CERISTAR INC
Form 10KSB/A
June 20, 2003

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-KSB

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2002, or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from........to...........

Commission File Number 001-16381

CERISTAR, INC.
(Name of small business issuer in its charter)

DELAWARE (State or other jurisdiction of incorporation or organization)	87-0642448 (IRS Employer identification number)
50 West Broadway, Suite 1100, Salt Lake City, Utah (Address of principal executive officers)	84119 (Zip Code)

Registrant's telephone number, including area code: (801) 350-2017

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, par value $.001 per share
(Title of Class)

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

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

Registrant's revenues for the fiscal year ended December 31, 2002, were $521,000

The aggregate market value of the voting stock held by non-affiliates of the Registrant as of March 31, 2003, was approximately $3,571,000 based on the closing price on that date on the OTC Bulletin Board.

As of March 31, 2003, Registrant had outstanding 6,002,276 shares of Common Stock.

PART I

Item 1. Description of Business

CeriStar, Inc. is a Delaware corporation ("CeriStar"), incorporated in December of 1999 for the development of a new generation of telecommunication services using fiber optic cable. Its principal product is the delivery of voice, video and data services over a fiber network. These services include local and long distance telephone, video conferencing, cable television with video on demand, computer email and a host of other related services. Its markets are wide and varied, including residential, commercial, governmental and educational institutions. CeriStar's products were in the development stage throughout 2001 with marketing commencing in 2002.

In order to attract the capital needs to commence its marketing strategies, on September 10, 2002 CeriStar entered into a forward triangular merger with Planet Resources, Inc. ("Planet"), a Delaware corporation, in which the issued and outstanding common and preferred stock of CeriStar were exchanged for the common stock of Planet. CeriStar's series A and B preferred stock was exchanged for ..757 common shares of Planet and CeriStar's common stock was exchanged for .322 common shares of Planet. Planet had no operations for the prior two years. The merger transaction was accounted for as a reverse merger. On October 15, 2002, Planet Resources Inc. was renamed CeriStar, Inc.

CeriStar's foundation product is its CeriNet IP (Internet Protocol) Utility Network. IP technology and standards have enabled the voice and computer industry to adopt one, unified architecture that delivers information across a common fiber or copper line. CeriNet is an IP open standard architecture that integrates software and electronic hardware from IP compliant vendors to handle packets of voice, video and data from origination to termination of that packet.

Components of the IP Utility Network are:
* Layer 2-3 packet switches
* Layer 3+ packet routers * Voice, video and data gateways * UNIX, Sun, and Linux based servers * Class 5E equivalent soft switch * Video head end systems (Wholesale to Retail) * OSS/BSS management software * Universal Power Supply (UPS) backup units

CeriNet connects to Local Area Network (LAN) through its standard ports consisting of:

* RJ-11 standard two-wire modular connectors * Quad Cable connectors of four-wire (two twisted-pairs) insulated conductors for CAT-5 wiring * Fiber Optic Terminals connecting copper wire to optical fiber cable * Fiber to Fiber SC APC and SC UPC connection * Fiber to RF conversion for edge devices * RJ-45 eight-pin modular connector in the 10/100BaseT standard for unshielded twisted pair (UTP) connections to smart wiring hubs * Coax RG6 Quad Cable connectors for analog video feeds

The CeriNet product connects Local Area Network (LAN) customers including state government, education, municipalities and greenfield developments to a wider Metro Area Network (MAN) and international Wide Area Network (WAN).

CeriStar's CS-1000, CS-2000, CS-3000 and CS-4000 modules represent CeriStar's version of bundled services and equipment that connects to CeriNet as customer premise equipment (CPM) module. Other third party modules representing similar bundles of services can easily be connected to CeriNet and provide similar performance to CeriStar's CS series of products.

The consumer interface modules, either CeriStar supplied or third party supplied, are connected to the CPM modules and allow IP and analog signals to be sent to CeriNet for routing within the LAN, MAN and WAN at guaranteed performance levels.

CeriStar has identified and developed a business plan to penetrate a large, identifiable market, capitalizing on the convergence of voice, video and data communications. CeriStar's utility network technology platform, CeriNet, enhances communications and networking capabilities within any enterprise. CeriStar targets its marketing and is offering customized solutions to the following major market segments:

* State/Local Governments - "Economic Development Networks" * Education Systems - "Knowledge Networks" * Commercial Building and Enterprises - "Smart Buildings and Smart Environments" * Greenfields and Legacy Communities - "Smart Homes and Businesses"

CeriStar is poised to capitalize on the imminent IP converged network upgrade cycle by providing each of these market segments with paths to converged IP network communications. CeriStar is currently testing this model in Utah and plans to deploy it in the surrounding Western states after the testing has been completed.

Over the next five years, CeriStar's business model will take into account the premise that the majority of businesses will be running converged managed networks. Most educational and governmental institutions will have partial converged solutions in use. Greenfield residential will be populated with converged solutions in the new developments. Legacy retrofit residential will still be in its early stages of evolution.

Competitors exist at all levels in the LAN environment to provide bundled converged services. Competitors exist in the WAN environment to deliver connectivity. CeriStar is still unique in deploying a brand of IP Network that is plug and play compatible with LAN and WAN solutions.

CeriStar deploys an IEEE and 7-layer standard network and equipment. It consists of core, aggregation and edge equipment. All equipment can be interchanged because of this open standard adherence. All equipment can be bought from multiple vendors with no barriers to entry.

CeriStar is in the early stages of marketing its products and thus its cash needs are more dependent on capital funding than on any major customer.

CeriStar filed four provisionary patent applications in 2001, which were consolidated into one broad patent in 2002. These patents relate to the architecture of an IP Utility Network that enables smart homes, smart commercial buildings, and smart residential communities.

