RAMP CORP
Form 10-Q
November 15, 2004

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

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2004

[ ] 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: 024768

Ramp Corporation

(Exact name of issuer as specified in its charter)

Delaware	84-123311
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

33 Maiden Lane, New York, New York	10038
(Address of principal executive offices)	(Zip Code)

(212) 440-1500

(Registrant's telephone number, including area code)

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.

[X] Yes [ ] No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

[ ] Yes [X] No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of November 3, 2004.

Common Stock, $0.001 par value	283,191,587
Class	Number of Shares

Ramp Corporation

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PART I

Item 1. Financial Statements

Ramp Corporation (formerly Medix Resources, Inc.)
Consolidated Balance Sheets

Assets

Current assets
Cash
Accounts receivable
Unamortized debt issuance costs
Prepaid expenses and other

Total current assets

Non-current assets
Property and equipment, net
Security deposits
Goodwill
Other intangible assets, net

Total non-current assets

Total assets

Liabilities and Stockholders' Equity (Deficit)

Current liabilities
Convertible promissory notes net of debt discount of $910,000
Promissory notes and current portion of long term debt
Accounts payable
Accounts payable - related parties
Accrued expenses
Deferred revenue

Total current liabilities

Long-term debt, net of current portion and
debt discount of $143,000 and $169,000

Commitments and contingencies
Stockholders' equity (deficit)

1996 Preferred stock, 10% cumulative convertible, $1 par value,
488 shares authorized, 155 shares issued, 1 share outstanding,
liquidation preference $10,000 plus accrued and unpaid dividends
2003 Series A convertible stock, $1 par value, 3,200 shares authorized,
3,112 shares issued and outstanding at December 31, 2003
Common stock, $0.001 par value, 400,000,000 shares authorized,
239,398,443 and 145,244,392 issued and outstanding at September 30, 2004
and December 31, 2003, respectively
Deferred compensation
Additional paid-in capital
Accumulated deficit

Total stockholders' equity (deficit)

See notes to unaudited consolidated financial statements.

Ramp Corporation (formerly Medix Resources, Inc.)
Unaudited Consolidated Statements of Operations

	For the Three Months Ended September 30,		
	2004	2003	2
Revenues	$ 94,000	$ 1,000	$ 194
Costs and expenses			
Software and technology costs	1,850,000	789,000	4,884
Selling, general and administrative expenses	5,410,000	4,134,000	16,909
Costs associated with terminated acquisition	--	--	
Total operating expenses	7,260,000	4,923,000	21,793
Other income (expense)			
Other income	5,000	24,000	8
Interest expense	(74,000)	(162,000)	(87
Financing costs	(8,520,000)	(364,000)	(9,046
Total other income (expense)	(8,589,000)	(502,000)	(9,125
Loss from continuing operations	(15,755,000)	(5,424,000)	(30,724
Loss from discontinued operations	(29,000)	--	(174
Loss on sale of discontinued operations	(3,920,000)	--	(3,920
Loss from discontinued operations	(3,949,000)	0	(4,094
Net loss	(19,704,000)	(5,424,000)	(34,818
Disproportionate deemed dividend issued to certain warrant holders	(149,000)	(113,000)	(990
Net loss applicable to common stockholders	$(19,853,000)	$ (5,537,000)	$(35,808
Net loss per share basic and diluted:			
Loss from continuing operations applicable to common stockholders	($0.08)	($0.06)	($0
Discontinued operations	(0.02)	0.00	(0

Net loss applicable to common stockholders	($0.10)	($0.06)	($
Basic and diluted weighted average common shares outstanding	202,377,020	90,906,261	177,235

See notes to unaudited consolidated financial statements.

Ramp Corporation (formerly Medix Resources, Inc.)
Unaudited Consolidated Statements of Cash Flows

	For End
	2004
Cash flows from operating activities	
Net loss	$ (34,81
Adjustments to reconcile net loss to cash provided by (used in) operating activities:	
Loss on sale of discontinued operations	3,92
Depreciation and amortization	54
Impairment of long-lived assets	40
Amortization of deferred issuance costs	14
Common stock, options, warrants and promissory note issued for services, consulting and settlements	4,19
Common stock, warrants and promissory note issued for interest and other financing costs, non-cash portion	8,88
Net changes in operating assets and liabilities	4,11
Net cash used in operating activities	(12,60
Cash flows from investing activities:	
Net proceeds from sale of discontinued operations	44
Purchase of property and equipment	(81
Note receivable	
Business acquisition costs, net of cash acquired	
Net cash used in investing activities	(36
Cash flows from financing activities:	
Net proceeds from issuance of debt and notes payable	5,44
Principal payments on debt and notes payable	(1,76
Proceeds from issuance of preferred and common stock, net of offering costs	5,52
Proceeds from the exercise of options and warrants	2,34
Net cash provided by financing activities	11,54

Net decrease in cash	(1,42
Cash, beginning of period	1,80
Cash, end of period	$ 38

See Notes 8-10 and 12 for discussion of non-cash investing activities for the nine months ended September 30 2004.

Non-cash financing activities for the nine months ended September 30, 2003:
Issuance of 100,000 shares of $0.001 par value common stock valued at $48,000 along with cash of $300,000; the total being the purchase price of the ePhysician assets Issuance of warrants to placement agent valued at $215,000 in a private placement

See notes to unaudited consolidated financial statements.

Ramp Corporation (formerly Medix Resources, Inc.)

Notes to Unaudited Consolidated Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements are unaudited and reflect all adjustments (consisting only of normal recurring adjustments), which are, in the opinion of management, necessary for a fair presentation of the financial position and operating results for the interim periods presented. They comply with Regulation S-X and the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required under generally accepted accounting principles for complete financial statements. The consolidated balance sheet as of December 31, 2003 has been derived from the audited financial statements. The unaudited consolidated financial statements contained herein should be read in conjunction with the financial statements and notes thereto contained in the Company's Form 10-K for the fiscal year ended December 31, 2003. The results of operations for the three and nine months ended September 30, 2004 are not necessarily indicative of the results for the entire fiscal year ending December 31, 2004 or for any other interim period in the fiscal year ending December 31, 2004.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. The Company has experienced substantial recurring losses to date which raise substantial doubt about its ability to continue as a going concern. In addition, at September 30, 2004, the Company had a working capital deficit of $11,312,000. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Management continues to pursue fund-raising activities, including private placements, to continue to fund the Company's operations until such time as revenues are sufficient to support operations. There can be no assurances that additional funds will be raised or that the Company will ever be profitable.

2. GOODWILL AND OTHER INTANGIBLE ASSETS, NET

Total goodwill at September 30, 2004, includes $1,605,000 related to the

balance of goodwill acquired through the acquisition of Cymedix in 1998. The Company has tested the goodwill in accordance with SFAS 142 and has found no indication of impairment. The Company anticipates recording additional goodwill in the fourth quarter of 2004 as the result of its acquisition of Berdy Medical Systems, Inc. on October 22, 2004 - see note 13, Subsequent Events.

In connection with the Company's acquisitions of ePhysician in March 2003, the Company recorded certain other intangible assets. At September 30, 2004, the Company's other intangible assets, net, consisted of the following:

	Cost	Accumulated Amortization	Average useful lives
Trade name and related marks	$50,000	$ 40,000	2 years
Customer-related intangibles	50,000	40,000	2 years
Software and other technology	150,000	118,000	2 years
Total	$250,000	$198,000	

Amortization expense for continuing operations during the three and nine months ended September 30, 2004 was $31,000 and $94,000, respectively.

3. DISCONTINUED OPERATIONS

On September 30, 2004, the Company closed a transaction pursuant to a certain Asset Purchase Agreement (the "Asset Purchase Agreement"), dated as of September 29, 2004, by and between the Company, The Duncan Group, Inc. ("Duncan"), M. David Duncan (a former employee of the Company) and Nancy L. Duncan (a former Executive Vice President of the Company), to sell the assets of the Company previously acquired from Duncan on November 10, 2003 (including intellectual property, tangible personal property, accounts receivable, and other assets) related to the business of Duncan known as Frontline Physicians Exchange and Frontline Communications ("Frontline"). In accordance with the Asset Purchase Agreement, the Company agreed to sell all of the assets of the Company's Frontline division, now known as the OnRamp division, in consideration of (i) the Company's receipt of $500,000 in cash paid at closing; (ii) termination of the employment agreement between the Company and each of M. David Duncan and Nancy L. Duncan; (iii) release and discharge of the Company's obligations to Duncan under a certain Asset Purchase Agreement dated as of November 7, 2003, between the Company and Duncan (the "2003 Purchase Agreement"), to issue Incentive Shares (as defined in the Asset Purchase Agreement) to Duncan; (iv) release and discharge of the Company's obligations to Duncan under the 2003 Purchase Agreement to pay Duncan a royalty equal to 15% of the gross revenue of the OnRamp business during 2003 and 2004 (of which $326,000 was accrued and unpaid as of September 30, 2004); and (v) release and discharge of the Company's obligations under the 2003 Purchase Agreement to pay Duncan any shortfall amount following the sale of certain shares of the Company's common stock by Duncan.

The sale of OnRamp results in a loss of approximately $3.9 million. Goodwill of $3,357,000 was removed from the balance sheet in the sale of OnRamp. Absent the sale of OnRamp during the third quarter, the Company would likely have written down goodwill and other intangible assets associated with its OnRamp operations in response to changing business conditions during the third quarter. Since the sale of OnRamp was in fact consummated during the third

quarter, the entire impact of OnRamp's operations have been reclassified to discontinued operations in the Company's financial statements for the three and nine-month periods ended September 30, 2004.

Revenues and loss from the discontinued OnRamp segment operations were as follows:

	Three Months Ended September 30, 2004	Nine Months Ended September 30, 2004
Revenues	$ 379,000	$ 1,081,000
Loss from discontinued operations	(29,000)	(174,000)

4. LIFERAMP FAMILY FINANCIAL, INC.

In 2003, the Company formed a wholly-owned subsidiary, LifeRamp Family Financial, Inc. ("LifeRamp"), in Utah and commenced exploring the feasibility of using LifeRamp to commence a new business, making non-recourse loans to terminally ill cancer patients secured by their life insurance policies. In May 2004, the Company decided to proceed with the launch of LifeRamp and had previously retained Shattuck Hammond Partners as its investment banker and financial advisor in the structuring and capitalization of LifeRamp.

During 2003 and for the first nine months of 2004, the Company invested approximately $1.1 million and $2.2 million in LifeRamp, respectively. In July 2004, the Company decided to indefinitely delay LifeRamp's continued development and commencement of operations until adequate funding is obtained or other strategic alternative measures could be implemented by the Company.

In September 2004, the Company ceased all operations of LifeRamp and terminated the employment of the remaining employees and commenced vacating its office facilities in Texas and Utah. In connection with these lease abandonments, the Company recorded an accrual for expected losses on the leases equal to the present value of the remaining lease payments, net of reasonable sublease income, of approximately $73,000, which was recorded in the third quarter of 2004. In addition, the Company recorded an asset impairment charge of approximately $229,000 relating to the long-lived assets of LifeRamp (including fixed assets and leasehold improvements).

The Company is continuing to explore strategic alternatives for the possible development of LifeRamp. There can be no assurance that the Company will find such a strategic alternative or that if one were found that the Company would be able to recoup a material portion of its investment in LifeRamp.

5. REDUCTION IN WORK FORCE

In June and September 2004, the Company implemented a reduction in work force and salary reduction program, pursuant to which 73 employees were terminated and, with respect to the June 2004 reduction in work force, some of the remaining employees agreed to accept, during the six-month period ending November 30, 2004, in lieu of a portion of their base salaries, a retention bonus equal to an individually negotiated multiple of the amount of their reduction in pay in the form of shares of common stock, payable only if they remained employed with us on November 30, 2004. Included in operating expenses for the three and nine months ended September 30, 2004 are non cash expenses of $1.2 million and $1.5 million, respectively, that have been accrued and will be paid in shares of common stock.

