

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

(Amendment No. 1)

CURRENT REPORT

Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) March 31, 2004  
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NATURAL HEALTH TRENDS CORP.  
-----

(Exact name of registrant as specified in its charter)

Florida            0-25238            59-2705336  
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(State or other      (Commission      (IRS Employer  
jurisdiction of      File Number)      Identification No.)  
Formation)

12901 Hutton Drive Dallas, TX            75234  
-----

(Address of principal executive offices)      (Zip Code)

Registrant's telephone number, including area code (972) 241-4080  
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NA  
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(Former name or former address, if changes since last report)

Natural Health Trends Corp. (the "Company" or "NHTC") hereby files this Amendment No. 1 to its Current Report on Form 8-K, which was filed with the Commission on April 15, 2004. This Amendment No. 1 provides the unaudited proforma consolidated financial statements of the Company and the historical audited financial statements of MarketVision Communications Corporation ("MarketVision"), which was acquired on March 31, 2004.

ITEM 7. Financial Statements and Exhibits  
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(a) Financial Statements of Business Acquired

The following financial statements of MarketVision are set forth in Exhibit 99.1 and are hereby incorporated by reference herein: (i) the audited balance sheets as of December 31, 2003 and 2002, (ii) the related statements of income, stockholders' equity and cash flows for the years ended December 31, 2003 and 2002, and (iii) the related notes to the financial statements for such periods.

(b) Unaudited Proforma Consolidated Financial Information

The following unaudited Proforma Consolidated Statements of Operations reflects the results of operations for the year ended December 31, 2003 and for the three months ended March 31, 2004 after giving effect to adjustments described in the following paragraphs, as if the Company had acquired MarketVision on January 1, 2003.

The Company has included a post-closing consolidated balance sheet as of March 31, 2004 in this amendment on page 4, in lieu of a proforma consolidated balance sheet.

#### Purchase of MarketVision

On March 31, 2004, the Company entered into a merger agreement with MarketVision, pursuant to which the Company acquired all of the outstanding capital stock of MarketVision in exchange for 690,000 shares of NHTC restricted common stock (the "Issued Shares"), promissory notes in the aggregate principal amount of approximately \$3,203,000, a cash payment of \$1,336,875 in April 2004, less pre-acquisition net payables due MarketVision of approximately \$609,000 for a total purchase price of approximately \$17,618,000, including acquisition costs of approximately \$150,000. The shares issued were valued at the average closing price of NHTC Common Stock of \$23.08 discounted by 15% due to certain restrictions contained in the purchase agreement. The average closing price of \$23.08 was calculated based on the closing price of NHTC Common Stock a few days before and after the acquisition was announced. MarketVision is the exclusive developer and service provider of direct selling internet technology used by the Company since 2001. MarketVision hosts and maintains the internet technology for the Company and charges an annual fee for this service based upon the number of enrolled distributors of the Company's products. MarketVision earned revenues for this service of approximately \$1,839,000 and \$579,000 for the year ended December 31, 2003 and three months ended March 31, 2004, respectively.

Management believes that this transaction is in the best interests of the Company because (i) the success of the Company's business is dependent upon MarketVision's direct selling software and (ii) the Company projects enrolling a significant number of new distributors in the future, which would be very expensive under the former compensation agreement between the Company and MarketVision. Since the former owners of MarketVision include Terry LaCore, a member of the Company's Board of Directors and the Chief Executive Officer of Lexxus International, Inc., a wholly owned subsidiary of NHTC, the Board of Directors hired the independent appraisal firm of Bernstein, Conklin & Balcombe to assess the fairness of the transaction with MarketVision from a financial point of view. In March 2004, Bernstein, Conklin & Balcombe delivered its

opinion to the Company's Board of Directors that the MarketVision transaction is fair to the Company from a financial point of view.

