Common Stock and not as a separate class.

Class C Shares shall carry a liquidation preference of $6.60 per share plus any accrued but unpaid dividends on such shares, if any, and adjusted for combinations, splits, dividends or distributions of shares of stock with respect to such shares.

The Class C Shares shall be redeemable by the Company, in whole or in part, at the option of the Board of Directors of the Company, at any time and from time to time on or after July 2, 2004

KLEVER MARKETING, INC.
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(continued)

NOTE 8 - PREFERRED STOCK (continued)

for Series 1, and such date as determined by the Board of Directors for each additional Series. The redemption price shall be $6.60 per share together with accrued but unpaid dividends on such shares, if any.

On May 20, 2002, the Board of Directors authorized and established "Class D Voting Preferred Stock" ("Class D Shares") as a class of its $.01 par value, 2,000,000 shares authorized, preferred stock. Class D Shares consist of 500,000 shares thereof are designated as "Class D Voting Preferred Stock" (the "Class D Shares").

Class D Shares are convertible into Common Stock at an initial conversion price of $1.05 (subject to adjustment).

Holders of Class D Shares shall be entitled to receive when and as declared by the Board of Directors of the Corporation out of any funds at the time legally available therefore dividends at the rate of the Original Issue Price divided by 11.8181818 per share per annum, payable semi-annually on the first day of January and July of each year. Such dividends shall accrue on each such share from the date of its original issuance and shall accrue from day to day, whether or not earned or declared. Such dividends shall be cumulative and may be paid in cash or in kind through the distribution of .0425 Class D Shares for each outstanding Class D Share, on each dividend payment date; provided, that if such dividends in respect of any period shall not have been paid or declared and set apart for payment for all outstanding Class D Shares by each payment date, then until all unpaid dividends thereon shall be paid or set apart for payment to the holders of such shares, the Corporation may not pay, declare or set apart any dividend or other distribution on its shares of Common Stock or other shares junior to the Class D Shares, nor may any other distributions, redemptions or other payments be made with respect to the shares of Common Stock or other junior shares. In addition to the foregoing, each holder of a Class D Share shall be entitled to receive, when and as declared, a dividend equal to each dividend declared and paid on the shares of Common Stock, on a share for share basis, so the holders of the Class D Shares shall be entitled to participate equally on a share for share basis with the holders of the shares of Common Stock. If there is a share split or dividend on the Common Stock, then the Class D Share dividends shall be adjusted as if a similar split or dividend had occurred with respect to the Class D Shares.

Class D Shareholders shall be entitled to one vote for each share of Common Stock into which such Class D Shares could then be converted and shall have voting rights and powers equal to the voting rights and powers of a holder of shares of Common Stock. The holders of Class D Shares shall vote with the holders of shares of Common Stock and not as a separate class.

NOTE 8 - PREFERRED STOCK (continued)

Class D Shares shall carry a liquidation preference of $10.50 per share plus any accrued but unpaid dividends on such shares, if any, and adjusted for combinations, splits, dividends or distributions of shares of stock with respect to such shares.

The Class D Shares shall be redeemable by the Company, in whole or in part, at the option of the Board of Directors of the Company, at any time and from time to time on or after May 14, 2007. The redemption price shall be $10.50 per share together with accrued but unpaid dividends on such shares, if any.

NOTE 9 - LITIGATION

On September 18, 2001, a Complaint was filed in Superior Court of the State of California, County of San Francisco, by eiKart, L.L.C. ("eiKart") against the Company. The Complaint arises out of a written agreement between the Company and eiKart dated May 11, 2001. On December 12, 2002, a judgment in California was made against the Company whereby the Company is required to pay $75,804 plus daily interest of $19.25 per day after December 3, 2002. This judgment has been included in the financial statements as part of accrued liabilities at March 31, 2003 and December 31, 2002. This California judgment was obtained without an active defense by the Company which the Company believes it has. Because of this fact, the Company intends to actively oppose any collection activity outside of California.

On October 18, 2002, a default judgment was entered against the Company by Avnet, Inc. The total judgment was for $6,676.85 with interest on the total judgment at 4.28% per annum until paid. The total judgment of $6,676.85 and interest of $105.56 was paid on February 4, 2003.

On September 6, 2002, an entry of judgment was entered against the Company by Micropower Direct, LLC. The total judgment was for $17,167.18. This judgment has been included in accounts payable as of December 31, 2002.