6. EMPLOYMENT AND RETAINER AGREEMENTS

On April 25, 2004, Darryl R. Cohen resigned as a director, Chairman and Chief Executive Officer and Andrew Brown, the Company's then current President, was appointed Chairman and Chief Executive Officer of the Company. In connection with Mr. Cohen's resignation, the Company recorded a compensation charge of approximately $15,000 related to accrued bonus and tax benefit on his restricted stock awards during the second quarter of 2004. Additionally, in the second quarter of 2004, the Company recorded a charge of approximately $400,000 with respect to the benefit Mr. Cohen received upon his termination as a result of the Company's having earlier accelerated the vesting of his stock-based awards, pursuant to a promissory note of the Company collateralized by the pledge of those shares. As a result of the terms of the agreement with Mr. Cohen, because the Company did not pay him the amounts due by August 30, 2004 the exercise price of all of his options to purchase 4,740,000 shares of common stock were reduced to $0.01. This modification resulted in a charge of $142,000 in the third quarter of 2004. As a result of the modification the Company will apply variable accounting to Mr. Cohen's options until they are exercised, cancelled or expire.

On June 1, 2004, the Company entered into an employment agreement with Andrew Brown. During the employment period, which will end on June 30, 2006, Mr. Brown will be paid a base salary at an annual rate of $240,000 per year; provided that, during the six-month period ending November 30, 2004, Mr. Brown will be paid a base salary at the rate of $120,000 per year and receive a retention bonus of three times the amount of his reduction in pay payable in the form of shares of the Company's common stock, but only if he remains employed as Chief Executive Officer on November 30, 2004, is terminated before that date without "cause" or resigns before that date for "good reason". The employment agreement also provides for the payment of performance-based bonuses tied to the growth of the Company's gross revenues, the grant of up to 6,000,000 options under the 2004 Stock Incentive Plan, with an exercise price of $0.18 per share, and the issuance to Mr. Brown of a warrant whereby he will be entitled to purchase up to one-nineteenth of the outstanding shares, at an exercise price to be determined. The employment agreement also provides that in the event that Mr. Brown's employment is terminated for good reason within six months or his employment is terminated

within one year without cause after any person or group acquires more than 25% of the combined voting power of the Company's then outstanding Common Stock, all of Mr. Brown's options will become fully vested and immediately exercisable and Mr. Brown will be paid an amount equal to twice his annual base salary and twice his bonus compensation received during the twelve months immediately preceding the date of termination of Mr. Brown's employment; provided that if the change in control resulted from the sale of the Company for less than $31 million, the payments to Mr. Brown will be in amounts as described above in this paragraph as if the word "twice" had been deleted.

In June 2004, the Company entered into amendments of its employment agreements with Louis Hyman, Chief Technology Officer, and Mitchell M. Cohen, former Chief Financial Officer, which provide that in the event that Mr. Hyman's or Mr. Cohen's employment is terminated within one year without cause after any person or group acquires more than 25% of the combined voting power of the Company's then outstanding Common Stock, all of his options will become fully vested and immediately exercisable and he will be paid an amount equal to twice his annual base salary and twice his bonus compensation received during the twelve months immediately preceding the date of termination of his employment;

provided that if the change in control resulted from the sale of the Company for less than $31 million, the payments to Mr. Hyman and/or Mr. Cohen will be in amounts as described above in this paragraph as if the word "twice" had been deleted. Effective on September 8, 2004, Mr. Cohen resigned his position as the Company's Chief Financial Officer and his employment agreement was terminated.

On October 12, 2004, the Company entered into an employment agreement with Ronald C. Munkittrick, Chief Financial Officer. Mr. Munkittrick will be paid an annual base salary of $195,000 provided, however, that Mr. Munkittrick has agreed to a salary reduction to $120,000 per annum through December 31, 2004 and a salary reduction to $150,000 per annum from January 1, 2005 through March 31, 2005. The employment agreement also provides that in the event that Mr. Munkittrick's employment is terminated within one year without cause after any person or group acquires more than 25% of the combined voting power of the Company's then outstanding Common Stock, all of his options and/or restricted stock awards will become fully vested and immediately exercisable and he will be paid an amount equal to twice his annual base salary and twice his bonus compensation that he was entitled to receive during the twelve months immediately preceding the date of termination of his employment; provided that if the change in control resulted from the sale of the Company for less than $31 million, the payments to Mr. Munkittrick will be in amounts as described above in this paragraph as if the word "twice" had been deleted.

On May 25, 2004, the Company entered into retainer agreements with Steven Berger and Jeffrey Stahl, M.D., two independent directors. Pursuant to these agreements, each independent director was granted a five-year option to purchase 200,000 shares of the Company's common stock at an exercise price of $0.19 per share, and will be paid a quarterly fee of $7,500 in arrears, except that in the case of Dr. Stahl the quarterly payments due on August 25, 2004 and November 25, 2004 were paid in advance in the form of 78,947 performance shares of common stock, which will vest as to 50% on each of such dates. The Company has arrangements with Anthony Soich and Steven Shorr whereby each has been awarded options and will be paid quarterly fees on substantially similar terms as Mr. Berger and Dr. Stahl.

In connection with the sale of OnRamp on September 30, 2004, Nancy Duncan's two-year employment agreement with the Company which provided that Ms. Duncan will be compensated at an annual salary of $140,000 was terminated. In connection with the sale of OnRamp, the employment relationship with M. David Duncan, previously employed by the Company at an annual salary of $140,000, was also terminated.

7. PROMISSORY NOTES

In May and June 2004 the Company issued an aggregate of $1,650,000 of promissory notes which bear interest at the prime rate plus 2%. The notes plus accrued interest were repaid on July 14, 2004 from the proceeds of the issuance of $4,200,000 of convertible promissory notes (see Note 8). In connection with investment advisory services, Richard Rosenblum and David Stefansky received an aggregate of 1,000,000 shares of the Company's unregistered common stock and 1,000,000 unregistered common stock purchase warrants at an exercise price of $0.18. The fair value of these issuances of $478,000 was recorded as debt issuance costs.

8. CONVERTIBLE PROMISSORY NOTES AND RELATED TRANSACTIONS

On July 14, 2004, the Company entered into a Note and Warrant Purchase Agreement (the "Note Purchase Agreement") with Cottonwood Ltd. and Willow Bend

Management Ltd., each an accredited investor. Under the terms of the Note Purchase Agreement, the Company issued a convertible promissory note due January 14, 2005 in the aggregate principal amount of $2,100,000 to each of Cottonwood Ltd. and Willow Bend Management Ltd. Each promissory note is convertible into shares of common stock at an initial conversion price of $0.30 cents per share, or 7,000,000 shares of common stock. In addition, the Company issued to each of Cottonwood Ltd. and Willow Bend Management Ltd. warrants exercisable into 4,683,823 shares of common stock at an exercise price of $0.11 cents per share, warrants exercisable into 4,683,823 shares of common stock at an exercise price of $0.15 cents per share, warrants exercisable into 4,683,823 shares of common stock at an exercise price of $0.35 cents per share and warrants exercisable into 4,683,823 shares of common stock at an exercise price of $0.40 cents per share. The warrants have a term of one year. The issuance of the warrants along with convertible debt created a debt discount of $1,580,000 which is being amortized to financing expense over the six month term of the notes. In October 2004, the Company and the noteholders entered into an agreement with respect to lowering the exercise price of the warrants to $0.0325 - see Note 13, Subsequent Events.

Redwood Capital Partners, Inc. acted as the Company's placement agent in connection with the Note Purchase Agreement. As compensation to Redwood for its services as placement agent and in addition to payment in cash of $320,000 to Redwood, the Company agreed to issue to Redwood warrants exercisable into 350,000 shares of common stock exercisable at $0.11 cents per share for a one year term, warrants exercisable into 350,000 shares of common stock exercisable at $0.15 cents per share for a one year term, warrants exercisable into 350,000 shares of common stock exercisable at $0.35 cents per share for a one year term and warrants exercisable into 350,000 shares of common stock exercisable at $0.40 cents per share for a one year term. The placement agent fees paid in cash and warrants were recorded as additional deferred financing costs in the third quarter, and are being amortized over the maturity of the related notes or upon the notes' conversion, if such conversion occurs earlier.

On July 14, 2004, the Company entered into a Letter Agreement (the "Letter Agreement") with Hilltop Services, Ltd. ("Hilltop") in connection with the anti-dilution provisions contained in that certain Common Stock and Warrant Purchase Agreement, dated March 4, 2004, between Hilltop and the Company (the "Hilltop Agreement"). Under the terms of the Letter Agreement and in consideration for the waiver by Hilltop of its anti-dilution rights, the Company issued to Hilltop an additional 24,130,435 shares of common stock, a convertible promissory note in the aggregate principal amount of $1,920,000 convertible into shares of the Company's common stock at a conversion price of $0.30 cents per share, or 6,400,000 shares of common stock, and warrants exercisable into 4,282,354 shares of common stock at an exercise price of $0.11 cents per share, warrants exercisable into 4,282,354 shares of common stock at an exercise price of $0.15 cents per share, warrants exercisable into 4,282,354 shares of common stock at an exercise price of $0.35

cents per share and warrants exercisable into 4,282,354 shares of common stock at an exercise price of $0.40 cents per share. The warrants have a term of one year. In October 2004, the Company and Hilltop entered into an agreement with respect to lowering the exercise price of the warrants to $0.0325 - see Note 13, Subsequent Events. In connection with the above issuance of the common stock and warrants under the Hilltop agreement, two placement agents received an aggregate of 1,720,360 shares of the Company's Common Stock.

The issuance of the additional shares of common stock, the convertible promissory note and the warrants to Hilltop resulted in non cash financing costs of approximately $7.3 million which were recorded in the third quarter of 2004.

In addition, on the condition that the Hilltop warrants issued in March 2004 with respect to all of the 2,173,913 shares of Common Stock underlying such warrant was exercised and the aggregate exercise price of $2,174 was received by the Company within three (3) days from the date thereof, the exercise price with respect to all of the shares of common stock underlying the original Hilltop warrant issued in March 2004 then being exercised was reduced from $.80 cents per share to $.001 cent per share. This repricing resulted in a deemed dividend of $118,000 which was recorded in the third quarter of 2004.

9. EQUITY TRANSACTIONS

Stockholder Rights Plan

On May 27, 2004 the Company adopted a stockholder rights plan (commonly known as a "poison pill") in order to deter possibly abusive tactics by a stockholder or group. The stockholder rights plan is set forth in a Rights Agreement dated May 27, 2004 between Ramp and Computershare Trust Company, Inc., as Rights Agent. The Rights Agreement provides for the distribution of one preferred share purchase right ("Right") on each share of Common Stock issued and outstanding as of the close of business on June 4, 2004. Initially the Rights will trade with the Common Stock and will not be represented by separate certificates. Each Right represents the right to purchase, for an exercise price of $40 per Right, one one-hundredth (1/100) share of Ramp Series B Participating Preferred Stock, par value $.001 per share, but will not be exercisable unless and until certain events occur.

Option and Warrant Exercises

During the three and nine months ended September 30, 2004, the Company received net proceeds of $51,000 and $2,341,000, respectively, from the exercise of stock options and warrants resulting in the issuance of 2,868,000 shares and 13,838,000 shares, respectively, of common stock. The exercise of warrants during the three months ended September 30, 2004 was the result of the modification of several warrants held by investors to induce them to exercise. In the comparable periods of 2003, the Company received proceeds of $50,000 and $773,000, respectively, from the exercise of stock options and warrants resulting in the issuance of 223,000 and 3,703,000 shares, respectively, of common stock.

Company Purchase of Stock Options

On April 14, 2004, Samuel H. Havens and David Friedensohn resigned as directors. In connection with the board members' resignations, their stock options were purchased by the Company and a related compensation charge of approximately $355,000 was recognized during the three months ended June 30, 2004.

Contingent Warrants

The Company has entered into an agreement with an unrelated third party for marketing services with the third party's sole compensation under the agreement limited to warrants to purchase shares of common stock

of the Company. The third party pays all of its expenses. Issuance of the warrants is based on a formula related to the success of the third party in selling the services of the Company. No services have been sold to date and therefore no warrants have been issued under this agreement. If, as and when the third party is entitled to receive such warrants the warrants to purchase the

first 2,000,000 shares of common stock shall be exercisable at $0.57 per share and shall expire on February 6, 2008. Warrants to purchase shares in excess of 2,000,000 shall have terms identical to the first warrants but have an exercise price equal to the closing price of the Company's common stock on the day preceding the day of issuance of the warrants.