In addition, the Company entered into a Shareholder's Agreement with the former stockholders of MarketVision. Such agreement contained customary terms and conditions, including restrictions on transfers of the NHTC shares, rights of first refusal and indemnification. Further, the Shareholder's Agreement contains a one time put right related to 240,000 NHTC shares for the benefit of the former stockholders of MarketVision (other than Mr. LaCore) that requires NHTC, during the six month period commencing eighteen months following the earlier of (i) the first anniversary of the closing date, or (ii) the date on which the Issued Shares are registered with the Securities and Exchange Commission (the "SEC") for resale to the public, to repurchase all or part of the NHTC shares still owned by the such stockholders for \$4.00 per share less any amount previously received by such stockholders from the sale of their shares of NHTC stock. The Company has recorded this obligation of \$960,000 as mezzanine common stock in the balance sheet at March 31, 2004. The agreement also provided the former stockholders of MarketVision with piggyback registration rights in the event NHTC files a registration statement with the SEC, other than on Forms S-4 or S-8, stock option grants for the former stockholders (other than Mr. LaCore) as well as three-year employment agreements for the former stockholders, other than Mr. LaCore. In the event that the Company defaults on its payment obligations under the notes or the employment agreements, an entity owned by the former stockholders of MarketVision (other than Mr. LaCore) has certain rights to use, develop, modify, market, distribute and sublicense the MarketVision software to third parties.

Operations of MarketVision subsequent to March 31, 2004 have been included in the Company's consolidated financial statements. The transaction was accounted for using the purchase method of accounting and the purchase price was allocated among the assets acquired based on their estimated fair market values. The assets of MarketVision included certain computer equipment and developed software.

The purchase price was calculated as follows:

690,000 shares of NHTC Common Stock valued at \$23.08 per share less 15% discount for restrictions associated with the stock issued	\$ 13,536,420
Cash paid in April 2004	1,336,875
Promissory notes issued at closing	3,203,403
Preacquisition net payables due to MarketVision	(609,190)
Acquisition costs	150,302
	-----
Total purchase price	\$ 17,617,810
	=====

The purchase price was allocated among assets acquired based on their estimated fair market values as follows:

Property and equipment	25,000
Amortizable intangible assets	5,600,000
Goodwill	11,992,810
Deferred taxes	(1,904,000)
Deferred tax asset recognized for the Company's loss carry forward based upon offset against MarketVision's deferred tax liabilities	1,904,000
	-----
Total purchase price allocation	\$ 17,617,810
	=====

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Amortizable intangibles acquired will be amortized over their estimated life of seven years. The purchase price allocation is based on preliminary estimates, including estimates of federal tax contingencies, which are subject to change once additional information becomes available. Changes to these estimates could result in changes to the purchase price allocation.

#### Unaudited Proforma Consolidated Financial Information

The Company's unaudited consolidated balance sheet as of March 31, 2004 gives effect to the acquisition of MarketVision and was previously included in the Company's consolidated financial statements and the notes thereto in the Company's Quarterly Report on Form 10-Q as of and for the three months ended March 31, 2004 which are incorporated herein by reference. The Company's unaudited consolidated balance sheet as of March 31, 2004, as previously filed, is presented on the following page.

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#### NATURAL HEALTH TRENDS CORP. and SUBSIDIARIES

##### CONSOLIDATED BALANCE SHEET

	March 31, 2004
	-----
	(Unaudited)
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 15,266,262
Restricted cash	2,347,024
Accounts receivable	432,973
Inventories, net	5,766,889
Prepaid expenses and other	3,513,663
	-----
Total current assets	27,326,811
Property and equipment, net	869,637
Software	5,600,000
Goodwill	12,756,037
Database, net	593,058
Deposits and other assets	272,852
	-----
Total assets	\$ 47,418,395
	=====

## LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:	
Accounts payable	\$ 2,830,414
Accrued expenses	3,624,492
Accrued distributor commissions	4,930,758
Income taxes payable	1,831,887
Notes payable	238,760
Current portion of long-term debt	2,729,803
Deferred revenue	5,379,625
Other current liabilities	551,484
	-----
Total current liabilities	22,117,223
Long term debt	525,031
	-----
Total liabilities	22,642,254
Minority interest	626,681
Mezzanine common stock	960,000
Stockholders' equity:	
Preferred stock (\$1,000 par value; authorized 1,500,000 shares)	--
Common stock (\$0.001 par value; authorized 500,000,000 shares; issued and outstanding 5,446,365 and 4,656,409 shares as of March 31, 2004 and December 31, 2003, respectively)	5,446
Additional paid in capital	48,754,556
Accumulated deficit	(25,278,505)
Accumulated other comprehensive loss	(292,037)
	-----
Total stockholders' equity	23,189,460
	-----
Total liabilities and stockholders' equity	<u>\$ 47,418,395</u>

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The following unaudited proforma consolidated statements of operations have been prepared to give effect to the acquisition of MarketVision using the purchase method of accounting. The unaudited proforma consolidated statements of operations of the Company and MarketVision for the year ended December 31, 2003 and for the three months ended March 31, 2004 includes the historical statements of operations for the respective companies for the periods presented as if the acquisitions had occurred as of January 1, 2003.