CeriStar enters into revenue sharing arrangements with commercial building owners and residential developers. These contracts vary depending upon project size, equipment ownership and local market conditions. The shared revenues are based on the difference between CeriStar's wholesale and retail prices.

CeriStar is a Common Local Exchange Carrier (CLEC) licensed with the Utah Public Utility Commission. With this license, CeriStar is able to provide telephony services in competition with the Local Exchange Carrier, which is Qwest. As a CLEC, CeriStar is able to compete with not only Qwest but also other CLEC's in providing a myriad of services and converge them with non- regulated services into a single converged network.

As a CLEC, CeriStar is subject to all Public Utility Commission and Federal Communications Commission rules and regulations for telephony services. Regulation changes that may occur will only affect our voice services, while data and video services remain unchanged. Since CeriStar is already a certificated CLEC in Utah any regulation changes will have a minimal affect to the business model.

Over the past two years CeriStar spent an estimated 96 man-months on research and development activities at an estimate cost of $550,000. The majority of this cost has been borne by investors.

CeriStar currently has 10 full time employees.

Item 2. Description of Property

CeriStar's property consists primarily of computer, and computer related equipment that is located at CeriStar's headquarters in Salt Lake City and in or near various customer locations. Currently, this equipment is maintained and serviced by head office personnel.

CeriStar currently leases a facility located at 50 West Broadway, Suite 1100, Salt Lake City, Utah on a month-to-month basis. The facility consists of approximately 3,000 square feet of leased office space at a monthly rate of $3,524.

Item 3. Legal Proceedings

None

Item 4. Submission of Matters to a Vote of Security Holders

None

PART II

Item 5. Market for Common Equity and Related Shareholder Matters

CeriStar's common stock currently trades on the OTC Bulletin Board under the ticker symbol of CTRI.OB. Following CeriStar's merger with Planet Resources in September 2002, CeriStar was initially traded under the ticker symbol PLNT.OB, which was later changed to CTRI.OB. Prior to the merger, Planet Resources was traded on the OTC Bulletin Board under the ticker symbol of PLNT.OB. As of March 25, 2003, the closing sales price of the common stock was $.95 per share. The following are high and low sales prices for the common stock by quarter since the merger as reported by the OTC Bulletin Board:

	Common Stock Price Range	
Period (Calendar Year)	High	Low
2002		
First Quarter	N/A	N/A
Second Quarter	N/A	N/A
Third Quarter	$3.10	$1.30
Fourth Quarter	$2.25	$1.05
2003		
First Quarter	$1.55	$ .55

CeriStar has never paid any cash dividends on its common or preferred stock and does not anticipate paying any cash dividends on its common or preferred stock in the foreseeable future. At the time of the merger with Planet, CeriStar's common and preferred shares were exchanged for Planet's common stock. CeriStar currently intends to retain future earnings, if any, to fund the development and growth of its proposed business and operation. Any payment of cash dividends in the future on the common stock will be dependent upon CeriStar's financial condition, results of operations, current and anticipated cash requirements, plans for expansion, restrictions, if any, under any debt obligations, as well as other factors that CeriStar's Board of Directors deems relevant.

As of March 31, 2003, CeriStar has 1,615 shareholders.

CeriStar's common stock is also registered on the Berlin Stock Exchange.

Item 6. Management's Discussion and Analysis of Financial Condition and Results for Operations

This report contains forward looking statements that involve risks and uncertainties. Words, such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" and "views" are intended to identify forward looking statements. Such statements are based upon current expectations and projections about our business and assumptions made by the management and are no guarantee of future performance. Therefore, actual events and results may differ materially from those expressed or forecasted in the forward looking statements due to risk factors identified in the Management's Discussion and Analysis of Financial Condition and Results of Operations.

On September 10, 2002, CeriStar merged with a wholly owned subsidiary of Planet Resources Inc., a non-operating company, together referred to as Planet, in which all the issued and outstanding stock of CeriStar, including Convertible Preferred Series A shares and the Convertible Preferred Series B shares, were exchanged for shares of common stock of Planet. Series A and B preferred shares of CeriStar were exchanged at a rate of approximately .757 shares of common stock of Planet, and common shares of CeriStar were exchanged into approximately ..322 common shares of Planet. Just prior to the merger, Planet authorized a 1 for 5.23 reverse stock split. The merger was accounted for as a reverse merger with CeriStar being the accounting acquirer. On October 15, 2002, Planet was renamed CeriStar, Inc. Since Planet had no operations for the two years prior to the merger, only CeriStar's financial condition and results of operations will be discussed.

Plan of Operation

During 2001 CeriStar was engaged in developing and testing various Internet Protocol (IP) products. These products emerged in marketable form in 2002. CeriStar has proven its' technology and can now deliver technically advance products to a wide range of residential, commercial, educational and governmental customers. Since these products are significantly advanced from current products in the market place, it is estimated that it will take another year before they become generally accepted allowing for substantial market penetration. The current marketing plan will require the acquisition of new debt and equity capital to fund operations and geographic expansion into neighboring states. it is anticipated that a majority of this funding will have to be raised in the equity markets. Debt financing for equipment may become more readily available as product revenues and market acceptance increases In the short term, CeriStar will remain dependent on new capital with no assurances that this new capital will be raised.

Previously, CeriStar had expended significant amounts of capital for equipment, which has the capacity to handle a substantially larger customer volume. Now new customers can be added without significant costs.

Results of Operations

A detailed comparison of the differences between operations of 2002 compared to 2001 is difficult due to the fact that in 2001 CeriStar was principally a development company, developing and testing new ideas and turning those ideas into new products. Fiscal 2002 continued some of the development effort but a majority of the year was spent marketing those new ideas and products. When combined with merger related expenses and investment services expense, comparisons between the two years becomes even more difficult.