Warrant Modifications and Other Related Transactions

During the first nine months of 2004, the Company modified certain warrants previously issued in connection with its Series C Preferred and other financing transactions. Warrants to exercise a total of approximately 400,000 shares were modified to extend the periods in which they could be exercised. Additionally, of this group of warrants, those representing approximately 8,783,266 shares were modified to reduce their exercise prices from a range of $0.82 to $0.30, to a new exercise price range of $0.40 to $0.001. These modifications were primarily made to increase the likelihood of the holders exercising such warrants. The Company has applied the modification principles in SFAS 123, using the Black-Scholes model to determine the value of these changes in warrants which resulted in recording deemed dividends totaling $149,000 and $654,000 for the three and nine months ended September 30, 2004, respectively.

In connection with a settlement agreement with an existing investor, the Company issued approximately 1.3 million shares to this investor during the second quarter of 2004. The Company accounted for this as a disproportionate deemed dividend in the amount of $336,000 which increased the net loss applicable to common shareholders and basic and diluted net loss per share for the nine month period ended September 30, 2004.

Private Placements

In March 2004, the Company sold 10,869,565 shares of common stock to Hilltop at a purchase price of $0.46 per share, raising proceeds of $4,751,000, net of $249,000 in offering costs. In connection with the private placement, Hilltop also received a five-year warrant to purchase 2,173,913 shares of common stock at an exercise price of $0.80 per share. The Company also issued a five-year warrant to purchase 173,912 shares of common stock at $0.80 per share to a finder and five-year warrants to purchase an aggregate of 831,391 shares of our common stock at $0.80 per share to the placement agent and its affiliates for its services in the placement. In addition, finders and placement agents received an aggregate of 407,000 shares of the Company's common stock. The fair value of warrants and common stock issued to finders and placement agents was approximately $520,000. The investor has an anti-dilutive feature in the event the Company raises funds at a price of less than $0.46 per share (see Note 8 for discussion of events occurring in July 2004 regarding the issuance of additional shares of Common Stock, convertible promissory note, and warrants relating to this anti-dilutive feature, as well as the reduction in the exercise price of the warrant described above).

Also, during the quarter ended March 31, 2004, the Company completed a private placement of its common stock and raised net proceeds of $763,000. A total of 191,250 units were placed, each consisting of ten shares of common stock and two warrants. Subscribers purchased each unit for $4.00 and are entitled to exercise warrant rights to purchase one share of common stock at a purchase price of $0.60 per share for a five-year period commencing on or after July 1, 2004 and terminating on June 30, 2009.

10. STOCK OPTIONS

During the third quarter of 2004, the Company issued to employees and directors options to purchase 560,000 shares of common stock at exercise prices ranging from $0.11 to $0.17. Such options were granted under the Company's 2003 Stock Incentive Plan. The weighted-average estimated grant date fair value, as defined by SFAS No. 123, Stock-Based Compensation, of options granted in the third quarter of 2004, was $0.11. The Company used the Black-Scholes option-pricing model to estimate the options' fair value by considering the following assumptions: the options exercise price and expected life, the underlying current market price of the stock and expected volatility, expected dividends and the risk free interest rate corresponding to the term of the option.

The Company has adopted the disclosure-only provisions of SFAS No. 123 and continues to apply the accounting principles prescribed by APB No. 25 to its employee stock-based compensation awards. Had compensation cost for the Company's options issued to such employee been determined based on the fair value at the grant date for awards consistent with the provisions of SFAS No. 123, as amended by SFAS No. 148, the Company's net loss and basic loss per common share would have been changed to the pro forma amounts indicated below:

	For the Three Months Ended September 30,		For Ende
	2004	2003	2004
Net loss applicable to common stockholders - as reported	($19,853,000)	($5,537,000)	($35,808,000
Add back: Employee stock compensation expense as reported	41,000	--	81,000
Less: fair value of employee stock compensation expense	(157,000)	(66,000)	(551,000
Net loss applicable to common stockholders - pro forma	($19,969,000)	($5,603,000)	($36,278,000
Basic and diluted loss per common share - as reported	($0.10)	($0.06)	($0.20
Basic and diluted loss per common share - pro forma	($0.10)	($0.06)	($0.20

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used:

	For the Nine Months Ended September 30,	
	2004	2003
Approximate risk free rate	3.69%	2.25%

Average expected life	5 years	5 years
Dividend yield	0%	0%
Volatility	118%	118%

11. RELATED PARTY TRANSACTIONS

Until his appointment as the Company's President and Chief Operating Officer in October 2003, Andrew Brown was employed by External Affairs, Inc. In August 2003, the Company entered into a consulting agreement with External Affairs for a term which ended June 30, 2004, under which External Affairs agreed to act as the Company's investor relations and strategy consultant and assist the Company with capital raising efforts. The agreement provided for payments to External Affairs of $328,000, with a discretionary bonus of potentially up to $275,000 based upon the Company attaining a specified level of revenue during the term of the agreement. On October 10, 2003, Mr. Brown was appointed as the Company's President and Chief Operating Officer, and Mr. Brown, External Affairs and the Company agreed to reduce the compensation payable to External Affairs under the August 2003 Consulting Agreement to $20,000 per month, with the remainder payable as employee compensation to Mr. Brown as President and Chief Operating Officer. External Affairs was granted 500,000 restricted shares of the Company's common stock in July 2003. Pursuant to the agreement, External Affairs also received a five-year option to purchase an aggregate 1,500,000 shares of the Company's common stock at $0.25 per share, of which (i) options to purchase 500,000 shares vest in 25% increments every three months beginning September 9, 2003 conditioned on Mr. Brown continuing to render services to the Company at the end of each three-month period, and (ii) options to purchase 1 million shares which will vest on July 9, 2008, subject to earlier vesting in June 2004 based upon a formula contained in the agreement. The agreement is terminable by either the Company or External Affairs for any reason on ninety days prior written notice, subject to certain offset rights in the event of termination by External Affairs for other than "good reason". External Affairs transferred all of its options and restricted shares to Mr. Brown effective October 10, 2003. In November 2003, all of these options and restricted shares became fully vested in return for Mr. Brown collateralizing a promissory note. During 2003 and the first six months of 2004, the Company paid $310,000 and $102,000, respectively, to External Affairs in consulting fees.

On October 12, 2004, the Board of Directors of the Company appointed Ronald Munkittrick as Chief Financial Officer replacing Mitchell Cohen who resigned in September, 2004. Prior to the appointment, Mr. Munkittrick worked as a consultant to the Company's HealthRamp division beginning in June 2004. In exchange for his consulting services, Mr. Munkittrick was paid a total of approximately $56,000 and received warrants to purchase 75,000 shares of the Company's common stock an exercise price of $ 0.25 per share.

12. COMMITMENTS AND CONTINGENCIES

From time to time, the Company is involved in claims and litigation that arise out of the normal course of business. Currently, other than as discussed below, there are no pending matters that in management's judgment are expected to have a material impact on the Company's financial statements.

On June 3, 2003 two former executive officers, John Prufeta and Patricia Minicucci commenced an action against the Company by filing a Complaint in the Supreme Court of the State of New York for Nassau County (Index No. 03-008576) in which they alleged that the Company breached separation agreements entered into in December 2002 with each of them, and that the Company failed to repay

amounts loaned by Mr. Prufeta to the Company. Mr. Prufeta sought approximately $395,000 (including a loan of $120,000) and Ms. Minicucci sought approximately $222,000. The Complaint was served on July 23, 2003. On July 15, 2003, the Company paid in full the $120,000 so loaned together with interest, without admitting the claimed default. On February 2, 2004, the Supreme Court of the State of New York for Nassau County issued an order for partial summary judgment in favor of Ms. Minicucci for the unpaid severance obligations of $138,064. The Company made severance payments to both former executives through May 2004 but due to capital constraints has not made any payments since then. The Company is continuing negotiations with the plaintiffs to settle the dispute amicably. The amounts payable to Mr. Prufeta and Ms. Minicucci are included in accrued expenses in the accompanying balance sheet as of September 30, 2004.

In February 2004 the Company relocated its executive offices (under a sublease that expires on June 29, 2008) to 33 Maiden Lane, New York, New York. By stipulation the Company has surrendered the premises located at 410 Lexington Avenue. In connection with this lease abandonment, the Company recorded an accrual for expected losses on the lease equal to the present value of the remaining lease payments, net of reasonable sublease income, of approximately $168,000, which was recorded in the first quarter of 2004 in selling, general and administrative expenses in the accompanying statements of operations. During the second quarter of 2004 the Company revised its estimate of the expected lease loss and recorded an additional accrual of $60,000. In addition, the Company's landlord agreed to offset the Company's security deposit of $130,000 in satisfaction of a portion of the amounts due under the lease. The remaining obligation to the landlord is included in accrued expenses in the Company's balance sheet as of September 30, 2004.

On or about July 16, 2004, Clinton Group, Inc., as plaintiff and sub sub-landlord, filed a summons and complaint against the Company, as defendant, with the Supreme Court of the State of New York, County of New York (Index No. 110371) alleging, among other things, breach of an alleged sublease agreement for non-payment of the security deposit and one month's rent for the premises located at 55 Water Street, New York, New York. In the summons and complaint, Clinton sought repossession of the premises, damages for non-payment of rent in the sum of $128,629.16, additional damages under the sublease through the date of trial for the remainder of the term of the Sublease, plus interest and attorney's fees. On August 20, 2004, the Company entered into a Settlement Agreement and Release with Clinton pursuant to which, in full settlement of, and release from, any and all claims against the Company by Clinton relating to the alleged sublease, the Company agreed to pay to Clinton, an accredited investor, (i) the amount of $75,000 in cash, (ii) the amount of $150,000 due upon the earlier of the one year anniversary of the agreement or upon the Company's raising an aggregate of $5,000,000 in gross proceeds from third party investors, and (iii) issue to Clinton 1,150,000 shares of common stock. The issuance of the common stock, promissory note and cash payment resulted in a settlement expense of $343,000 which was recorded in the third quarter.

In the second quarter of 2004 the Company decided to vacate its office facilities in Florida. In connection with this lease abandonment, the Company recorded an accrual for expected losses on the lease equal to the present value of the remaining lease payments, net of reasonable sublease income, of approximately $83,000, which was recorded in the second quarter of 2004 in selling, general and administrative expenses in the accompanying statements of operations. During the third quarter of 2004 the Company revised its estimate of the expected lease loss and recorded an additional accrual of $195,000.

In June 2004, the Company's former law firm commenced and action against

the Company by filing a complaint in the Supreme Court of the State of New York for the county of New York (Index No. 108499/04) in which they alleged we breached our retainer agreement by failing to pay $435,280 for legal services allegedly performed. The Company believes it has valid defenses and/or counter claims which the Company intends to vigorously pursue.

In the third quarter of 2004, the Company ceased all remaining operations of its wholly-owned subsidiary, LifeRamp - see Note 4, LifeRamp Family Financial, Inc.

13. SUBSEQUENT EVENTS

In October 2004, the Company entered into a letter agreement with two of its existing convertible noteholders, Willow Bend Management Ltd. and Cottonwood Ltd., with respect to the reduction of the exercise price of outstanding warrants to purchase an aggregate of 37,470,584 shares of common stock, par value $.001 per share ("Common Stock"), from prices ranging from $0.11 to $0.40, to $.0325 cents per share. In connection with the exercise of warrants to purchase an aggregate of 25,262,096 shares of common stock, the noteholders agreed to a reduction of principal amount of outstanding notes in the aggregate amount of $571,000 and to pay cash proceeds to the Company in the aggregate amount of $250,000. The reduction in the exercise prices of the warrants will be recorded as deemed dividends in the fourth quarter.

In October 2004, the Company entered into a letter agreement with an existing convertible noteholder, Hilltop Services Ltd., with respect to the reduction of the exercise price of outstanding warrants to purchase an aggregate of 17,129,416 shares of Common Stock, from prices ranging from $0.11 to $0.40, to $.0325 cents per share. In connection with the exercise of warrants to purchase an aggregate of 12,631,048 shares of Common Stock, the noteholder agreed to a reduction of the principal amount of outstanding notes in the aggregate amount of $410,509. The reduction in the exercise prices of the warrants will be recorded as deemed dividends in the fourth quarter.