The unaudited proforma consolidated financial statements are based on the respective historical financial statements, including the notes thereto, of the Company and MarketVision and should be read in conjunction with: (i) the Company's Annual Report on Form 10-KSB for the year ended December 31, 2003 and the Form 10-Q for the three months ended March 31, 2004 and (ii) MarketVision's audited financial statements for the years ended December 31, 2003 and 2002, included in this amended Current Report as Exhibit 99.1.

The unaudited proforma consolidated statements of operations include adjustments, which are based upon preliminary estimates, to reflect the allocation of the purchase price to the acquired assets of MarketVision. The purchase price allocation is preliminary and the final purchase accounting adjustments may differ from the proforma adjustments presented herein.

The unaudited proforma consolidated statements of operations are intended for information purposes only and are not necessarily indicative of the financial position or results of operations that would have actually been reported had the acquisition occurred on January 1, 2003 for statements of operations purposes, nor are they indicative of the future financial position or results of operations. The unaudited proforma consolidated statements of operations do not include potential cost savings from operating efficiencies or synergies that may result from the acquisition.

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NATURAL HEALTH TRENDS CORP. and SUBSIDIARIES

UNAUDITED PROFORMA CONSOLIDATED STATEMENT OF OPERATIONS

For the Year Ended December 31, 2003

<TABLE>

<CAPTION>

	NHTC	Proforma MarketVision	Proforma Adjustments	Combined
	(Note 1)	(Note 2)	(Note 3)	(Note 4)
<S>	<C>	<C>	<C>	<C>
Net sales	\$ 62,885,830	1,839,282	(1,839,282)	\$ 62,885,830
Cost of sales	12,524,826	--	(1,839,282)	10,685,544
Gross profit	50,361,004	1,839,282	--	52,200,286
Operating expenses:				
Distributor commissions	27,095,921	--	--	27,095,921
Selling, general and administrative expenses	16,741,213	1,159,934	800,000	18,701,147
Total operating expenses	43,837,134	1,159,934	800,000	45,797,068
Income from operations	6,523,870	679,348	(800,000)	6,403,218
Other income (expense):				
Loss on foreign exchange	(77,280)	--	--	(77,280)
Other income	139,156	--	--	139,156
Interest income (expense), net	(62,996)	2,516	(65,000)	(125,480)
Total other income (expense)	(1,120)	2,516	(65,000)	(63,604)
Income from continuing operations before taxes and minority interest	6,522,750	681,864	(865,000)	6,339,614
Income tax provision	(860,000)	--	(12,000)	(872,000)
Minority interest, net of taxes	(284,210)	--	--	(284,210)
Net income	5,378,540	681,864	(877,000)	5,183,404
Preferred stock dividends	810	--	--	810
Net income to common shareholders	\$ 5,377,730	681,864	(877,000)	\$ 5,182,594
Basic income per common share:				
Net income to common shareholders	\$ 1.17			\$ 0.98
Basic weighted common shares used	4,609,296		690,000	5,299,296
Diluted income per common share:				
Net income to common shareholders	\$ 0.95			\$ 0.81
Diluted weighted common shares used	5,688,099		690,000	6,378,099