NOTE 10 - STOCK TRANSACTIONS

During January 2003, the Company received $65,000 for 866,667 shares of common stock. As of March 31, 2003, these shares have not been issued.

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

GENERAL - This discussion should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's annual report on Form 10-KSB for the year ended December 31, 2002.

PLAN OF OPERATIONS - The Company has no current operations. The Company's plan of operations is subject to obtaining financing. The Company's goal is to become the leading supplier of in-store promotions and advertising technology for grocery and other mass-merchandise retailers. To accomplish this goal, the Company intends to expand its product offerings to include: (i) electronic couponing to eliminate the need for and reduce the costs related to paper coupons (including fraud, mis-redemption and mal-redemption); (ii) the establishment of targeted Internet-type content to enhance customer loyalty; (iii) capturing Point-of-Selection data in the aggregate for providing data warehousing and mining services to various interested parties; (iv) certain other in-store services. Additionally, the Company intends to expand the Klever-Kart System's application to other retailers including superstores, discount stores, toy stores and warehouse stores.

BUSINESS DEVELOPMENT, NEXT 12 MONTHS

As a result of the current financial condition of the Company, the plan of the Company for the next twelve months is to obtain sufficient financing to permit the Company to commence active business operations. Absent obtaining such financing, the Company's plan is to continue to obtain sufficient smaller financing to permit the Company to continue to prevent the loss or wasting of its assets and to continue to seek such operation's financing. Currently, the Company has sufficient liquid assets to permit current restricted operations to continue for one month. If such smaller interim financing is not obtained, it is likely that the Company will cease being a going concern at the end of such period.

In the event such operational funding is obtained, then the Company has plans during the next twelve months to: 1) develop and implement its electronic coupons, the Klever-Kard* enhancement to existing frequent shopping programs and electronic couponing feature, and 2) expand the Klever- Kart System's orientation to other store formats including superstores, discount stores, toy stores, do-it-yourself stores and warehouse stores.

Absent such financing, the Company has no plans to employ additional employees or to purchase additional equipment. If such financing is obtained, there would be additional employees employed and additional equipment purchased. The number of each is dependent upon the amount of such financing.

LIQUIDITY AND CAPITAL RESOURCES - The Company requires working capital principally to fund its current research and development and operating expenses for which the Company has relied on short-term borrowings and the issuance of restricted common stock. There are no formal commitments from banks or other lending sources for lines of credit or similar short-term borrowings, but the Company has been able to borrow limited additional working capital that has

been required. From time to time in the past, required short-term borrowings have been obtained from a principal shareholder or other related entities.

Cash flows. Operating activities used cash of $71,000 and $56,000 for the three months ended March 31, 2003 and 2002, respectively.

Investing activities used cash of $4,000 for the three months ended March 31, 2003, and provided cash of $7,000 for the three months ended March 31, 2002. Investing activities primarily represent purchases of patents relating to the electronic in-store advertising, directory and coupon devices, and purchases or disposal of office equipment.

Financing activities provided cash of $87,000 and $49,000 for the three months ended March 31, 2003 and 2002, respectively. Financing activities primarily represent sales of the Company's common and preferred stock, and loans from shareholders.

The Company will be required to supplement its available cash and other liquid assets with proceeds from borrowing, the sale of additional securities, or other sources. There can be no assurance that any such required additional funding will be available or, if available, that it can be obtained on terms favorable to the Company.

ITEM 3. CONTROLS AND PROCEDURES

The Company's Chief Executive Officer and Chief Financial Officer have concluded, based on an evaluation conducted within 90 days prior to the filing date of this Quarterly Report on Form 10- QSB, that the Company's disclosure controls and procedures have functioned effectively so as to provide those officers the information necessary to evaluate whether:

(i) this Quarterly Report on Form 10-QSB contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report on Form 10-QSB, and

(ii) the financial statements, and other financial information included in this Quarterly Report on Form 10-QSB, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this Quarterly Report on Form 10-QSB.

There have been no significant changes in the Company's internal controls or in other factors since the date of the Chief Executive Officer's and Chief Financial Officer's evaluation that could significantly affect these internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On September 18, 2001, a Complaint was filed in Superior Court of the State of California, County of San Francisco, by eiKart, L.L.C. ("eiKart") against the Company. The Complaint arises out of a written agreement between the Company and eiKart dated May 11, 2001. On December 12, 2002, a judgment in California was made against the Company whereby the Company is required to pay $75,804 plus daily interest of $19.25 per day after December 3, 2002. This judgment has been included in the financial statements as part of accrued liabilities at December 31, 2002. This California judgment was obtained without an active defense by the Company which the Company believes it has. Because of this fact, the Company intends to actively oppose any collection activity outside of California.