On October 18, 2004 the Company distributed a proxy to its shareholders to vote for three proposals at the annual meeting to be held on November 18, 2004. The proposals include the election of two directors, approval of an amendment to the Company's Restated Certificate of Incorporation to effect a reverse stock split of the Company's Common Stock at a ratio of one (1) for sixty (60), and to approve the Company's 2005 Stock Incentive Plan.

On October 22, 2004, the Company completed a transaction pursuant to an asset purchase agreement with Berdy Medical Systems, Inc. ("Berdy") for the purchase of the tangible and intangible assets of Berdy. The purchase price consisted of an aggregate amount of $400,000 payable through the issuance of restricted shares of the Company's common stock, par value $.001. In addition, Berdy shall receive five (5%) percent of maintenance fees collected in connection with the SmartClinic electronic medical records system business purchased by the Company over a two-year period pursuant to the terms and conditions of an escrow agreement. In connection with the closing, each of Berdy's principal executive officers, Jack Berdy, MD and Mr. Rick Holtmeier have entered into employment agreement with Ramp's wholly-owned subsidiary HealthRamp, Inc., on terms and conditions agreed upon by both parties.

On October 29, 2004, the Company issued to Oakwood Financial Services, LLC, a secured convertible promissory note in the principal amount of $50,000 bearing interest at the rate of ten percent (10.0%) per annum, due January 25, 2005, convertible at the option of the holder, into shares of the Company's common

stock at a conversion price of $.02 cents per share. Interest is payable in cash. Additionally, the Company issued to Oakwood a warrant to purchase 2,500,000 shares of the registrant's common stock at an exercise price of $.03 cents per share. Oakwood may exercise the warrant at any time through October 29, 2009. The Company is obligated to register for resale the shares of common stock issuable upon conversion of the note and upon exercise of the warrant on a registration statement filed with the Securities and Exchange Commission on or before December 31, 2004. In addition, on November 10, 2004 the Company received a loan in the amount of $150,000 from an investor.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

We develop and market healthcare connectivity software centered around our CarePoint Suite of healthcare communication technology products for electronic prescribing of drugs, laboratory orders and results, Internet-based communication, data integration and transaction processing through a handheld device or browser, at the patient point-of-care. Our products enable communication of healthcare information among physicians' offices, pharmacies, hospitals, pharmacy benefit managers, health management organizations, pharmaceutical companies and health insurance companies. Our technology is designed to provide access to safer, better healthcare and more accurate and less expensive patient point-of-care information gathering and processing.

On September 30, 2004, we closed a transaction pursuant to a certain Asset Purchase Agreement, dated as of September 29, 2004, by and between the Company, The Duncan Group, Inc. ("Duncan"), M. David Duncan and Nancy L. Duncan, to sell the assets of the Company previously acquired from Duncan on November 10, 2003 (including intellectual property, tangible personal property, accounts receivable, and other assets) related to the business of Duncan known as Frontline Physicians Exchange and Frontline Communications ("Frontline"). In accordance with the Asset Purchase Agreement, the Company agreed to sell all of the assets of the Company's Frontline division, now known as the OnRamp division, in consideration of (i) the Company's receipt of $500,000 in cash paid at closing; (ii) termination of the employment agreement between the Company and each of M. David Duncan and Nancy L. Duncan; (iii) release and discharge of the Company's obligations to Duncan under that certain Asset Purchase Agreement dated as of November 7, 2003, between the Company and Duncan (the "2003 Purchase Agreement"), to issue Incentive Shares (as defined in the Asset Purchase Agreement) to Duncan; (iv) release and discharge of the Company's obligations to Duncan under the 2003 Purchase Agreement to pay Duncan a royalty equal to 15% of the gross revenue of the OnRamp business during 2003 and 2004 (of which $326,000 was accrued and unpaid as of June 30, 2004); and (v) release and discharge of the Company's obligations under the 2003 Purchase Agreement to pay Duncan any shortfall amount following the sale of certain shares of the Company's common stock by Duncan. The sale of OnRamp results in a loss of approximately $3.9 million.

The sale of OnRamp is part of refocusing the Company's financial resources and management efforts on its core HealthRamp operations. The company believes that focusing on HealthRamp's long-term potential and evolving opportunities is in the best interest of its stockholders.

In 2003 the Company formed a wholly-owned subsidiary, LifeRamp Family Financial, Inc. ("LifeRamp"), in Utah and commenced exploring the feasibility of using LifeRamp to commence a new business, making non-recourse loans to terminally ill cancer patients secured by their life insurance policies. In May 2004 the Company decided to proceed with the launch of LifeRamp and had

previously retained Shattuck Hammond Partners as its investment banker and financial advisor in the structuring and capitalization of LifeRamp.

During 2003 and for the first nine months of 2004 the Company invested approximately $1.1 million and $2.2 million in LifeRamp, respectively. In July 2004 the Company decided to indefinitely delay LifeRamp's continued development and commencement of operations until adequate funding is obtained or other strategic alternative measures could be implemented by the Company. In September 2004 the Company ceased all operations of LifeRamp and terminated the employment of the remaining employees and commenced vacating its office facilities in Texas and Utah. In connection with these lease abandonments, the Company recorded an accrual for expected losses on the leases equal to the present value of the remaining lease payments, net of reasonable sublease income, of approximately $73,000, which was recorded in the third quarter of 2004. In addition, the Company recorded an asset impairment charge of approximately $229,000 relating to the long-lived assets of LifeRamp (including fixed assets and leasehold improvements). The Company is continuing to explore strategic alternatives for the possible development of LifeRamp. There can be no assurance that the Company will find such a strategic alternative or that if one were found that the Company would be able to recoup a material portion of its investment in LifeRamp.

Forward-Looking Statements and Associated Risks

To the extent that any statements made in this Form 10-Q contain information that is not historical, these statements are essentially forward-looking. Forward-looking statements can be identified by the use of words such as "expects," "plans," "will," "may," "anticipates", "believes," "should," "intends," "estimates," and other words of similar meaning. These statements are subject to risks and uncertainties that cannot be predicted or quantified and consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, without limitation, our ability to raise capital to finance the development of our Internet services and related software, the effectiveness, profitability and the marketability of those services, our ability to protect our proprietary information and to retain and expand our user base, the establishment of an efficient corporate operating structure as we grow and, other risks detailed from time-to-time in our filings with the Securities and Exchange Commission ("SEC"). We do not intend to undertake any obligation to publicly update any forward-looking statements.

We have reported significant recurring net losses applicable to common shareholders which endanger our viability as a going concern and caused our accountants to issue a "going concern" explanatory paragraph in their reports in connection with their audits of our financial statements for the years ended December 31, 2003, 2002 and 2001. We have reported net losses applicable to common stockholders of $(31,321,000), $(9,014,000) and $(10,636,000) for the years ended December 31, 2003, 2002 and 2001, respectively, and $(35,808,000) for the nine months ended September 30, 2004. At September 30, 2004, we had an accumulated deficit of $(107,186,000).

We rely on investments and financings to provide working capital which may not be available to us in the future and may result in increased net losses and accumulated deficit. While we believe that we can continue to sell our securities to raise the cash needed to continue operating until cash flow from operations can support our business, there can be no assurance that this will occur. There can be no assurance that additional investments in our securities or other debt or equity financings will be available to us on favorable terms,

or at all, to adequately support the development and deployment of our technology. Moreover, failure to obtain such capital on a timely basis could result in lost business opportunities. In addition, the terms of our debt or equity financings have included, and in the future may include, contingent anti-dilution provisions and the issuance of warrants, the accounting for which have resulted, and for future financings may result, in significant non-cash increases in our net losses and accumulated deficit. Such non cash expenses totaled $8.5 million and $9.0 million for the three and nine months ended September 30, 2004, respectively.

While the Company believes that it has the ability to successfully attract new customers, the ultimate deployment of these new customers frequently requires up front capital. There can be no assurance that the Company will obtain that capital. In recent months the Company has not obtained sufficient capital to meet its obligations and as a result has not been able to pay its vendors on a timely basis and is significantly in arrears in making such payments. While the Company has been working with its creditors to make arrangements to satisfy its obligations, there can be no assurance that it will be able to do so and as a result may be subject to litigation or disruption in its business operations.

Our independent registered public accounting firm has advised our management and our Audit Committee that there were material weaknesses in our internal controls and procedures during fiscal year 2003, which management believes have continued through the fiscal period ended September 30, 2004. The Company has taken steps and has a plan to correct the material weaknesses. Progress was made in the first three quarters of 2004; however, management believes that if these material weaknesses are not corrected, a potential misapplication of generally accepted accounting principles or potential accounting error in our consolidated financial statements could occur. Enhancing our internal controls to correct the material weaknesses has and will result in increased costs to us.

Based upon management's review of internal controls and procedures, our management, including our current chief executive officer and current chief financial officer, has determined that we had inadequate controls and procedures constituting material weaknesses as of December 31, 2003 which persisted during the first three quarters of fiscal year 2004. These inadequate controls and procedures included:

- Inadequate accounting staffing and records to identify and record all accounting entries.
- Lack of management review of our bank reconciliations, timely review of expense reports, and timely review of agreements governing complex financing transactions, employee and non-employee stock based compensation arrangements and other transactions having accounting ramifications.
- Failure to perform an adequate internal review of financial information in periodic reports to ensure accuracy and completeness.
- Inadequate segregation of duties consistent with our internal control objectives.
- Ineffective utilization of existing administrative personnel to perform ministerial accounting functions, which would allow our accounting department the opportunity to perform bookkeeping, recordkeeping and other accounting functions effectively.
- Lack of management review of entries to the general ledger.

Our management has implemented and continues to implement enhancements to

our internal controls and procedures that it believes will remedy the inadequacies in our internal controls and procedures.

The following sets forth the steps we have taken through the fiscal period ended September 30, 2004:

- In November 2003, we hired a permanent chief financial officer with public company reporting experience. This chief financial officer resigned in September 2004 and was replaced in October 2004.

- In December 2003, we hired a staff accountant responsible for, among other things, recording accounts payable. The individual assists the chief financial officer and controller to identify, report and record transactions in a timely manner and provides additional segregation of duties consistent with our internal control objectives.

- Management reassigned certain tasks among the expanded accounting department, as well as existing administrative personnel to perform ministerial accounting functions, to improve and better accomplish bookkeeping, recordkeeping and other accounting functions.

- In August 2004 we hired a Vice President of Finance who will be wholly dedicated to the areas of internal control, financial accounting and reporting.

- The review and sign off on all monthly bank reconciliations by the chief financial officer has been instituted.

- The review of all underlying agreements, contracts and financing arrangements prior to execution for accounting ramifications has already been undertaken by the chief financial officer to the extent possible.

- We strengthened certain controls over cash disbursements, including adopting a policy that requires dual signatures of two senior officers, at least one of whom is not involved in a transaction, on disbursements in excess of $10,000.

- We strengthened certain controls over expense authorization and imposed financial oversight on all expenditure decisions.

- We implemented a policy requiring attendance by outside counsel at all Board and Audit Committee meetings, including the timely preparation of minutes of such meetings and reports to management to discuss our implementation of any plans to address conditions constituting the material weaknesses in its internal controls.

- We have implemented and intend on implementing the following plans to enhance our internal controls in the fiscal quarter ending September 30, 2004 and in subsequent fiscal periods:

- The addition of the new Vice President Finance (hired on August 2, 2004) has allowed further redistribution of responsibilities among the expanded accounting department and, more specifically, provide the chief financial officer with the necessary time to perform oversight and supervisory functions in future periods. This includes timely review of all underlying agreements, contracts and financing

arrangements, expense reports, entries to the general ledger and periodic filings with the Securities and Exchange Commission.

- Our implementation of formal mechanized month-end, quarter-end and year-end closing and consolidation processes.

- In July 2004 we appointed two additional independent directors to serve on our Audit Committee.

- As a result of the resignation of our chief financial officer in September 2004, we have hired Ronald C. Munkittrick as our new chief financial officer, effective October 12, 2004.