Revenues increased to $521,000 in 2002, compared to $260,000 in 2001. The increase was due to sales of IP services, primarily to commercial customers. Services revenue increased from $35,000 in 2001 to $269,000 in 2002, a $234,000 increase, accounting for 90% of the revenue increase. Equipment sales increased from $212,000 in 2001 to $214,000 in 2002, or a $2,000 increase.

Cost of sales increased from $245,000 in 2001 to $465,000 in 2002. This increase was due to increased service and labor costs associated with the services revenue. Labor costs increased by $30,000, increasing from $90,000 in 2001 to $120,000 in 2002. Service costs increased from $59,000 in 2001 to $253,000 in 2002. The high service costs in 2002 resulted in a margin of $16,000 for services, or a 6% margin for 2002. This margin is expected to increase significantly in the future as new customers are added as CeriStar's excess bandwidth purchases and equipment is able to service a substantially larger customer base.

Total administrative expense in 2002 was $2,768,000 compared to $1,420,000 in 2001, an increase of $1,348,000. Approximately $1,012,000 of this increase was for expenses paid to consultants in the form of common stock for services relating to the merger with Planet Resources. An additional $353,000 was paid, primarily in the form of common stock, to consultants that are advising CeriStar on product positioning, customer identification and international product expansion, as CeriStar converts from a development company to an operating company, marketing its IP application products and services. Payroll expense decreased from $1,116,000 in 2001 to $912,000 in 2002 as salary and staff reductions were implemented in late 2001 and early 2002. Depreciation expense increased from $12,000 in 2001 to $64,000 in 2002 due to new equipment acquisitions for the network. Professional fees also increased from $65,000 in 2001 to $152,000 in 2002, an $87,000 increase as accounting, legal, sales and staffing professionals were hired to assist in a variety of areas.

During 2002 CeriStar borrowed $75,000 on a convertible long-term note that may be converted to CeriStar's common stock. This note also has warrants to purchase 22,710 shares of common stock at $3.30 per share. Approximately $20,400 of the interest expenses relates to this note.

Liquidity and Capital Resources

As of December 31, 2002, CeriStar's current liabilities were $672,000, while current assets were only $93,000 equating to a $579,000 working capital deficit. In order for CeriStar to continue operating, additional capital is essential. CeriStar's operating revenues are not capable of supporting current operations. Thus, in the short term, CeriStar is dependent on the capital markets for funding. To meet these continuing funding needs, CeriStar is actively seeking debt and equity fundingby accessing both the public and private capital markets. With almost 200 residential customers in Provo, Utah and contracts signed for over 400 additional residential customers in the surrounding area that will be starting service throughout 2003 and early 2004, combined with projected sales to new developments, CeriStar expects to be able to fund operations from service revenues by the end of 2003. As previously mentioned, CeriStar remains dependent on new capital but there can be no assurance that any new capital will be raised. A majority of the merger expenses and a significant portion of consulting and professional services expenses were paid with common stock, thus conserving cash for operations. Approximately $1,322,000 in stock was issued during 2002 to pay for these services as well as a portion of payroll expense, primarily incentives to retain key employees.

Item 7. Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of CeriStar Inc. and Subsidiary

We have audited the accompanying consolidated balance sheet of Ceristar, Inc. as of December 31, 2002 and 2001, and the related statements of operations, stockholders' deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CeriStar, Inc. as of December 31, 2002 and 2001 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3, the Company has a deficit in working capital, negative cash flows from operations, and recurring net losses. These issues raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The accompanying financial statements do not include any adjustment that might result from the outcome of this uncertainty.

TANNER + CO.

Salt Lake City, Utah
February 7, 2003

CERISTAR, INC.
CONSOLIDATED BALANCE SHEET
DECEMBER 31

Assets	2002	2001
Current assets:		
Cash	$ 28,210	$ 2,518
Accounts receivable, net of allowance for doubtful accounts of $16,117 and $0, respectively	52,945	2,206

Prepaid expenses	3,954	3,954
Deposits	8,338	-
Total current assets	93,447	8,678
Property and equipment, net	339,395	49,322
	$ 432,842	$ 58,000
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	$ 385,615	$ 34,084
Accrued payroll liabilities	101,888	61,399
Unearned revenue	94,300	21,704
Deferred purchase obligation	86,996	-
Convertible long-term debt	2,708	-
Total current liabilities	671,507	117,187
Stockholders' deficit:		
Preferred stock, $.001 par value; 10,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, $.001 par value, voting, 40,000,000 shares authorized, 5,852,197, and 4,180,078 issued and outstanding, respectively.	5,852	4,180
Additional paid-in capital	8,546,387	5,284,625
Deferred compensation	(615,011)	(821,033)
Subscriptions receivable	(996,289)	(80,630)
Accumulated deficit	(7,179,604)	(4,446,32
Total stockholders' deficit:	(238,665)	(59,187)
	$ 432,842	$ 58,000

CERISTAR, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
DECEMBER 31

	2002	
Sales	$ 520,952	$
Cost of sales	(465,202)	(244,
Selling, general, and administrative expense	(2,767,581)	
Loss from operations	(2,711,831)	
Other income	1,753	4,795
Interest expense	(23,197)	-
Loss before benefit for income taxes	(2,733,275)	
Benefit for income taxes	-	-
Net loss	$ (2,733,275)	$
Loss per common share basic and diluted	$ (0.58)	$ (0.35
Weighted average shares - basic and diluted	4,724,000	

CERISTAR, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
YEARS ENDED DECEMBER 31, 2002 AND 2001