</TABLE>

See Notes to Unaudited Proforma Consolidated Statements of Operations

NATURAL HEALTH TRENDS CORP. and SUBSIDIARIES

UNAUDITED PROFORMA CONSOLIDATED STATEMENT OF OPERATIONS

For the Three Months Ended March 31, 2004

<TABLE>

<CAPTION>

Proforma Proforma

	NHTC	MarketVision	Adjustments	Combined
	(Note 1)	(Note 2)	(Note 3)	(Note 4)
<S>	<C>	<C>	<C>	<C>
Net sales	\$ 38,435,209	579,159	(579,159)	\$ 38,435,209
Cost of sales	7,928,128	--	(579,159)	7,348,969
Gross profit	30,507,081	579,159	--	31,086,240
Operating expenses:				
Distributor commissions	20,204,655	--	--	20,204,655
Selling, general and administrative expenses	6,473,164	199,363	200,000	6,872,527
Total operating expenses	26,677,819	199,363	200,000	27,077,182
Income from operations	3,829,262	379,796	(200,000)	4,009,058
Other income (expense):				
Loss on foreign exchange	(8,868)	--	--	(8,868)
Other income	168,583	--	--	168,583
Interest income (expense), net	(913)	153	(4,000)	(4,760)
Total other income (expense)	158,802	153	(4,000)	154,955
Income from continuing operations before taxes and minority interest	3,988,064	379,949	(204,000)	4,164,013
Income tax provision	(797,613)	--	(75,000)	(872,613)
Minority interest, net of taxes	(79,724)	--	--	(79,724)
Net income	3,110,727	379,949	(279,000)	3,211,676
Preferred stock dividends	--	--	--	--
Net income to common shareholders	\$ 3,110,727	379,949	(279,000)	\$ 3,211,676
Basic income per common share:				
Net income to common shareholders	\$ 0.67			\$ 0.60
Basic weighted common shares used	4,667,288		682,418	5,349,706
Diluted income per common share:				
Net income to common shareholders	\$ 0.53			\$ 0.49
Diluted weighted common shares used	5,909,383		682,418	6,591,801

</TABLE>

See Notes to Unaudited Proforma Consolidated Statements of Operations

Notes to Unaudited Proforma Consolidated Statements of Operations

Note 1. The Consolidated Statements of Operations for Natural Health Trends Corp. and Subsidiaries include the results of operations as reflected in the Company's Annual Report on Form 10-KSB for the year ended December 31, 2003 and the Company's unaudited Quarterly Report on Form 10-Q for the three months ended March 31, 2004.

Note 2. The Statements of Operations for MarketVision include the results of operations as reflected in the audited financial statements for the year ended December 31, 2003 included in this amended Current Report as Exhibit 99.1 and the unaudited preliminary financial statements for the three months ended March 31, 2004.

Note 3. Proforma adjustments include estimated adjustments for both periods

presented to (i) eliminate billings from MarketVision to the Company for services rendered, (ii) reflect amortization expense on the intangible assets acquired pursuant to the MarketVision acquisition and amortized over 7 years, (iii) reflect interest expense on the promissory notes issued pursuant to the MarketVision acquisition with interest rates of 4.00-4.50% per annum, and (iv) reflect the estimated incremental income tax provision.

Note 4. The unaudited proforma consolidated statements of operations do not include potential cost savings from operating efficiencies or synergies that may result from the acquisitions.

(c) Exhibits

- 10.1. Agreement and Plan of Merger, dated as of March 31, 2004, by and among the Company, MergerCo and MarketVision. (1)
  - 10.2. Stockholders Agreement, dated as of March 31, 2004, by and among the Company, John Cavanaugh, Terry LaCore and Jason Landry. (1)
  - 10.3. Employment Agreement, dated as of March 31, 2004, between MergerCo and John Cavanaugh. (1)
  - 10.4. Employment Agreement, dated as of March 31, 2004, between MergerCo and Jason Landry. (1)
  - 10.5. Guaranty of the Employment Agreements dated as of March 31, 2004 executed by Lexxus International, Inc. (1)
  - 10.6. Software License Agreement dated as of March 31, 2004 among the Company, MergerCo and MarketVision Consulting Group, LLC. (1)
  - 99.1 Audited Financial Statements of MarketVision Communications Corporation for the years ended December 31, 2003 and 2002 and the notes thereto (filed herein).
- (1) Previously filed with NHTC's Form 8-K dated March 31, 2004.

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SIGNATURE

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.

NATURAL HEALTH TRENDS CORP.

By: /s/ MARK D. WOODBURN

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Mark D. Woodburn  
President

Date: July 1, 2004

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Financial Statements  
Years Ended December 31, 2003 and 2002

MarketVision Communications Corporation

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Independent Auditors' Report

The Stockholders and Board of Directors  
MarketVision Communications Corporation

We have audited the accompanying balance sheets of MarketVision Communications Corporation (the "Company") as of December 31, 2003 and 2002 and the related statements of income, stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 MarketVision Communications Corporation as of December 31, 2003 and 2002, 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.

