

CONSULIER ENGINEERING INC

Form 10QSB

May 28, 2003

Table of Contents

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

(Mark One)

**QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2003

**TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Commission file number **0-17756**

Consulier Engineering, Inc.

(Exact name of small business issuer as specified in its charter)

Florida

59-2556878

(State or other jurisdiction of incorporation or
organization)

(I.R.S. Employer
Identification No.)

2391 Old Dixie Highway, Riviera Beach, FL 33404

(Address of principal executive offices)
(561) 842-2492

(Issuer's telephone number)

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

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

As of May 15, 2002, there were 4,951,150
outstanding shares of common stock, par value \$0.01
per share.

TABLE OF CONTENTS

CONSOLIDATED BALANCE SHEETS

CONSOLIDATED STATEMENTS OF OPERATIONS

CONSOLIDATED STATEMENTS OF CASH FLOWS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Item 2. Management's Discussion and Analysis or Plan of Operation

Item 3. Controls and Procedures

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Item 2. Changes in Securities

Item 3. Defaults Upon Senior Securities

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

Item 5. Other Information

Item 6. Exhibits and Reports on Form 8-K

SIGNATURE

Sarbanes-Oxley Section 302 Certification

Cerification of CEO

Cerification of CFO

Table of Contents

CONSULIER ENGINEERING, INC. AND SUBSIDIARIES

INDEX

PART-I. FINANCIAL INFORMATION

| | Page |
|---|-------------|
| Item 1. Financial Statements | |
| Consolidated Balance Sheets at March 31, 2003 (Unaudited) and December 31, 2002 | 3 |
| Consolidated Statements of Operations for the three months ended March 31, 2003 and 2002 (Unaudited) | 4 |
| Consolidated Statements of Cash Flows for the three months ended March 31, 2003 and 2002 (Unaudited) | 5 |
| Notes to Consolidated Financial Statements | 6 |
| Item 2. Management's Discussion and Analysis or Plan of Operation | 9 |
| Item 3. Controls and Procedures | 12 |
| PART-II. OTHER INFORMATION | |
| Item 1. Legal Proceedings | 13 |
| Item 2. Changes in Securities | 13 |
| Item 3. Defaults Upon Senior Securities | 13 |
| Item 4. Submission of Matters to a Vote of Security Holders | 13 |
| Item 5. Other Information | 13 |
| Item 6. Exhibits and Reports on Form 8-K | 13 |
| SIGNATURES | 14 |

Table of Contents

CONSULIER ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

| | March 31, 2003 | December 31, 2002 |
|---|--------------------|----------------------|
| ASSETS | | |
| (unaudited) | | |
| Current: | | |
| Cash | \$ 262,313 | \$ 262,303 |
| Receivables, net | 252,747 | 471,203 |
| Due from principal shareholder (Note 2) | 93,986 | 529,174 |
| Receivables related parties | 210,025 | 0 |
| Inventories (Note 3) | 1,315,330 | 1,336,162 |
| Deferred income taxes | 202,606 | 202,606 |
| Other current assets | 46,193 | 12,785 |
| | <u>2,383,200</u> | <u>2,814,233</u> |
| Total current assets | 2,383,200 | 2,814,233 |
| Property and equipment, net | 1,254,408 | 1,286,505 |
| Limited partnership interests (Note 4) | 4,629,033 | 4,009,575 |
| Notes receivable related parties | 1,295,400 | 1,420,714 |
| Deferred income taxes | 47,136 | 47,136 |
| | <u>\$9,609,177</u> | <u>\$9,578,163</u> |
| LIABILITIES AND STOCKHOLDERS EQUITY | | |
| LIABILITIES: | | |
| Current: | | |
| Accounts payable and accruals | \$ 333,491 | \$ 429,785 |
| Bonus Payable | \$ 50,000 | \$ 50,000 |
| Income taxes payable | 146,312 | 26,312 |
| Notes payable related parties | 4,848 | 186,587 |
| | <u>534,651</u> | <u>692,684</u> |
| Total current liabilities | 534,651 | 692,684 |
| Bonds payable | 327,805 | 323,920 |
| | <u>862,456</u> | <u>1,016,604</u> |
| Total liabilities | 862,456 | 1,016,604 |
| STOCKHOLDERS EQUITY: | | |
| Common stock of \$.01 par value: | | |
| Authorized - 25,000,000 shares; | | |
| Issued - 5,198,298 shares | 51,983 | 51,983 |
| Additional paid-in capital | 3,124,253 | 3,124,253 |
| Retained earnings | 6,104,797 | 5,919,635 |
| | <u>9,281,033</u> | <u>9,095,871</u> |
| Total stockholders equity | 9,281,033 | 9,095,871 |
| Less: Treasury stock at cost - 247,148 shares | (417,911) | (417,911) |
| Other comprehensive loss | (39,861) | (39,861) |
| Notes receivable for common stock | (76,540) | (76,540) |
| | <u>8,746,721</u> | <u>8,561,559</u> |
| Total stockholders equity | 8,746,721 | 8,561,559 |
| | <u>\$9,609,177</u> | <u>\$9,578,163</u> |

See accompanying notes to consolidated financial statements.