	Preferred Stock Shares	Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additio Paid- Capit
Balance, January 1, 2001	1,273,924	1,274	7,101,961	7,102	3,56
Recapitalization of Ceristar from reverse					

merger with Planet Resources, Inc.	(1,273,924)	(1,274)	(3,457,843)	(3,458)	
Issuance of common stock for:					
Cash	-	-	322	-	
Services	-	-	72,585	73	
Subscription receivable and compensation	-	-	315,238	315	
Stock subscription received	-	-	-	-	
Issuance of common stock for cash					
(net of offering costs)	-	-	147,815	148	
Amortization of deferred compensation	-	-	-	-	
Net loss	-	-	-	-	
Balance, December 31, 2001	-	-	4,180,078	4,180	5,284,62
Issuance of common stock for:					
Cash	-	-	328,654	329	
Services	-	-	1,072,968	1,073	
Subscription receivables and compensation	-	-	175,322	175	
Debt	-	-	147,768	148	
Non-vested common stock reacquired					
through employee terminations			(52,593)	(53)	
Amortization of deferred compensation	-	-	-	-	
Preferential conversion feature and issue of					
warrants with long-term debt	-	-	-	-	
Net loss	-	-	-	-	
Balance, December 31, 2002	-	$ -	5,852,197	5,852	$ 8,546,38

CERISTAR, INC.
Consolidated Statement of Cash Flow
YEAR ENDED DECEMBER 31

	2002	200
Cash flows from operating activities:		
Net loss	$ (2,733,275)	$ (1,400
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	63,682	12,072
Stock issued for services	1,322,450	407,588
Amortization of deferred compensation	364,578	16,500
Amortization of discount on long-term debt	10,000	-
Bad debt expense	16,117	-
Decrease (increase) in:		
Accounts receivable	(66,856)	(2,206)
Prepaid expense	-	(430)
Deposits	(8,338)	-
Increase (decrease) in:		
Accounts payable	186,990	34,084
Accrued liabilities	40,489	40,347
Deferred revenue	56,396	21,704
Net cash used in operating activities	(747,767)	(871,135)
Cash flows used in investing activities-		
purchase of property and equipment	(86,018)	(12,507)
Cash flows from financing activities:		
Proceeds from issuance of common stock	482,913	455,752
Proceeds from convertible long-term debt	75,000	-
Proceeds from related party note	140,300	-
Proceeds from notes payable	228,394	-
Payments on notes payable	(59,838)	-
Payments on convertible long-term debt	(7,292)	-

Net cash provided by financing activities	859,477	455,752
Net increase (decrease) in cash and cash equivalents	25,692	(427,890)
Cash and cash equivalents at beginning of year	2,518	430,408
Cash and cash equivalents at end of year	$ 28,210	$ 2,518

Notes to Consolidated Financial Statement December 31, 2002, and 2001

1.Organization and Description of Business

CeriStar, Inc. (formerly Planet Resources, Inc.) (the Company) operates in the communications industry as a hi-tech developer of IP technology applied to data convergence. The Company is located in Salt Lake City, Utah, and wasformed in December 1999.

On September 10, 2002 the Company entered into an Agreement and Plan of Merger with Planet Resources, Inc and its wholly owned subsidiary together referred to as (Planet) in which all the issued and outstanding stock of the Company, including Convertible Preferred Series A shares (Series A) and Convertible Preferred Series B shares (Series B), were exchanged for the issued and outstanding stock of Planet. Series A and B shares were exchanged at a rate of approximately .757 for every common share of Planet and common shares of the Company were converted into approximately .322 shares of Planet common share. Just prior to the merger Planet authorized a 1 to 5.23 reverse stock split. The merger was accounted for as a reverse merger with the Company being the accounting acquirer and thus the historical operations presented in the condensed financial statements of operations, cash flows and stockholder's deficit, are those of the Company.

2. Summary of Significant Accounting Policies

Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentration of credit risk consist primarily of trade receivables. In the normal course of business, the Company provides on-going credit evaluations of its customers and maintains allowances for possible losses which, when realized, have been within the range of management's expectations.

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Cash and Cash Equivalents
Cash includes all cash and investments with original maturities to the Company of three months or less. Property and Equipment Property and equipment are recorded at cost less accumulated depreciation. Depreciation and amortization on capital leases and property and equipment are determined using the straight-line method over the estimated useful lives of the assets or terms of the leases. Depreciation and amortization periods are as follows:

Computer equipment and software	3 - 5 years
Furniture and fixtures	5 years

Revenue Recognition
Revenue is recognized when a valid contract or purchase order has been executed or received, services have been performed or product has been delivered, the selling price is fixed or determinable, and collectibility is reasonably assured. Payments received prior to performance are recorded as unearned revenue.

Income Taxes
Deferred taxes are computed using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax assets are not recognized unless it is more likely than not that the asset will be realized in future years.

Earnings Per Common and Common Equivalent Share The computation of basic earnings per common share is computed using the weighted average number of common shares outstanding during the year.

Earnings Per Common and Common Equivalent Share Continued The computation of diluted earnings per common share is based on the weighted average number of shares outstanding during the year plus common stock equivalents which would arise from the exercise of warrants outstanding using the treasury stock method and the average market price per share during the year. Warrants to purchase 324,466 and 83,724 common stock equivalents are not included in the diluted earnings per share calculation for 2002 and 2001, respectively, since their effect is anti-dilutive.

Impairment of Long-Lived Assets The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable through undiscounted future cash flows. If it is determined that an impairment loss has occurred based on expected cash flows, such loss is recognized in the statement of operations.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Stock-Based Compensation The Company has adopted the disclosure only provisions of Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation." Accordingly, no compensation expense is recognized when stock options or warrants are granted to employees. No options or warrants were issued to employees for the years ended December 31, 2002 and 2001. Warrants issued in 2002 and 2001 were in connection with purchases of stock, conversion of debt and issuance of debt.