/s/ BDO Seidman, LLP

January 23, 2004 (except for note 8  
which is dated as of March 31, 2004)

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MarketVision Communications Corporation

Balance Sheets

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December 31,                      2003      2002

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Assets

Current

Cash and cash equivalents	\$ 793,727	\$ 350,966
Receivables from related parties	1,248,141	741,190
Prepaid expenses and other assets	9,964	7,978

Total current assets 2,051,832 1,100,134

Property and equipment, net 105,030 97,631

\$ 2,156,862 \$ 1,197,765

Liabilities and Stockholders' Equity

Current

Accounts payable and accrued liabilities	\$ 69,688	\$ 68,389
Current portion of long-term debt	6,120	5,736
Unearned refundable fees from related parties	947,604	685,023

Total current liabilities 1,023,412 759,148

Long-term debt, excluding current portion 13,754 19,843

Total liabilities 1,037,166 778,991

Commitments and contingencies

Stockholders' equity

Common stock - no par value; 40,000,000 shares authorized and 888,889 shares outstanding	--	--
Additional paid-in capital	143,000	143,000
Retained earnings	1,153,246	471,382
Notes receivable from stockholder	(176,550)	(195,608)

Total stockholders' equity 1,119,696 418,774

\$ 2,156,862 \$ 1,197,765

See accompanying summary of accounting policies and notes to financial statements.

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MarketVision Communications Corporation

Statements of Income

Years ended December 31, 2003 2002

Revenue \$ 1,839,282 \$ 1,373,944

Costs and expenses

Payroll and benefits	892,551	647,776
Professional fees	156,451	161,009
Administrative	110,932	97,942

1,159,934 906,727

Income from operations 679,348 467,217

Other income (expense)

Interest income	4,011	4,064
Interest expense	(1,495)	(1,765)

Total other income, net 2,516 2,299

Net income \$ 681,864 \$ 469,516

See accompanying summary of accounting policies and notes to financial statements.

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MarketVision Communications Corporation

Statements of Stockholders' Equity

<TABLE>  
<CAPTION>

	Common Stock		Additional Paid-in Capital	Note	Receivable from Stockholder	Total Stockholders' Equity	
	Shares	Amount		Retained Earnings			
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 31, 2001	400,000	\$ --	\$ --	\$ 1,866	\$ --	\$ 1,866	
Stock compensation	488,889	--	143,000	--	--	143,000	
Advances to stockholders	--	--	--	--	(195,608)	(195,608)	
Net income	--	--	--	469,516	--	469,516	
Balance, December 31, 2002	888,889	--	143,000	471,382	(195,608)	418,774	
Repayments	--	--	--	--	19,058	19,058	
Net income	--	--	--	681,864	--	681,864	
Balance, December 31, 2003	888,889	\$ --	\$ 143,000	\$ 1,153,246	\$ (176,550)	\$ 1,119,696	

</TABLE>

See accompanying summary of accounting policies and notes to financial statements.

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MarketVision Communications Corporation

Statements of Cash Flows

<TABLE>

<CAPTION>

Years ended December 31,	2003	2002
<S>	<C>	<C>
Cash Flows from Operating Activities:		
Net income	\$ 681,864	\$ 469,516
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock compensation	--	143,000
Depreciation	31,063	23,771
Change in assets and liabilities:		
Receivables from related parties	(506,951)	(699,555)
Prepaid expenses and other assets	(1,986)	(4,826)
Accounts payable and accrued liabilities	1,299	52,855
Unearned refundable fees from related parties	262,581	453,580
Net cash provided by operating activities	467,870	438,341
Net Cash from Investing Activities:		
Purchase of property and equipment	(38,462)	(23,876)
(Advances to) repayment from stockholders	19,058	(195,608)
Net cash used in investing activities	(19,404)	(219,484)
Cash Flows from Financing Activities:		
Payments on note payable	(5,705)	(5,004)
Net cash used in financing activities	(5,705)	(5,004)
Net Increase in Cash and Cash Equivalents	442,761	213,853
Cash and Cash Equivalents, beginning of year	350,966	137,113
Cash and Cash Equivalents, end of year	\$ 793,727	\$ 350,966
Noncash Operating Activities:		
Stock compensation	\$ --	\$ 143,000
Supplemental Cash Flow Information:		
Interest paid	\$ 1,495	\$ 1,765

</TABLE>

See accompanying summary of accounting policies and notes to financial statements.