While we believe that the remedial actions that have been or will be taken will result in correcting the conditions constituting the material weaknesses in our internal controls as soon as practicable, the exact timing of when the conditions will be corrected is dependent upon future events which may or may not occur. We are making every effort to correct the conditions expediently and expect to correct the conditions, thereby eliminating the material weaknesses no later than the fourth quarter of fiscal year 2004. It is estimated that the cost to implement the actions set forth above will be approximately $300,000 for our fiscal year ending December 31, 2004 and approximately $200,000 for each fiscal year thereafter. In addition, substantial additional costs may be necessary to implement the provisions of section 404 of the Sarbanes-Oxley Act of 2003 as relates to the company's documentation and testing of the effectiveness of internal controls in 2005.

The success of the development, distribution and deployment of our technology is dependent to a significant degree on our key management and technical personnel. We believe that our success will also depend upon our ability to attract, motivate and retain highly skilled, managerial, sales and marketing, and technical personnel, including software programmers and systems architects skilled in the computer languages in which our technology operates. Competition for such personnel in the software and information services industries is intense. On October 18, 2004 the Company distributed a proxy to its shareholders requesting approval of the Company's 2005 Stock Incentive Plan. Should the plan not be approved it could have a detrimental effect on employee retention. The loss of key personnel, or the inability to hire or retain qualified personnel, could have a material adverse effect on our results of operations, financial condition or business.

We expect to continue to experience losses until such time as our technology can be successfully deployed and produce revenues. The continuing development, marketing and deployment of our technology will depend upon our ability to obtain additional financing. Our technology has generated limited recurring revenues to date. We are funding our operations now through the sale of our securities.

We may not be able to retain our listing on the American Stock Exchange. On September 13, 2004, we received a written notice (the "Notice") from the American Stock Exchange (the "Amex") informing us, in relevant part, that we are not in compliance with (i) Section 1003(a)(i) of the Amex rules as a result of our stockholder's equity less than $2,000,000 and losses from continuing operations and/or net losses in two out of three of its three most recent fiscal years, (ii) Section 1003(a)(ii) of the Amex rules as a result of our stockholder's equity of less than $4,000,000 and losses from continuing operations and/or net losses in three out of its four most recent fiscal years, (iii) Section 1003(a)(iv) of the Amex rules whereby, as a result of our

substantial sustained losses in relation to our overall operations or our existing financial resources, or our impaired financial condition, it appears questionable, in the opinion of Amex, as to whether we will be able to continue operations and/or meet our obligations as they mature, and (iv) Section 1003(f)(v) of the Amex rules as a result of our common stock selling for a substantial period at a low price per share. The Notice is not a notice of delisting from the Amex or a notice by Amex to initiate delisting proceedings.

Specifically, the Notice provides that, in order to maintain the listing of our common stock, we must submit a plan to the Amex by October 14, 2004 (extended by the AMEX to October 21, 2004), advising Amex of the action we have taken, or the action we will take, to bring us into compliance with the continued listing standards of the Amex within a maximum of eighteen months from the date the Notice was received. On October 20, 2004, the Company timely submitted its plan to the AMEX which is currently under review. Amex will accept our plan if we provide a reasonable demonstration of an ability to regain compliance with the continued listing standards within such eighteen month period. If our plan is accepted, we will be able to maintain our listing on the Amex during the plan period for up to eighteen months, subject to periodic review by Amex to determine whether we are making progress in accordance with our plan. Our management intends to timely provide Amex with our plan to achieve compliance with all Amex listing criteria within such eighteen month period and believes we will be able to maintain our Amex listing at all times during such eighteen month period however, there can be no assurance that we will be able to maintain our Amex listing throughout such eighteen month period.

Subject to our right of appeal of any Amex staff determination, Amex may initiate delisting proceedings, as appropriate, if (i) we do not submit a plan, (ii) our plan is not accepted, (iii) we do not make progress consistent with the plan during the plan period, or (iv) we are not in compliance with the continued listing standards at the conclusion of the plan period.

Trading in our common stock after a delisting, if any, would likely be conducted in the over-the-counter markets in the so-called "pink sheets" or on the National Association of Securities Dealers' Electronic Bulletin Board. As a consequence of a delisting our shareholders would find it more difficult to dispose of, or

to obtain accurate quotations as to the market value of, our common stock, and our common stock would become substantially less attractive as collateral for margin and purpose loans, for investment by financial institutions under their internal policies or state investment laws or as consideration in future capital raising transactions.

Although we have had operations since 1988, because of our move away from temporary healthcare staffing to provide healthcare connectivity solutions at the point of care, we have a relatively short operating history in the healthcare connectivity solutions business and limited financial data to evaluate our business and prospects. In addition, our business model is likely to continue to evolve as we attempt to develop our product offerings and enter new markets. As a result, our potential for future profitability must be considered in light of the risks, uncertainties, expenses and difficulties frequently encountered by companies that are attempting to move into new markets and continuing to innovate with new and unproven technologies. We are still in the process of gaining experience in marketing physician connectivity products, providing support services, evaluating demand for products, financing a technology business and dealing with government regulation of health information technology products. While we are putting together a team of experienced

executives, they have come from different backgrounds and may require some time to develop an efficient operating structure and corporate culture for our company. Furthermore, our executive management and Board of Directors have been subject to change as executives have left or been terminated and others have been hired to take their places and directors have left and others have been elected or appointed to take their places. Such changes can cause disruption and distraction.

Although we have focused our business on healthcare connectivity, we may decide to explore new business models before our core business generates cash flow, if at all. Until feasibility is proven for any such new business models some of our scarce resources may be allocated to endeavors which may never be commercialized.

The success of our products and services in generating revenue may be subject to the quality and completeness of the data that is generated and stored by the physician or other healthcare professionals and entered into our interconnectivity systems, including the failure to input appropriate or accurate information. Failure of the Company and its vendors to maintain the quality and completeness of the data or unwillingness by the healthcare professional to generate the required information may result in our losing revenue.

As a developer of connectivity technology products, we will be required to anticipate and adapt to evolving industry standards and regulations and new technological developments. The market for our technology is characterized by continued and rapid technological advances in both hardware and software development, requiring ongoing expenditures for research and development, and timely introduction of new products and enhancements to existing products. Our future success, if any, will depend in part upon our ability to enhance existing products, to respond effectively to technology changes and changes in applicable regulations, and to introduce new products and technologies that are functional and meet the evolving needs of our clients and users in the healthcare information systems market.

We rely on a combination of internal development, strategic relationships, licensing and acquisitions to develop our products and services. The cost of developing new healthcare information services and technology solutions is inherently difficult to estimate. Our development of proposed products and services may take longer than originally expected, require more testing than originally anticipated and require the acquisition of additional personnel and other resources. In addition, there can be no assurance that the products or services we develop or license will be able to compete with the alternatives available to our customers.

New or newly integrated products and services will not become profitable unless they achieve sufficient levels of market acceptance. There can be no assurance that healthcare providers will accept from us new products and services, or products and services that result from integrating existing and/or acquired products and services, including the products and services we are developing to integrate our services into the physician's office or other medical facility, such as our handheld solution. In addition, there can be no assurance that any pricing strategy that we implement for any such products and services will be economically viable or acceptable to the target markets. Failure to achieve broad penetration in target markets with respect to new or newly integrated products and services could have a material adverse effect on our business prospects. The market for our connectivity products and services in the healthcare information systems may be slow to develop due to the large

number of practitioners who are resistant to change, as well as the financial investment and workflow interruptions associated with change, particularly in a period of rising pressure to reduce costs in the marketplace.

Achieving market acceptance of new or newly integrated products and services is likely to require significant efforts and expenditures. Achieving market acceptance for new or newly integrated products and services is likely to require substantial marketing efforts and expenditure of significant funds to create awareness and demand by participants in the healthcare industry. In addition, deployment of new or newly integrated products and services may require the use of additional resources for training our existing sales force and customer service personnel and for hiring and training additional salespersons and customer service personnel. There can be no assurance that the revenue opportunities from new or newly integrated products and services will justify amounts spent for their development, marketing and roll-out.

We could be subject to breach of warranty claims if our software products, information technology systems or transmission systems contain errors, experience failures or do not meet customer expectations. We could face breach of warranty or other claims or additional development costs if the software and systems we sell or license to customers or use to provide services contain undetected errors, experience failures, do not perform in accordance with their documentation, or do not meet the expectations that our customers have for them. Undetected errors in the software and systems we provide or those we use to provide services could cause serious problems for which our customers may seek compensation from us. We attempt to limit, by contract, our liability for damages arising from negligence, errors or mistakes. However, contractual limitations on liability may not be enforceable in certain circumstances or may otherwise not provide sufficient protection to us from liability for damages.

If our systems or the Internet experience security breaches or are otherwise perceived to be insecure, our business could suffer. A security breach could damage our reputation or result in liability. We retain and transmit confidential information, including patient health information. Despite the implementation of security measures, our infrastructure or other systems that we interface with, including the Internet, may be vulnerable to physical break-ins, hackers, improper employee or contractor access, computer viruses, programming errors, attacks by third parties or similar disruptive problems. Any compromise of our security, whether as a result of our own systems or systems that they interface with, could reduce demand for our services.

Our products provide applications that relate to patient medication histories and treatment plans. Any failure by our products to provide and maintain accurate, secure and timely information could result in product liability claims against us by our clients or their affiliates or patients. We maintain insurance that we believe currently is adequate to protect against claims associated with the use of our products, but there can be no assurance that our insurance coverage would adequately cover any claim asserted against us. A successful claim brought against us in excess of our insurance coverage could have a material adverse effect on our results of operations, financial condition and/or business. Even unsuccessful claims could result in the expenditure of funds in litigation, as well as diversion of management time and resources. Certain of our

products are subject to compliance with the Health Insurance Portability And Accountability Act Of 1996 (HIPAA). Failure to comply with HIPAA may have a material adverse effect on our business.

Government regulation of healthcare and healthcare information technology is in a period of ongoing change and uncertainty that creates risks and challenges with respect to our compliance efforts and our business strategies. The healthcare industry is highly regulated and is subject to changing political, regulatory and other influences. Federal and state legislatures and agencies periodically consider programs to reform or revise the United States healthcare system. These programs may contain proposals to increase governmental involvement in healthcare or otherwise change the environment in which healthcare industry participants operate. Particularly, compliance with HIPAA and related regulations are causing the healthcare industry to incur substantial costs to change its procedures. Healthcare industry participants may respond by reducing their investments or postponing investment decisions, including investments in our products and services. Although we expect these regulations to have the beneficial effect of spurring adoption of our software products, we cannot predict with any certainty what impact, if any, these and future healthcare reforms might have on our business. Existing laws and regulations also could create liability, cause us to incur additional costs or restrict our operations. The effect of HIPAA on our business is difficult to predict and there can be no assurance that we will adequately address the business risks created by the HIPAA. We may incur significant expenses relating to compliance with HIPAA. Furthermore, we are unable to predict what changes to HIPAA, or the regulations issued pursuant to HIPAA, might be made in the future or how those changes could affect our business or the costs of compliance with HIPAA. In addition, changes in Medicare and Medicaid regulations could have an adverse effect on the operations and future prospects of our CarePoint business operations.

Government regulation of the Internet could adversely affect our business. The Internet and its associated technologies are subject to government regulation. Our failure to accurately anticipate the application of applicable laws and regulations, or any other failure to comply, could create liability for us, result in adverse publicity, or negatively affect our business. In addition, new laws and regulations may be adopted with respect to the Internet or other online services covering user privacy, patient confidentiality, consumer protection and other services. We cannot predict whether these laws or regulations will change or how such changes will affect our business. Government regulation of the Internet could limit the effectiveness of the Internet for the methods of healthcare e-commerce that we are providing or developing or even prohibit the sale of particular products and services.

Our Internet-based services are dependent on the development and maintenance of the Internet infrastructure and data storage facilities maintained by third parties. Our ability to deliver our Internet-based products and services is dependent on the development and maintenance of the infrastructure of the Internet and the maintenance of data storage facilities by third parties. This includes maintenance of a reliable network backbone and data storage facilities with the necessary speed, data capacity and security, as well as timely development of complementary products such as high-speed modems, for providing reliable Internet access and services. If the Internet continues to experience increased usage, the Internet infrastructure may be unable to support the demands placed on it. In addition, the performance of the Internet may be harmed by increased usage. The Internet has experienced a variety of outages and other delays as a result of damages to portions of its infrastructure, and it could face outages and delays in the future. These outages and delays could reduce the level of Internet usage as well as the availability of the Internet to us for delivery of our Internet-based products and services.