The fair value of each warrant on the date of grant using the Black-Scholes option price the following assumptions at December 31:

	2002	2001
Expected dividend yield	$ -	$ -
Expected stock price volatility	50.41%	NA
Risk-free interest rate	4.25%	4.75%
Expected life of options	5 years	5 years

The weighted average fair value of each warrant granted during 2002 and 2001 was $1.63 and $.52, respectively.

Reclassifications
Certain accounts in the 2001 financial statement have been reclassified to conform with the current year presentation.

3. Going Concern

The Company has a working capital deficit, a stockholders' deficit, and recurring net losses. These factors create substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustment that might be necessary if the Company is unable to continue as a going concern.

The ability of the Company to continue as a going concern is dependent on the Company generating cash from the sale of its common stock or obtaining debt financing and attaining future profitable operations. Management's plans include selling its equity securities and obtaining debt financing to fund its capital requirements and ongoing operations, however, there can be no assurance the Company will be successful in these efforts.

4. Property and Equipment Property and equipment consists at December 31:

	2002	2001
Computer equipment and software	$ 410,598	$ 57,707
Furniture and fixtures	10,587	9,723
	421,185	67,403
Less accumulated depreciation and amortization	(81,790)	(18,108)
	$ 339,395	$ 49,322

5. Deferred Purchase Obligation

During the year ended December 31, 2002, the Company entered into an agreement to finance the purchase of equipment through a residential developer. The obligation has no stated interest rate and will be repaid solely from net revenues generated from the use of the equipment. The obligation is secured by the equipment, and the maturity of the obligation is contingent on net future revenues generated from the equipment. The balance of the obligation at December 31, 2002 is $86,996.

6. Convertible Long-Term Convertible long-term debt consists of a note payable to a Debt financial institution with an original amount due of $75,000. The note is payable in monthly installments of $1,744, including interest at 14%, secured by equipment, and matures on May 30, 2007.

The note includes a beneficial conversion feature wherein the holder of the note, at the holders option, may covert the note to shares of the Company's common stock at $1.65 per share. The Company also issued to the note holder a warrant to purchase 22,710 shares of the Company's stock at an exercise price of $3.30 per share. Based on the value of the warrants, calculated using the Black Scholes option pricing model at the date of grant, together with the intrinsic value of the beneficial conversion feature, the note was discounted for the full face value and the discount is being amortized over the life of the loan.

As of December 31, 2002 the principle balance remaining on the note was $67,708 which is reduced by the unamortized discount of $65,000 equaling a net book value of the debt of $2,708 which is recorded on the balance sheet.

Future maturities of long-term debt are as follows:

Year Ending December 31:	Amount
2003	$ 12,217
2004	14,041
2005	16,138
2006	18,548
2007	6,764
	67,708
Less Discount	(65,000)
	$ 2,708

7. Income Taxes The benefit for income taxes is different than amounts which would be provided by applying the statutory income tax rate to loss before benefit for income taxes for the following reasons:

	Years Ended December 31,	
	2002	2001
Income tax benefit at statutory rate	$ 1,020,000	$ 518,000
Stock valuation for services	(472,000)	(149,000)
Change in valuation allowance	(546,000)	(367,000)
Other	(2,000)	(2,000)
	$ -	$ -

	2002	2001
Net operating loss carry-forwards	$ 1,370,000	$ 783,000
Amortization of license technology	298,000	321,000
Depreciation	(48,000)	(6,000)
Deferred revenue	26,000	8,000
Allowance for doubtful accounts	6,000	-
Valuation allowance	(1,652,000)	(1,106,000)

$ -	$ -

At December 31, 2002, the Company has net operating loss carry-forwards available to offset future taxable income of approximately $3,674,000 of which will begin to expire in 2019. The utilization of the net operating loss carry-forwards is dependent upon the tax laws in effect at the time the net operating loss carry-forwards can be utilized. A valuation allowance has been recorded against the deferred tax asset due to the uncertainty surrounding its realization caused by the Company's recurring losses.

8. Common Stock Warrants The Company has issued warrants in conjunction with the sale of its securities and convertible debt. Warrants that were issued generally do not have a life that exceeds five years. Information regarding warrants to purchase common stock is summarized below:

	Exercise Number of Warrants	Price Per Share
Outstanding at January 1, 2001		
Granted	83,724	$ 1.67
Expired	-	-
Outstanding at December 31, 2001	83,724	1.67
Granted	240,742	1.67 - 4.50
Expired	-	-
Outstanding at December 31, 2002	324,466	$ 1.67 - 4.50

The following table summarizes information about outstanding warrants for common stock at December 31, 2002:

	Outstanding			Exercisable	
Range of Exercise Prices	Number Out-standing	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number Exercisable	Average Exercise Price
$ 1.67 - 2.30	91,902	2.53	$ 2.10	91,902	$ 2.10
3.30 - 4.50	232,564	2.99	3.65	232,564	3.65

$ 3.21	324,466	2.86	$ 3.21	324,466	$	3.21

9. Stock Subscription Receivable

Subscriptions receivable consist of the obligation of employees to purchase, at $.031 per share, approximately 2,716,295 and 2,596,286 of the Company's common shares at December 31, 2002 and 2001, respectively. The difference between the fair value of the shares and the subscription receivable is recognized as compensation according to the vesting period set forth in the stock purchase agreements which range from two to three years. Deferred compensation related to these subscriptions was $615,011 and $821,033 at December 31, 2002 and 2001. The measurement date of compensation is the date the shares were granted.