Notes to Financial Statements

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1. Description of the Business      Organization - MarketVision Communications Corporation (the Company), a Minnesota S-Corporation, was formed on June 8, 2000 to provide information technology services to Natural Health Trends Corp. (NHTC) and its affiliates. A director of NHTC is also the Chief Executive Officer of one of the affiliates of NHTC and a 45% stockholder of the Company. As a result, NHTC and its affiliates are considered related parties of the Company. The Company paid this stockholder a consulting fee of \$120,000 and \$115,000 in 2003 and 2002, respectively, that is included in professional fees.

2. Summary of Significant Accounting Policies      Use of estimates - In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the reporting period. Actual results may vary from management's estimates.

Cash and cash equivalents - The Company considers all highly liquid investments with maturities when purchased of three months or less to be components of cash.

Concentration of credit risks - Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash equivalents, short-term investments and receivables.

The Company maintains its cash in two bank accounts. Accounts in the United States are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$100,000. Some of the Company's cash balances exceed insured limits.

Property and equipment - Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 7 years. Depreciation expense is included in administrative expenses. Property and equipment are reviewed for impairment whenever an event or change in circumstances indicates that the carrying amount of an asset or group of assets may not be recoverable.

Notes to Financial Statements

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Income taxes - The Company elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code, under which the Company's taxable income or loss is included in the Federal income tax returns of its stockholders. Therefore, no provision or liability for Federal income taxes has been included in the accompanying financial statements.

Revenue recognition - The Company's revenue is primarily derived from annual access fees paid by NHTC and its affiliates for which the Company provides NHTC's distributors access to various internet technologies over a 12-month period. Access fees are determined based on the number of enabled distributors using an agreed upon rate, are billed in advance, and are refundable on a pro rata basis in the event of distributor termination prior to completion of the

12-month period. The Company recognizes revenue from these fees ratably over the 12-month service period. During 2003 and 2002, the Company provided extended payment terms for a portion of the outstanding receivable balance with NHTC. The Company believes collection of its receivables with NHTC is reasonably assured.

3. **Property and Equipment** Property and equipment consisted of the following at December 31, 2003 and 2002, respectively:

	Estimated Useful Lives (Years)	2003	2002
Furniture and office equipment	3-5	\$ 123,699	\$ 85,237
Automobile	5	45,820	45,820
		169,519	131,057
Less accumulated depreciation		64,489	33,426
		\$ 105,030	\$ 97,631

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MarketVision Communications Corporation

Notes to Financial Statements

4. **Unearned Refundable Fees from Related Parties** Unearned refundable fees from related parties represents annual access fees received from NHTC and its affiliates that are recognized as revenue over the 12-month period that the Company provides NHTC's distributors access to various internet technologies. These fees are refundable on a pro rata basis in the event of distributor termination prior to completion of the 12-month service period.

5. **Long-Term Debt** Long-term debt consists of the following at December 31:

	2003	2002
6.5% automobile note payable	\$ 19,874	\$ 25,579
Less current portion	6,120	5,736
Long-term portion	\$ 13,754	\$ 19,843

Future maturities of long-term debt are as follows:

Fiscal year ending

2004	\$ 6,120
2005	6,530
2006	7,224
	\$ 19,874

6. **Notes Receivable from Stockholder** Note receivable from stockholder bears interest at 1.52% and was repaid as part of the merger agreement described in note 8.

7. **Stockholders' Equity** On January 1, 2002, the Company issued 488,889 shares of its common stock to certain employees as compensation. The shares were valued at \$0.2925 per share based on an assessment by management.

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MarketVision Communications Corporation

Notes to Financial Statements

8. **Subsequent Event** On March 31, 2004, NHTC entered into a merger agreement with the Company, pursuant

to which NHTC acquired all of the outstanding capital stock of the Company in exchange for the issuance of 690,000 shares of NHTC restricted common stock, promissory notes in the aggregate principal amount of approximately \$3,203,000, a cash payment of approximately \$1,337,000, acquisition costs of approximately \$150,000 less pre-acquisition net payables due MarketVision of \$609,000 for a total purchase price of approximately \$17,618,000.