Some of our products and services will not be widely adopted until broadband connectivity is more generally available. Some of our products and services and planned services require a continuous broadband connection between the physician's office or other healthcare provider facilities and the Internet. The availability of broadband connectivity varies widely from location to

location and even within a single geographic area. The future availability of broadband connections is unpredictable and is not within our

control. While we expect that many physicians' offices and other healthcare provider facilities will remain without ready access to broadband connectivity for some period of time, we cannot predict how long that will be. Accordingly, the lack of these broadband connections will continue to place limitations on the number of sites that are able to utilize our Internet-based products and services and the revenue we can expect to generate form those products and services.

Although the Company has ceased operations at its LifeRamp subsidiary, Compliance with legal and regulatory requirements will be critical to LifeRamp's operations should the Company in the future elect to restart the operations. If we, directly or indirectly through our subsidiaries, erroneously disclose information that could be confidential and/or protected health information, we could be subject to legal action by the individuals involved, and could possibly be subject to criminal sanctions. In addition, if LifeRamp is launched and fails to comply with applicable insurance and consumer lending laws, states could bring actions to enforce statutory requirements, which could limit its business practices in such states, including, without limitation, limiting or eliminating its ability to charge or collect interest on its loans or related fees, or limit or eliminate its ability to secure its loans with its borrowers' life insurance policies. Any such actions, if commenced, would have a material and adverse impact on LifeRamp's business, operations and financial condition.

We have been granted certain patent rights, trademarks and copyrights relating to our software. However, patent and intellectual property legal issues for software programs, such as our products, are complex and currently evolving. Since patent applications are secret until patents are issued in the United States, or published in other countries, we cannot be sure that we are first to file any patent application. In addition, there can be no assurance that competitors, many of which have far greater resources than we do, will not apply for and obtain patents that will interfere with our ability to develop or market product ideas that we have originated. Furthermore, the laws of certain foreign countries do not provide the protection to intellectual property that is provided in the United States, and may limit our ability to market our products overseas. We cannot give any assurance that the scope of the rights we have are broad enough to fully protect our technology from infringement.

Litigation or regulatory proceedings may be necessary to protect our intellectual property rights, such as the scope of our patent. Such litigation and regulatory proceedings are very expensive and could be a significant drain on our resources and divert resources from product development. There is no assurance that we will have the financial resources to defend our patent rights or other intellectual property from infringement or claims of invalidity

We also rely upon unpatented proprietary technology and no assurance can be given that others will not independently develop substantially equivalent proprietary information and techniques or otherwise gain access to or disclose our proprietary technology or that we can meaningfully protect our rights in such unpatented proprietary technology. No assurance can be given that efforts to protect such information and techniques will be successful. The failure to protect our intellectual property could have a material adverse effect on our operating results, financial position and business.

As of November 3, 2004, we had 283,191,587 outstanding shares of common stock and 77,023,713 shares of common stock reserved for issuance upon the

exercise of options, warrants, and shares of our convertible preferred stock and convertible debentures outstanding on such date, leaving 39,784,700 shares available for future issuance. Most of these shares will be immediately saleable upon exercise or conversion under registration statements we have filed with the SEC. The exercise prices of options, warrants or other rights to acquire common stock presently outstanding range from $0.01 per share to $4.97 per share. During the respective terms of the outstanding options, warrants, preferred stock and other outstanding derivative securities, the holders are given the opportunity to profit from a rise in the market price of our common stock, and the exercise of any options, warrants or other rights may dilute the book value per share

of our common stock and put downward pressure on the price of our common stock. The existence of the options, conversion rights, or any outstanding warrants may adversely affect the terms on which we may obtain additional equity financing. Moreover, the holders of such securities are likely to exercise their rights to acquire common stock at a time when we would otherwise be able to obtain capital on terms more favorable than could be obtained through the exercise or conversion of such securities.

On October 18, 2004 the Company distributed a proxy to its shareholders requesting approval of an amendment to the Company's Restated Certificate of Incorporation to effect a reverse stock split of the Company's Common Stock at a ratio of one (1) for sixty (60). The Board of Directors believes that it is necessary and desirable to reduce the number of outstanding shares of Common Stock through a reverse split, thereby increasing the number of shares of Common Stock available for issuance to investors in a capital raising transaction and to ensure that the Company has a sufficient number of shares of Common Stock issuable upon the exercise of all outstanding options and warrants, including shares which will be reserved for issuance under its stock incentive plans. If the reverse split is not approved, the low market price of the Company's common stock together with the limited number of shares available for future issuance would make it difficult to raise additional capital.

We have raised substantial amounts of capital in private placements from time to time. The securities offered in such private placements were not registered under the Securities Act or any state "blue sky" law in reliance upon exemptions from such registration requirements. Such exemptions are highly technical in nature and if we inadvertently failed to comply with the requirements of any of such exemptive provisions, investors would have the right to rescind their purchase of our securities or sue for damages. If one or more investors were to successfully seek such rescission or prevail in any such suit, we could face severe financial demands that could materially and adversely affect our financial position. Financings that may be available to us under current market conditions frequently involve sales at prices below the prices at which our common stock currently trades on the American Stock Exchange, as well as the issuance of warrants or convertible securities at a discount to market price.

Investors in our securities may suffer dilution. The issuance of shares of common stock or shares of common stock underlying warrants, options or preferred stock or convertible notes will dilute the equity interest of existing stockholders and could have a significant adverse effect on the market price of our common stock. The sale of common stock acquired at a discount could have a negative impact on the market price of our common stock and could increase the volatility in the market price of our common stock. In addition, we may seek additional financing which may result in the issuance of additional shares of our common stock and/or rights to acquire additional shares of our common stock.

The issuance of our common stock in connection with such financing may result in substantial dilution to the existing holders of our common stock. Those additional issuances of common stock would result in a reduction of your percentage interest in our company.

Historically, our common stock has experienced significant price fluctuations. One or more of the following factors influence these fluctuations:

- o unfavorable announcements or press releases relating to the technology sector;

- o regulatory, legislative or other developments affecting us or the healthcare industry generally;

- o conversion of our preferred stock and convertible debt into common stock at conversion rates based on then current market prices or discounts to market prices of our common stock and exercise of options and warrants at below current market prices;

- o sales by those financing our company through convertible securities the underlying common stock of which have been registered with the SEC and may be sold into the public market immediately upon conversion; and

- o market conditions specific to technology and internet companies, the healthcare industry and general market conditions.

In addition, in recent years the stock market has experienced significant price and volume fluctuations. These fluctuations, which are often unrelated to the operating performance of specific companies, have had a substantial effect on the market price for many healthcare related technology companies. Factors such as those cited above, as well as other factors that may be unrelated to our operating performance, may adversely affect the price of our common stock.

We have not had earnings, but if earnings were available, it is our general policy to retain any earnings for use in our operations. Therefore, we do not anticipate paying any cash dividends on our common stock in the foreseeable future despite the recent reduction of the federal income tax rate on dividends. Any payment of cash dividends on our common stock in the future will be dependent upon our financial condition, results of operations, current and anticipated cash requirements, preferred rights of holders of preferred stock, plans for expansion, as well as other factors that our Board of Directors deems relevant. We anticipate that our future financing agreements may prohibit the payment of common stock dividends without the prior written consent of those investors.

We may have to lower prices or spend more money to compete effectively against companies with greater resources than ours, which could result in lower revenues. The eventual success of our products in the marketplace will depend on many factors, including product performance, price, ease of use, support of industry standards, competing technologies and customer support and service. Given these factors we cannot assure you that we will be able to compete successfully. For example, if our competitors offer lower prices, we could be forced to lower prices which could result in reduced or negative margins and a decrease in revenues. If we do not lower prices we could lose sales and market share. In either case, if we are unable to compete against our main competitors, which include established companies with significant financial resources, we would not be able to generate sufficient revenues to grow our company or reverse

our history of operating losses. In addition, we may have to increase expenses to effectively compete for market share, including funds to expand our infrastructure, which is a capital and time intensive process. Further, if other companies choose to aggressively compete against us, we may have to increase expenses on advertising, promotion, trade shows, product development, marketing and overhead expenses, hiring and retaining personnel, and developing new technologies. These lower prices and higher expenses would adversely affect our operations and cash flows.

As with any business, growth in absolute amounts of selling, general and administrative expenses or the occurrence of extraordinary events could cause actual results to vary materially and adversely from the results contemplated by the forward-looking statements. Budgeting and other management decisions are subjective in many respects and thus susceptible to incorrect decisions and periodic revisions based on actual experience and business developments, the impact of which may cause us to alter our marketing, capital expenditures or other budgets, which may, in turn, affect our results of operations. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions, and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate, and therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

In light of the significant uncertainties inherent in the forward-looking information included in this report, the inclusion of such information should not be regarded as a representation by us or any other person that our objectives or plans of our company will be achieved.

Critical Accounting Policies and Items Affecting Comparability

Quality financial reporting relies on consistent application of our accounting policies that are based on accounting principles generally accepted in the United States. The policies discussed below are considered by management to be critical to understanding our financial statements and often require management judgment and estimates regarding matters that are inherently uncertain.

Revenue Recognition

We recognize revenue from subscription and other fees as services are performed, provided that the following revenue recognition criteria are met: - Persuasive evidence of an arrangement exists - Service is provided - The fee is fixed and determinable - Collectibility is probable

Software and Technology Costs

We incur costs for software research and development efforts. Such costs primarily include payroll, employee benefits and other headcount-related costs associated with product development. Technological feasibility for our software products is reached shortly before the products are released commercially. Costs incurred after technological feasibility is established are not material, and accordingly, we expense all software and technology costs as incurred.

Segment Information

We follow SFAS No. 131, Disclosures About Segments of an Enterprise and

Related Information, which establishes standards for reporting and displaying certain information about reportable segments. As a result of our sale of certain assets of OnRamp, as of September 30, 2004, we manage and evaluate our operations in one reportable segment: Technology.

Goodwill

Goodwill represents acquisition costs in excess of the fair value of net tangible assets of businesses purchased. In conjunction with our adoption of SFAS No. 142, Goodwill and Other Intangible Assets, we evaluate our goodwill annually for impairment, or earlier if indicators of potential impairment exist. The determination of whether or not goodwill or other intangible assets have become impaired involves a significant level of judgment in the assumptions underlying the approach used to determine the value of the reporting units. Changes in our strategy and/or market conditions could significantly impact these judgments and require adjustments to recorded amounts of intangible assets. We will continue to evaluate our goodwill for impairment on an annual basis or sooner if indicators of potential impairment exist.

Long-lived Assets

We review our long-lived assets, including our property and equipment and our intangible assets other than goodwill, for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recovered in accordance with SFAS No. 144, Accounting for the Impairment

or Disposal of Long-Term Assets. We look primarily to the undiscounted future cash flows in our assessment of whether or not long-lived assets have been impaired.

Contingencies

We are subject to legal proceedings, lawsuits and other claims related to labor, service and other matters. We are required to assess the likelihood of any adverse judgments or outcomes to these matters as well as potential ranges of probable losses. A determination of the amount of reserves required, if any, for these contingencies are made after careful analysis of each individual issue. The required reserves may change in the future due to new developments in each matter or changes in approach, such as a change in settlement strategy in dealing with these matters.

Equity Transactions

In many of our financing transactions, warrants have been issued. Additionally, we issue options and warrants to nonemployees from time to time as payment for services. In all these cases, we apply the principles of SFAS No. 123 to value these awards, which inherently include a number of estimates and assumptions including stock price volatility factors. We based our estimates and assumptions on the best information available at the time of valuation, however, changes in these estimates and assumptions could have a material effect on the valuation of the underlying instruments.

RESULTS OF OPERATIONS

In June and September 2004, the Company implemented a reduction in work force and salary reduction program, pursuant to which 73 employees were terminated and, with respect to the June 2004 reduction in work force, some of

the remaining employees agreed to accept, during the six-month period ending November 30, 2004, in lieu of a portion of their base salaries, a retention bonus equal to an individually negotiated multiple of the amount of their reduction in pay in the form of shares of common stock, payable only if they remained employed with us on November 30, 2004. Included in operating expenses for the three and nine months ended September 30, 2004 are non cash expenses of $1.2 million and $1.5 million, respectively, that have been accrued and will be paid in shares of common stock.