In addition to the employee subscription receivable, the company has also issued 443,131 shares of its common stock related to consultant agreements for which services will be rendered in 2003. The stock issuances have been recorded as subscriptions receivable with a value of $911,933.

10. Supplemental Cash Flow Information

During the years ended December 31, 2002, the Company:

- Financed the purchase of equipment with a deferred purchase obligation of $103,196.
- Effected a payment of $16,200 on the deferred purchase obligation and recorded an increase of $16,200 in deferred revenue.
- Issued 1,248,290 of the Company's common shares for services of $1,325,660, deferred compensation of $320,000 and subscriptions receivable of $914,933.
- Exchanged 147,768 shares of the Company's common stock for $308,708 of notes payable.
- Issued 45,420 warrants with a beneficial conversion feature attached to long-term debt, which resulted in a discount against the long-term debt of $75,000.
- Reacquired, through employee terminations, 52,593 shares of the Company's common stock for a reduction in deferred compensation of $161,444 and subscriptions receivable of $800.
- Acquired equipment in exchange for accountspayable of $164,541.

During the year ended December 31, 2001, the Company:

- o Issued 315,238 shares to employees in exchange for services of $182,168, deferred compensation of $788,033, and employee stock subscriptions receivable of $26,799.

Cash paid for interest and income taxes are as follows:

	Years Ended December 31, 2002	2001
Interest	$ 23,197	$ -
Income Taxes	$ -	$ -

11. Related Party Transactions

Related party transactions are as follows:

During the year ended December 31, 2002, an officer of the Company and relatives of the Officer exchanged $127,200 of notes payable for 59,585 shares of the Company's common stock.

During the year ended December 31, 2001, an Officer and relatives of an officer purchased 27,200 Series B convertible preferred stock for $68,000.

12. Major Customers

Sales to customers which exceeded 10% of total sales are as follows for the years ended December 31:

	2002	2001
Customer A	$152,000	$ -
Customer B	$ 91,000	$ 172,000
Customer C	$ 60,000	$ -

13. Commitments and Contingencies

Litigation

The Company may become or is subject to investigations, claims or lawsuits ensuing out of the conduct of its business. The Company is currently not aware of any such items which it believes could have a material effect on its financial position.

14. Financial Instruments

Fair Value of The Company's financial instruments consist of cash, receivables and payables. The carrying amount of cash, receivables, convertible long-term debt and payables approximates fair value because of the short-term nature of these items.

15. Recent Accounting Pronouncements

In June 2001, the FASB issued Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations". This Statement addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. This Statement is effective for financial statements issued for fiscal years beginning after June 15, 2002. This Statement addresses financial accounting and reporting for the disposal of long-lived assets. The Company is currently assessing the impact of this statement.

In April 2002, the FASB issued Statement of Financial Accounting Standards (SFAS) No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections." This statement requires the classification of gains or losses from the extinguishments of debt to meet the criteria of Accounting Principles Board Opinion No. 30 before they can be classified as extraordinary in the income statement. As a result, companies that use debt extinguishment as part of their risk management cannot classify the gain or loss from that extinguishment as extraordinary. The statement also requires sale-leaseback accounting for certain lease modifications that have economic effects similar to sale-leaseback transactions. The Company does not expect Adoption of SFAS No. 145 did have a material impact on financial position or future operations.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." This standard, which is effective for exit or disposal activities initiated after December 31, 2002, provides new guidance on the recognition, measurement and reporting of costs associated with these activities. The standard requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date the company commits to an exit or disposal plan. The adoption of SFAS No. 146 by the Company is not expected to have a material impact on the Company's financial position or future operations.

In December 2002, the FASB issued SFAS No. 148

"Accounting for Stock-Based Compensation--Transition and Disclosure--an amendment of FASB Statement No. 123," which is effective for all fiscal years ending after December 15, 2002. SFAS No. 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation under SFAS No. 123 from the intrinsic value based method of accounting prescribed by Accounting Principles Board Opinion No. 25. SFAS 128 also changes the disclosure requirements of SFAS 123, requiring a more prominent disclosure of the pro-forma effect of the fair value based method of accounting for stock-based compensation. The adoption of SFAS No. 148 by the Company did not have a material impact on the Company's financial position or future operations.

In January 2003, the Financial Accounting Standards Board (FASB) issued Interpretation No. 46, Consolidation of Variable Interest Ethics (FIN No. 46), which addresses consolidation by business enterprises of variable interest entities. FIN No. 46 clarifies the application of Accounting Research Bulletin No. 51, Consolidated Financial Statements, to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN No. 46 applies immediately to variable interest entities created after January 31, 2003, and to variable interest entities in which an enterprise obtains an interest after that date. It applies in the first fiscal year or interim period beginning after June 15, 2003, to variable interest entities in which an enterprise holds a variable interest that it acquired before February 1, 2003. The Company does not expect to identify any variable interest entities that must be consolidated. In the event a variable interest entity is identified, the Company does not expect the requirements of FIN No. 46 to have a material impact on its financial condition or results of operations.

In November 2002, the FASB issued Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others (FIN No. 45). FIN No. 45 requires certain guarantees to be recorded at fair value, which is different from current practice to record a liability only when a loss is probable and reasonably estimable, as those terms are defined in FASB Statement No. 5, Accounting for Contingencies. FIN No. 45 also requires the Company to make significant new disclosures about guarantees. The disclosure requirements of FIN No. 45 are effective for the Company in the first quarter of fiscal year 2003. FIN No. 45's initial recognition and initial measurement provisions are applicable on a prospective basis to guarantees issued or modified after December 31, 2002. The Company's previous accounting for guarantees issued prior to the date of the initial application of FIN No. 45 will not be revised or restated to reflect the provisions of FIN No 45. The Company does not expect the adoption of FIN No. 45 to have a material impact on its consolidated financial position, results of operations or cash flows.