On October 18, 2002, a default judgment was entered against the Company by Avnet, Inc. The total judgment was for $6,676.85 with interest on the total judgment at 4.28% per annum until paid. The total judgment of $6,676.85 and interest of $105.56 was paid on February 4, 2003.

On September 6, 2002, an entry of judgment was entered against the Company by Micropower Direct, LLC. The total judgment was for $17,167.18. This judgment has been included in accounts payable as of December 31, 2002.

ITEM 2. CHANGES IN SECURITIES

During January 2003, the Company received $65,000 for 866,667 shares of common stock. As of March 31, 2003, these shares have not been issued.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Exhibit Number	Title of Document

3.01	Restated Certificate of Incorporation of Klever Marketing, Inc. a Delaware corporation (1)
3.02	Certificate of Designation of Rights, Privileges and Preferences: Rights of A Class Voting Preferred Stock, Series 1, of Klever Marketing, Inc., dated February 7, 2000 (2)
3.03	Bylaws, as amended (2)
4.01	Amended Certificate of Designation of Rights, Privileges and Preferences: Rights of A Class of Voting Preferred Stock, Series 1, of Klever Marketing, Inc., Dated February 7, 2000 (3)
4.02	Certificate of Designation of Rights, Privileges and Preferences of Class B Voting Preferred Stock, of Klever Marketing, Inc., dated September 24, 2000 (3)
4.03	Certificate of Designation of Rights, Privileges and Preferences of Class C Voting Preferred Stock, of Klever Marketing, Inc., dated January 2, 2001 (3)
4.04	Certificate of Designation of Rights, Privileges and Preferences of Class D Voting Preferred Stock, of Klever Marketing, Inc., dated June 14, 2002 (5)
4.05	Amendment to the Certificates of Designation of Rights, Privileges and Preferences of Class A, B, and C Voting Preferred Stock, of Klever Marketing, Inc., dated June 12, 2002 (5)
10.01	Separation Agreement between Paul G. Begum and the Registrant Dated January 8, 2001 (2)

10.02	Stock Incentive Plan, effective June 1, 1998 (2)
10.03	Amended and Restated Promissory Note (Secured) of the Registrant payable to Presidio Investments, LLC, dated June 27, 2000, with Financing Statement and Exhibit "A" (2)
10.04	Intercreditor Agreement between Seabury Investors III, Limited Partnership, The Olson Foundation, Presidio Investments, LLC, and the Registrant dated August 27, 2001 (4)
99.1	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.2	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(1) Incorporated herein by reference from Registrant's Form 10KSB, dated June 20, 1997. (2) Incorporated herein by reference from Registrant's Form 10KSB, dated March 29, 2001. (3) Incorporated herein by reference from Registrant's Form 10QSB, dated May 15, 2001. (4) Incorporated herein by reference from Registrant's Form 10KSB, dated May 15, 2002. (5) Incorporated herein by reference from Registrant's Form 10QSB, dated August 19, 2002.

SIGNATURES

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

Klever Marketing, Inc.
(Registrant)

DATE: May 20, 2003

By: /s/ Richard J. Trout
Richard J. Trout
President & Director

By: /s/ D. Paul Smith
D. Paul Smith
C.F.O., Secretary, Treasurer, Chairman

I, Richard J. Trout, certify that:

1. I have reviewed this quarterly report on form 10-QSB of Klever Marketing, Inc.

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

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

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in exchange act rules 13a-14 and 15d- 14) for the registrant and have:

A) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

B) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "evaluation date"); and

C) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the evaluation date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

A) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

B) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

6. The registrant's other certifying officers and I have indicated in this quarterly

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

Date: May 20, 2003

/s/ Richard J. Trout
Richard J. Trout
President and Director
(Principal Executive Officer)

I, D. Paul Smith, certify that:

1. I have reviewed this quarterly report on form 10-QSB of Klever Marketing, Inc.

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

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

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in exchange act rules 13a-14 and 15d- 14) for the registrant and have:

A) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

B) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "evaluation date"); and

C) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the evaluation date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

A) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

B) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

6. The registrant's other certifying officers and I have

indicated in this quarterly

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

Date: May 20, 2003

/s/ D. Paul Smith
D. Paul Smith
C.F.O., Secretary, Treasurer, Chairman
(Principal Financial Officer)