Comparison of the three months ended September 30, 2004 to the three months ended September 30, 2003

Revenues - Total revenues from continuing operations for the three months ended September 30, 2004 increased to $94,000, as compared to $1,000 in 2003. Substantially all of this amount was earned from a distribution partner in connection with marketing our product to a targeted group of physicians pursuant to an agreement, the initial phase of which ended in August 2004.

Expenses - Total operating expenses for the three months ended September 30, 2004 were $7.3 million, compared to $4.9 million for the three months ended September 30, 2003, an increase of $2.4 million.

Software and technology costs increased $1.1 million, or 134%, from the three months ended September 30, 2003, to $1.8 million. The increase is due to the growth in personnel, including $469,000 relating to the six month retention bonus program that commenced in June 2004 and $700,000 higher salaries and wages including our engineering and quality assurance groups, which were formed in December 2003 and the second quarter of 2004, respectively.

Selling, general and administrative expenses increased $1.3 million, or 31%, from the three months ended September 30, 2003, to $5.4 million. The increase is due to offsetting factors which are summarized

as follows: (a) increases in expenses of approximately $3.1 million relating primarily to: non cash expenses of approximately $1.1 million relating to the reduction in the value of stock previously issued to vendors, consultants and employees for services rendered, $689,000 relating to the six month retention bonus program that commenced in June 2004, $600,000 increase in total rent expense including lease abandonment charges of $346,000, $339,000 increase in legal and professional fees, and 314,000 relating to asset impairment charges, offset in part by (b) reductions in expenses of approximately $1.9 million relating primarily to reductions in salaries and wages of $0.8 million, advertising expenses of $545,000, and consulting fees of $121,000.

Other income (expense) for the three months ended September 30, 2004 were $(8.6 million), compared to $(502,000) for the quarter ended September 30, 2003, an increase of $8,087,000. The increase is primarily due to financing costs incurred in July 2004 relating to additional issuances of debt and equity instruments in connection with the anti-dilutive provisions of our March 2004 financing transactions and debt issuance costs relating to the issuance of warrants along with convertible promissory notes which is being amortized over the six month term of the notes.

The three months ended September 30, 2004 reflects a loss from discontinued operations of $3.9 million relating to the sale of OnRamp on September 30, 2004 and its operating loss for the three months. Goodwill of $3,357,000 was removed from the balance sheet in the sale of OnRamp.

The three months ended September 30, 2004 was impacted by disproportionate deemed dividends totaling $149,000, caused by the modification of warrants held by certain warrant holders, to induce these investors to exercise their warrants and continue to invest in future periods.

As a result of the above factors, the net loss applicable to our common shareholders for the three months ended September 30, 2004 increased to $19.9 million, as compared to $5.5 million in 2003.

Comparison of the nine months ended September 30, 2004 to the nine months ended September 30, 2003

Revenues - Total revenues for the nine months ended September 30, 2004 increased to $194,000, or 11%, as compared to $174,000 in 2003. Approximately 84 percent of the 2004 amount was earned from a distribution partner in connection with marketing our product to a targeted group of physicians pursuant to an agreement, the initial phase of which ended in August 2004. The revenues in 2003 were in connection with prior software customization agreements with third parties.

Expenses - Total operating expenses for the nine months ended September 30, 2004 were $21.8 million, compared to $10.0 million for the nine months ended September 30, 2003, an increase of $11.8 million.

Software and technology costs increased $2.9 million, or 147%, from the nine months ended September 30, 2003, to $4.9 million. The increase is due to the growth in personnel, including $498,000 relating to the six month retention bonus program that commenced in June 2004, approximately $700,000 attributable to our engineering and quality assurance groups, which were formed in December 2003 and the second quarter of 2004, respectively, $420,000 relating to higher consulting and travel related costs and $1.4 million relating to technology tools and communication costs.

Selling, general and administrative expenses increased $9.0 million, or 114%, from the nine months ended September 30, 2003, to $16.9 million. The increase relates in part to operating expenses incurred by the Company in the period relating to the development of LifeRamp of approximately $2.1 million. The remainder of the increase in the 2004 period over the 2003 period is attributable primarily to the following: increased salaries and related costs for sales, marketing, customer care, executive and administrative personnel of approximately $1.5 million (including non-cash compensation charges of $1.4 million), $1.1

million relating to the six month retention bonus program that commenced in June 2004, non cash expenses totaling $1.1 million relating to the reduction in the value of stock previously issued to vendors, consultants and employees for services rendered, increased legal and professional fees of approximately $1.4 million, $701,000 relating to increased rent and lease abandonment costs; asset impairment charges of $314,000, $365,000 for expansion of the marketing and sales departments, and increased advertising and promotion costs of approximately $153,000.

Other income (expense) for the nine months ended September 30, 2004 were $(9.1 million), compared to $(0.6 million) for the period ended September 30, 2003, an increase of $8.5 million. The increase is primarily due to financing costs incurred in July 2004 relating to additional issuances of debt and equity instruments in connection with the anti-dilutive provisions of our March 2004

financing transactions and debt issuance costs relating to the issuance of warrants along with convertible promissory notes which is being amortized over the six month term of the notes.

The nine months ended September 30, 2004 reflects a loss from discontinued operations of $4.1 million relating to the sale of OnRamp on September 30, 2004 and its operating loss for the nine months. Goodwill of $3,357,000 was removed from the balance sheet in the sale of OnRamp.

The nine months ended September 30, 2004 was impacted by disproportionate deemed dividends totaling $1.0 million, caused by the modification of warrants held by certain warrant holders and the issuance of additional shares of common stock to previous investors, to induce these investors to exercise their warrants and continue to invest in future periods.

As a result of the above factors, the net loss applicable to our common shareholders for the nine months ended September 30, 2004 increased to $35.8 million, as compared to $11.7 million in 2003.

Liquidity and Capital Resources

We had $386,000 in cash as of September 30, 2004 compared to $1,806,000 as of December 31, 2003. The net working capital deficit was $(11,312,000) as of September 30, 2004 compared to a deficit of $(1,098,000) as of December 31, 2003.

During the nine months ended September 30, 2004, we made capital expenditures to purchase property and equipment of $810,000. During the period we raised net proceeds of approximately $11.5 million from financing activities; reflecting $5.5 million from the issuance of our preferred and common stock, net of offering costs, $1.65 million from the issuance of promissory notes, $4.2 million from the issuance of convertible promissory notes and $2.3 million from the exercise of options and warrants. Partially offsetting this were payments of debt and notes payable of $1.8 million.

We have incurred operating losses for the past several years, the majority of which are related to the development of the Company's healthcare connectivity technology and related marketing efforts. These losses have produced operating cash flow deficiencies, and negative working capital, which raise substantial doubt about our ability to continue as a going concern. Our future operations are dependent upon management's ability to source additional equity capital.

We expect to continue to experience losses in the near term, until such time that our technologies can be successfully deployed with physicians to produce revenues. The continuing deployment, marketing and the development of our technologies will depend on our ability to obtain additional financing. We have not generated any significant revenue to date from this technology. We are currently funding operations through the sale of common stock, and there are no assurances that additional investments or financings will be available as needed to support the development and deployment of merged technologies. The need for us to

obtain additional financing is acute and failure to obtain adequate financing could result in lost business opportunities, the sale of our company at a distressed price or may lead to the financial failure of our company.

We are currently funding our operations through the sale of our securities, and continued to do so in the nine months ended September 30, 2004.

In order to raise funds, the Company has typically issued deeply discounted securities in terms of beneficial conversion prices of, and/or additional warrants issued with, the underlying securities. Under our financing agreements, when we sell securities convertible into our common stock we are required to register those securities so that the holder will be free to sell them in the open market. There can be no assurance that additional investments or financings will be available to us on favorable terms, or at all, as needed to support the development and deployment of our technology. Failure to obtain such capital on a timely basis could result in lost business opportunities, the sale of our technology at a distressed price or the financial failure of our Company. See "Forward Looking Statements and Associated Risks".

The following table summarizes, as of September 30, 2004, the general timing of future payments under our outstanding loan agreements, lease agreements that include noncancellable terms, and other long-term contractual obligations.

	PAYMENTS DUE BY PERIOD					
	TOTALS	2004	2005	2006	2007	THEREAFT
Promissory note	$ 150,000		$ 150,000			
Convertible debt	6,320,000		6,120,000			$ 200,00
Operating leases	2,388,000	$216,000	614,000	$558,000	$490,000	510,00

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We do not hold or engage in transactions with market risk sensitive instruments.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, including our chief executive officer and chief financial officer, has carried out an evaluation of the effectiveness of our disclosure controls and procedures as of September 30, 2004, pursuant to Exchange Act Rules 13a-15(e) and 15(d)-15(e). Our auditors, BDO Seidman, LLP, have advised us that, under standards established by the American Institute of Certified Public Accountants ("AICPA"), reportable conditions involve matters that come to the attention of auditors that relate to significant deficiencies in the design or operation of internal controls of an organization that, in the auditors' judgment, could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the consolidated financial statements.

BDO Seidman, LLP has advised our management and our Audit Committee that, in BDO Seidman, LLP's opinion, there were reportable conditions during 2003, some of which persisted throughout the first three quarters of 2004, which constituted material weaknesses in internal control. The Company has taken steps and has a plan to correct the material weaknesses. More specifically, our accounting staffing, records and controls were insufficient to identify and record all accounting entries necessary to reflect our financial position, results of operations and cash flows in accordance with generally accepted accounting principles in

the United States, and prepare financial reports in compliance with the rules and regulations of the SEC. In particular, there were numerous accounting errors and misapplications of accounting principles generally accepted in the United States, due in large measure, to the absence of a chief financial officer or other individual with the appropriate experience and background to handle accounting and financial reporting matters arising from the complexity of a number of our transactions. However, BDO Seidman, LLP has advised the Audit Committee that these conditions were considered in determining the nature, timing, and extent of the procedures performed for the audit of our financial statements as of and for the year ended December 31, 2003 and the SAS 100 review of our financial statements for the quarterly periods ended March 31, June 30 and September 30, 2004, and that these conditions did not affect its audit report dated April 4, 2004 with respect to our financial statements as of and for the year ended December 31, 2003, which includes an explanatory paragraph indicating that our recurring losses from operations and working capital deficit raise substantial doubt about our ability to continue as a going concern.

Based upon management's review of our internal controls and procedures, our management, including our current chief executive officer and current chief financial officer, has determined that we had inadequate controls and procedures constituting material weaknesses as of December 31, 2003 which persisted during the first three quarters of fiscal year 2004. Our management has implemented and continues to implement potential enhancements to our internal controls and procedures that it believes will remedy the inadequacies in our internal controls and procedures.

The following sets forth the steps we have taken through the fiscal period ended September 30, 2004:

- In November 2003, we hired a permanent chief financial officer with public company reporting experience. This chief financial officer resigned in September 2004 and was replaced in October 2004.

- In December 2003, we hired a staff accountant responsible for, among other things, recording accounts payable. The individual assists the chief financial officer and controller to identify, report and record transactions in a timely manner and provides additional segregation of duties consistent with our internal control objectives.

- Management reassigned certain tasks among the expanded accounting department, as well as existing administrative personnel to perform ministerial accounting functions, to improve and better accomplish bookkeeping, recordkeeping and other accounting functions.

- In August 2004 we hired a Vice President of Finance who will be wholly dedicated to the areas of internal control, financial accounting and reporting.

- The review and sign off on all monthly bank reconciliations by the chief financial officer has been instituted.

- The review of all underlying agreements, contracts and financing arrangements prior to execution for accounting ramifications has already been undertaken by the chief financial officer to the extent possible.

- We strengthened certain controls over cash disbursements, including adopting a policy that requires dual signatures of two senior officers, at least one of whom is not involved in a transaction, on disbursements in excess of $10,000.

- We strengthened certain controls over expense authorization and imposed financial oversight on all expenditure decisions.

- We implemented a policy requiring attendance by outside counsel at all Board and Audit Committee meetings, including the timely preparation of minutes of such meetings and reports to management to discuss our implementation of any plans to address conditions constituting the material weaknesses in its internal controls.