SFAS No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, was issued in September 2000. SFAS No. 140 is a replacement of SFAS No. 125, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities. Most of the provisions of SFAS No. 125 were carried forward to SFAS No. 140 without reconsideration by the Financial Accounting Standards Board (FASB), and some were changed only in minor ways. In issuing SFAS No. 140, the FASB included issues and decisions that had been addressed and determined since the original publication of SFAS No. 125. SFAS No. 140 is effective for transfers after March 31, 2001. Management does not expect the adoption of SFAS No. 140 to have a significant impact on the financial position or results of operations of the Company.

16. Subsequent Event On March 1, 2003, the Company entered into an agreement with Wired LLC, in which the Company is obligated to purchase equipment in the amount of $343,840 in exchange for 45,000 warrants to purchase the Company's common shares at $1.05 per share and issuance of 109,400 of the Company's common shares. The equipment will be used in a revenue sharing venture in which Wired LLC will receive all net profits from communications services as

provided in the agreement until it has recovered the sales price of the equipment plus 12%. After Wired LLC has recovered the sales price of the equipment plus 12%, net profits will be divided evenly from communications service revenue. The Company has an obligation to service, and maintain the equipment, and support the communications services for the duration of the contract years.

Item 8. Change In and Disagreements with Accountants

None

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons

The following table sets forth the officers and directors of CeriStar as of March 31, 2003

Name	Age	Position
David L Bailey	63	Chairman of the Board, President and Chief Executive
Dane P. Goodfellow	57	Vice President of Marketing and Director
Mark S. Hewitt	51	Director
G. Earl Demorest	48	Vice President of Engineering and Finance
Paul D. Losee	54	Vice President of Corporate Development
Lark M. Allen	58	Director (resigned as of March 31, 2003)

David L Bailey has served as Chairman of the Board, President and Chief Executive Officer of CeriStar since December 1999. From May 1997 to December 1999, Mr. Bailey served as Managing Partner of DL Group, a limited liability corporation, which marketed computer software and telecommunications products. From 1993 to 1997, he was Chairman and Chief Executive Officer of VZ Corp., a software development company. Mr. Bailey has also been Chairman and Chief Executive Officer of Clyde Digital Systems and Cericor, and was the lead founder and Chief Executive Officer of Iomega, Inc.

Dane P. Goodfellow has served as Vice President of Marketing and a director of CeriStar since December 1999. >From 1998 to 1999, Mr. Goodfellow served as Vice President of Sales of ViewPoint, Inc. a software development company. From 1994 to 1997, he served as Vice President of Marketing and Sales of VZ Corp., a software development company.

Mark S. Hewitt has served as a director of CeriStar since April 2000. Mr. Hewitt is the Chief Technology Officer of Nextbend Inc. a consumer electronics company based in Florida. Previously, he was Chief Technology Officer of Mediacentric Group, a communications solutions provider. And prior to that position, he was Senior Vice President of I-Link, a unified messaging and IP telephony company.

G. Earl Demorest has served as Vice President of Engineering and Finance since December 1999. >From 1997 to 1999, Mr. Demorest served as Chief Financial Officer and Network Administrator of DL Group, a limited liability corporation, which marketed computer software and telecommunications products. From 1995 to 1997, he was Controller and Network Administrator of VZ Corp, a software development company. Mr. Demorest is also the son-in-law of Mr. Bailey.

Paul D. Losee has served as Vice President of Development since March 2001. From 1999 to 2001, Mr. Losee was the Chief Operating Officer of Xboundary.com, Inc., an internet centric software developer. From 1998 to 1999, he was the Chief Operating Officer of IQ Telecommunications, Inc. Mr. Losee was President and founder of M+, Inc., a marketing consultancy firm.

Lark M. Allen served as a director of CeriStar since April of 2000, until his resignation in March of 2003.

Item 10. Executive Compensation

Executive and Director compensation for the past three years is as follows:

Summary Compensation Table

		Long-Te
Annual Compensation		
	Awards	
	Other Annual	Re

Long-term All Other
Name and Compensa- Stock
Compensa-
Principal Position Period Salary($) Bonus($) tion($) Awards($) SARs(#)

D.L. Bailey,	2002(1)	$75,000	0	0	0	0	0
President, Chief	2001(2)	$136,154	0	0	0	0	0
Executive Officer	2000(3)	$150,000	0	0	0	0	0
and Director							
D.P. Goodfellow,	2002(1)	$71,923	0	0	0	0	0
Vice President	2001(2)	$79,788	0	0	0	0	0
Marketing, Director	2000(3)	$120,000	0	0	0	0	0
G.E. Demorest,	2002(1)	$81,923	0	0	0	0	0
Vice President	2001(2)	$103,615	0	0	0	0	0
Engineering and	2000(3)	$90,000	0	0	0	0	0
Finance							
P.D. Losee,	2002(1)	$95,539	0	0	0	0	0
Vice President	2001(2)	$92,961	0	0	0	0	0
Corporate	2000(3)	N/A	n/a	n/a	n/a		n/a
Development							

(1) For the fiscal year ended December 31, 2002.

(2) For the fiscal year ended December 31, 2001

(3) For the fiscal year ended December 31, 2000.

(4) Prior to CeriStar's merger with Planet, shares of CeriStar common stock were issued to Messrs. Demorest and Losee. These shares vest monthly over three years. The shares were valued at $1.00 per share based on the conversion feature and the price paid for preferred stock less any obligation to purchase vested shares. These shares were accompanied with an obligation of such employee to purchase such shares at $.01 per share. If employment is terminated before the end of the vesting period, CeriStar can at its option repurchase the unvested portion at $.01 per share.