We have implemented and intend on implementing the following plans to enhance our internal controls in the fiscal quarter ending September 30, 2004 and in subsequent fiscal periods:

- The addition of the new Vice President Finance (hired on August 2, 2004) has allowed further redistribution of responsibilities among the expanded accounting department and, more specifically, provide the chief financial officer with the necessary time to perform oversight and supervisory functions in future periods. This includes timely review of all underlying agreements, contracts and financing arrangements, expense reports, entries to the general ledger and periodic filings with the Securities and Exchange Commission.

- Our implementation of formal mechanized month-end, quarter-end and year-end closing and consolidation processes.

- In July 2004 we appointed two additional independent directors to serve on our Audit Committee.

- As a result of the resignation of our chief financial officer in September 2004, we have hired Ronald C. Munkittrick as our new chief financial officer, effective October 12, 2004.

While we believe that the remedial actions that have been or will be taken will result in correcting the conditions constituting the material weaknesses in our internal controls as soon as practicable, the exact timing of when the conditions will be corrected is dependent upon future events which may or may not occur. We are making every effort to correct the conditions expediently and expect to correct the conditions, thereby eliminating the material weaknesses no later than the fourth quarter of fiscal year 2004. It is estimated that the cost to implement the actions set forth above will be approximately $300,000 for our fiscal year ending December 31, 2004 and approximately $200,000 for each fiscal year thereafter. In addition, substantial additional costs may be necessary to implement the provisions of section 404 of the Sarbanes-Oxley Act of 2003 as relates to the company's documentation and testing of the effectiveness of internal controls in 2005.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, the Company is involved in claims and litigation that arise out of the normal course of business. Currently, other than as noted below

there are no pending matters that in management's judgment may be considered potentially material to us.

On June 3, 2003 two former executive officers, John Prufeta and Patricia Minicucci commenced an action against the Company by filing a Complaint in the Supreme Court of the State of New York for Nassau County (Index No. 03-008576) in which they alleged that the Company breached separation agreements entered into in December 2002 with each of them, and that the Company failed to repay amounts loaned by Mr. Prufeta to the Company. Mr. Prufeta sought approximately $395,000 (including a loan of $120,000) and Ms. Minicucci sought approximately $222,000. The Complaint was served on July 23, 2003. On July 15, 2003, the Company paid in full the $120,000 so loaned together with interest, without admitting the claimed default. On February 2, 2004, the Supreme Court of the State of New York for Nassau County issued an order for partial summary judgment in favor of Ms. Minicucci for the unpaid severance obligations of $138,064. The Company made severance payments to both former executives through May 2004 but due to

capital constraints has not made any payments since then. We are continuing negotiations with the plaintiffs to settle the dispute amicably.

In June 2004, the Company's former law firm commenced and action against the Company by filing a complaint in the Supreme Court of the State of New York for the county of New York (Index No. 108499/04) in which they alleged we breached our retainer agreement by failing to pay $435,280 for legal services allegedly performed. The Company believes it has valid defenses and/or counter claims which the Company intends to vigorously pursue.

Item 2. Changes in Securities and Use of Proceeds

On July 14, 2004, the Company entered into a Note and Warrant Purchase Agreement (the "Note Purchase Agreement") with Cottonwood Ltd. and Willow Bend Management Ltd., each an accredited investor. Under the terms of the Note Purchase Agreement, the Company issued a convertible promissory note due January 14, 2005 in the aggregate principal amount of $2,100,000 to each of Cottonwood Ltd. and Willow Bend Management Ltd. Each promissory note is convertible into shares of common stock at an initial conversion price of $0.30 cents per share, or 7,000,000 shares of common stock. In addition, the Company issued to each of Cottonwood Ltd. and Willow Bend Management Ltd. warrants exercisable into 4,683,823 shares of common stock at an exercise price of $0.11 cents per share, warrants exercisable into 4,683,823 shares of common stock at an exercise price of $0.15 cents per share, warrants exercisable into 4,683,823 shares of common stock at an exercise price of $0.35 cents per share and warrants exercisable into 4,683,823 shares of common stock at an exercise price of $0.40 cents per share. The warrants have a term of one year

Redwood Capital Partners, Inc. acted as the Company's placement agent in connection with the Note Purchase Agreement. As compensation to Redwood for its services as placement agent and in addition to payment in cash of $320,000 to Redwood, the Company agreed to issue to Redwood warrants exercisable into 350,000 shares of common stock exercisable at $0.11 cents per share for a one year term, warrants exercisable into 350,000 shares of common stock exercisable at $0.15 cents per share for a one year term, warrants exercisable into 350,000 shares of common stock exercisable at $0.35 cents per share for a one year term and warrants exercisable into 350,000 shares of common stock exercisable at $0.40 cents per share for a one year term

On July 14, 2004, the Company entered into a Letter Agreement (the "Letter Agreement") with Hilltop Services, Ltd. ("Hilltop") in connection with the

anti-dilution provisions contained in that certain Common Stock and Warrant Purchase Agreement, dated March 4, 2004, between Hilltop and the Company (the "Hilltop Agreement"). Under the terms of the Letter Agreement and in consideration for the waiver by Hilltop of its anti-dilution rights, the Company issued to Hilltop an additional 24,130,435 shares of common stock, a convertible promissory note in the aggregate principal amount of $1,920,000 convertible into shares of the Company's common stock at a conversion price of $0.30 cents per share, or 6,400,000 shares of common stock, and warrants exercisable into 4,282,354 shares of common stock at an exercise price of $0.11 cents per share, warrants exercisable into 4,282,354 shares of common stock at an exercise price of $0.15 cents per share, warrants exercisable into 4,282,354 shares of common stock at an exercise price of $0.35 cents per share and warrants exercisable into 4,282,354 shares of common stock at an exercise price of $0.40 cents per share. In connection with the above issuance of the common stock and warrants under the Hilltop agreement, two placement agents received an aggregate of 1,720,360 shares of the Company's Common Stock.

In August 2004 two individuals each received 500,000 shares of our common stock and warrants exercisable into 1,000,000 shares of common stock at an exercise price of $0.18 cents per share as

compensation for financial advisory services performed for the Company. The warrants have a term of five years.

In August and September 2004 the Company issued an aggregate of 16,766,816 shares of common stock to various vendors and consultants in connection with settlement and satisfaction of the Company's obligations to such parties.

The sale and issuance of the above securities were determined to be exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act or Regulation D promulgated thereunder, as transactions by an issuer not involving a public offering, where the purchasers were either accredited or sophisticated and represented their intention to acquire securities for investment purposes only and not with a view to or for sale in connection with any distribution thereof, and where the purchasers received or had access to adequate information about the Company.

Item 6. Exhibits

a. Exhibits

EXHIBIT NO.	DESCRIPTION
4.1	Note and Warrant Purchase Agreement, dated as of July 14, 2004, relating to the sale of convertible promissory notes by and between the Company, Cottonwood Ltd. and Willow Bend Management Ltd., incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-3 filed with the SEC on September 24, 2004.
4.2	Convertible Promissory Note dated July 14, 2004 issued to Cottonwood Ltd. in the aggregate principal amount of $2,100,000, incorporated by

reference to Exhibit 4.2 to the Company's Registration Statement on Form S-3 filed with the SEC on September 24, 2004.

4.3 Convertible Promissory Note dated July 14, 2004 issued to Willow Bend Management Ltd. in the aggregate principal amount of $2,100,000, incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-3 filed with the SEC on September 24, 2004.

4.4 Convertible Promissory Note dated July 14, 2004 issued to Hilltop Services, Ltd. in the aggregate principal amount of $1,920,000, incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-3 filed with the SEC on September 24, 2004.

4.5 Warrant dated July 14, 2004 issued to each of Cottonwood Ltd. and Willow Bend Management Ltd. at an exercise price of $0.11 cents, incorporated by reference to Exhibit 4.5 to the Company's Registration

4.6 Statement on Form S-3 filed with the SEC on September 24, 2004. Warrant dated July 14, 2004 issued to each of Cottonwood Ltd. and Willow Bend Management Ltd. at an exercise price of $0.15 cents, incorporated by reference to Exhibit 4.6 to the Company's Registration

4.7 Statement on Form S-3 filed with the SEC on September 24, 2004. Warrant dated July 14, 2004 issued to each of Cottonwood Ltd. and Willow Bend Management Ltd. at an exercise price of $0.35 cents, incorporated by reference to Exhibit 4.7 to the Company's Registration

4.8 Statement on Form S-3 filed with the SEC on September 24, 2004. Warrant dated July 14, 2004 issued to each of Cottonwood Ltd. and Willow Bend Management Ltd. at an exercise price of $0.40 cents, incorporated by reference to Exhibit 4.8 to the Company's Registration

4.9 Statement on Form S-3 filed with the SEC on September 24, 2004. Warrant dated July 14, 2004 issued to Hilltop Services, Ltd. at an exercise price of $0.11 cents, incorporated by reference to Exhibit 4.9 to the Company's Registration Statement on Form S-3 filed with the SEC on September 24, 2004.

4.10 Warrant dated July 14, 2004 issued to Hilltop Services, Ltd. at an exercise price of $0.15 cents, incorporated by reference to Exhibit 4.10 to the Company's Registration Statement on Form S-3 filed with the SEC on September 24, 2004.

4.11 Warrant dated July 14, 2004 issued to Hilltop Services, Ltd. at an exercise price of $0.35 cents, incorporated by reference to Exhibit 4.11 to the Company's Registration Statement on Form S-3 filed with the SEC on September 24, 2004.

4.12 Warrant dated July 14, 2004 issued to Hilltop Services, Ltd. at an exercise price of $0.40 cents, incorporated by reference to Exhibit 4.12 to the Company's Registration Statement on Form S-3 filed with the SEC on September 24, 2004.

4.13 Warrant dated July 14, 2004 issued to Redwood Capital Partners, Inc. at an exercise price of $0.11 cents, incorporated by reference to Exhibit 4.13 to the Company's Registration Statement on Form S-3 filed with the

SEC on September 24, 2004.

4.14 Warrant dated July 14, 2004 issued to Redwood Capital Partners, Inc. at an exercise price of $0.15 cents, incorporated by reference to Exhibit 4.14 to the Company's Registration Statement on Form S-3 filed with the SEC on September 24, 2004.

4.15 Warrant dated July 14, 2004 issued to Redwood Capital Partners, Inc. at an exercise price of $0.35 cents, incorporated by reference to Exhibit 4.15 to the Company's Registration Statement on Form S-3 filed with the SEC on September 24, 2004.

4.16 Warrant dated July 14, 2004 issued to Redwood Capital Partners, Inc. at an exercise price of $0.40 cents, incorporated by reference to Exhibit 4.16 to the Company's Registration Statement on Form S-3 filed with the SEC on September 24, 2004.

4.17 Warrants dated August 18, 2004 issued to Mr. Richard Rosenblum at an exercise price of $0.18 cents, incorporated by reference to Exhibit 4.17 to the Company's Registration Statement on Form S-3 filed with the SEC on September 24, 2004.

4.18 Warrants dated August 18, 2004 issued to Mr. David Stefansky at an exercise price of $0.18 cents, incorporated by reference to Exhibit 4.18 to the Company's Registration Statement on Form S-3 filed with the SEC on September 24, 2004.

4.19 Letter Agreement, dated as of July 14, 2004, by and between the Company and Hilltop Services, Ltd, incorporated by reference to Exhibit 4.19 to the Company's Registration Statement on Form S-3 filed with the SEC on September 24, 2004.

4.20 Settlement Agreement and Release, dated as of August 20, 2004, by and between the Company and Clinton Group, Inc., incorporated by reference to Exhibit 4.25 to the Company's Registration Statement on Form S-3 filed with the SEC on September 24, 2004.

10.1 Asset Purchase Agreement among Ramp Corporation and Berdy Medical Systems, Inc., dated October 18, 2004.

10.2 Employment Agreement between the Company and Ronald C. Munkittrick, dated as of October 12, 2004.

31.1 Certification by Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 Certification by Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32 Certification by Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the

registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, and the undersigned has also signed in his capacity as principal financial officer of the Registrant.

Dated: November 15, 2004

Ramp Corporation

(Registrant)

/s/ Ron Munkittrick

Ron Munkittrick
Chief Financial Officer

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* Filed herewith