Item 11. Security Ownership of Certain Beneficial Owners and Management

The following table sets forth the beneficial ownership of the outstanding shares of CeriStar common stock for (i) each executive officer of CeriStar, (ii) each director, (iii) each person known to be the beneficial owner of more than 5% of the outstanding shares of CeriStar and (iv) all directors and officers as a group:

Name and addresses(1)	Number of Shares	Percentage of Ownership
David L Bailey (2)	821,493	13.7%
Dane P. Goodfellow	454,865	7.6
George E. Demorest	311,653	5.2
A. W. Dugan	305,324	5.1
Paul D. Losee	137,150	2.3
Mark S. Hewitt	*	*
Lark M. Allen	*	*
Executive officers and directors as a group (6 persons)	1,765,548 (a)	29.3%

* Less than 1%.

(1) The address for Mr. Bailey is 1971 Summerwood Dr, Farmington UT 84025. The address for Mr. Goodfellow is 8789 South Sutton Way, Salt Lake City, UT 84121. The address for Mr. Demorest is 1529 E Hilda Dr, Fruit Heights, UT 84037. The address for Mr. Dugan is 1415 Louisiana, Suite 3100, Houston, TX 83846. The address for Mr. Losee is 2783 Hobbs Creek Dr, Layton, UT 84040. The address for Mr. Hewitt is 5900 Corral Gate Lane, Sarasota, FL 34241. The address for Mr. Allen is 1921 Hunting Ridge Rd, Raleigh, NC 27615.

(2) Includes warrants to purchase 15,594 shares of common stock issued to Mr. Bailey.

Item 12. Certain Relationships and Related Transactions

During 2002, David L. Bailey, his wife, Connie Bailey, and his nephew, A. Brent Bailey, collectively loaned a total of $127,200 to CeriStar, which was later exchanged for 4,736 shares of CeriStar Series B convertible preferred stock (which was subsequently converted to 3,585 shares of CeriStar common stock) and 56,000 shares of CeriStar common stock. During 2001, Mr. Bailey, his wife Connie Bailey, and his brother, Daniel W. Bailey, purchased a total of 27,200 shares of Series B convertible preferred stock for $68,000.

Item 14. Controls and Procedures

The Company's President and Chief Executive Officer and its Chief Financial Officer (the "Certifying Officers"), are responsible for establishing and maintaining disclosure controls and procedures for the Company. The Certifying Officers have concluded (based on their evaluation of these controls and procedures as of a date within 90 days of the filing of this report) that the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-14c under the Securities Exchange Act of 1934) are effective. No significant changes were made in the Company's internal controls or in other factors that could significantly affect those controls subsequent to the date of the evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

There were no significant changes made in our internal controls during the period covered by this report, or to our knowledge, in other factors that could significantly affect these controls subsequent to the date of their evaluation.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

CERISTAR, INC.

DATED April 15, 2003.   By:/s/David L. Bailey

David L. Bailey, Chairman of the Board,
President and Chief Executive Officer

Pursuant to the requirements of the Securities exchange act of 1934, this report has been signed by the following persons in counterpart on behalf of the Company on the dates indicated.

Signature	Title	Date
/s/David L. Bailey David L. Bailey	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)	April 15, 2003
/s/Mark S. Hewitt Mark S. Hewitt	Director	April 15, 2003
/s/Dane P. Goodfellow Dane P. Goodfellow	Vice President of Marketing and Director	April 15, 2003
/s/G. Earl Demorest G. Earl Demorest	Vice President of Engineering and Finance and Chief Financial Officer (Principal Financial and Accounting Officer)	April 15, 2003

CERTIFICATIONS

I, David L. Bailey, certify that:

1. I have reviewed this Annual Report on Form 10-KSB of CeriStar, Inc.;

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

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

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

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

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

(c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the

Evaluation Date;

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

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

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

CERISTAR, INC.

DATED April 15, 2003. By: /s/David L. Bailey

David L. Bailey, Chairman of the Board,
President and Chief Executive Officer

CERTIFICATIONS

I, G. Earl Demorest, certify that:

1. I have reviewed this Annual Report on Form 10-KSB of CeriStar, Inc.;

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

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

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

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

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

(c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

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

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

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

CERISTAR, INC.

DATED April 15, 2003.

By: /s/G. Earl Demorest

G. Earl Demorest
Vice President of Engineering and Finance
and Chief Financial Officer

EXHIBIT 99.1
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES - OXLEY ACT OF 2002

In connection with the quarterly report of CeriStar, (the "Company") on Form 10-KSB for the year ended December 31, 2002, David L. Bailey, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes - Oxley Act of 2002, that to the best of his knowledge:

1. The annual report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. The information contained in the annual report fairly presents, in all material respects, the financial condition and results of operations of the Company.

CERISTAR, INC.

DATED April 15, 2003. By: /s/David L. Bailey

David L. Bailey, Chairman of the Board,
President and Chief Executive Officer

EXHIBIT 99.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES - OXLEY ACT OF 2002

In connection with the quarterly report of CeriStar, (the "Company") on Form 10-KSB for the year ended December 31, 2002, G. Earl Demorest, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes - Oxley Act of 2002, that to the best of his knowledge:

1. The annual report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. The information contained in the annual report fairly presents, in all material respects, the financial condition and results of operations of the Company.

CERISTAR, INC.

DATED April 15, 2003. By: /s/G. Earl Demorest

G. Earl Demorest, Vice President of Engineering
and Finance and Chief Financial Officer