Table of Contents

CONSULIER ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

| | Three Months Ended March 31, | |
|--|---------------------------------|--------------------------|
| | 2003 | 2002 |
| | (Unaudited) | |
| Revenues: | | |
| Net sales | <u>\$ 488,348</u> | <u>\$ 788,492</u> |
| Operating costs and expenses: | | |
| Cost of goods sold | 247,243 | 469,290 |
| Selling, general and administrative | 391,935 | 380,162 |
| Total operating costs and expenses | <u>639,178</u> | <u>849,452</u> |
| Operating loss | <u>(150,830)</u> | <u>(60,960)</u> |
| Other income (expense): | | |
| Investment income related parties (Note 4) | 612,778 | 314,408 |
| Interest income related parties | 16,750 | 10,885 |
| Interest expense | (5,252) | (6,140) |
| Undistributed income of equity investee (Note 4) | (98,042) | 110,422 |
| Other income | 29,758 | 54,628 |
| Total other income | <u>555,992</u> | <u>484,203</u> |
| Income before income taxes | 405,162 | 423,243 |
| Income tax provision | 220,000 | 152,162 |
| Net income | <u>\$ 185,162</u> | <u>\$ 271,081</u> |
| Basic and diluted earnings per share (Note 5) | <u>\$ 0.04</u> | <u>\$ 0.05</u> |

See accompanying notes to consolidated financial statements.

Table of Contents

CONSULIER ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Three Months Ended March 31, | |
|---|------------------------------|-------------------|
| | 2003 | 2002 |
| | (Unaudited) | |
| OPERATING ACTIVITIES: | | |
| Net income | \$ 185,162 | 271,081 |
| Adjustments to reconcile net income to net cash (used in) provided by operations: | | |
| Depreciation | 32,097 | 26,450 |
| Amortization | 3,885 | 3,885 |
| Undistributed (income) loss of equity investee | 98,042 | (110,422) |
| Investment income related party | 0 | (314,408) |
| Deferred income taxes | | |
| Changes in operating assets and liabilities: | | |
| Decrease (increase) in receivables and other current assets | 185,048 | (39,751) |
| Decrease in inventories | 20,832 | 49,541 |
| (Increase) decrease in income tax payable | 120,000 | (582,838) |
| (Increase) decrease in accounts payable and accruals | (96,294) | (28,058) |
| NET CASH (USED IN) PROVIDED BY OPERATIONS | 548,772 | (724,521) |
| INVESTING ACTIVITIES: | | |
| Property and equipment additions, net of dispositions | 0 | (5,666) |
| Distributions (Contributions) from/to partnership interest | (775,000) | 314,101 |
| Increase (decrease) in related party loans | (208,950) | 32,442 |
| Decrease in due from principal shareholder | 435,188 | 442,054 |
| NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES | (548,762) | 782,931 |
| FINANCING ACTIVITIES: | | |
| Net borrowings of bank and other loans | 0 | |
| NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES | 0 | |
| INCREASE IN CASH | 10 | 58,411 |
| CASH, BEGINNING OF PERIOD | 262,303 | 150,032 |
| CASH, END OF PERIOD | \$ 262,313 | \$ 208,443 |
| | | 208,442 |

See accompanying notes to consolidated financial statements.

Table of Contents

CONSULIER ENGINEERING, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with instructions to Form 10-QSB and Regulation S-B. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring accruals considered necessary for a fair presentation, have been included. Operating results for the three months ended March 31, 2003 are not necessarily indicative of the results that may be expected for the year ending December 31, 2003. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-KSB for the year ended December 31, 2002.

In order to maintain consistency and comparability between periods presented, certain amounts have been reclassified from the previously reported financial statements in order to conform to the financial statement presentation of the current period.

The consolidated financial statements include *Consulier Engineering, Inc.* (the Company or Consulier), and its wholly-owned subsidiaries, *Consulier Business Services, Inc.*, (CBSI) and *C-6 Products, Inc* (C-6), as well as *South East Automotive Acquisition Corp.* (South East). All intercompany balances and transactions between the Company and its wholly-owned subsidiaries have been eliminated. Although the Company sold 70% of its stock in Southeast on December 31, 2002, the Company's financial statement is consolidated with Southeast for reporting purposes.

Note 2. Due from Principal Shareholder

Prior to 2001, capital and income distributions from the Company's investment in AVM (see Note 4) were distributed directly from AVM to the Company on a monthly basis. Beginning in 2001 thru July 2002, the Company had been advancing its cash distributions from AVM to its principal shareholder. These distributions are included in due from principal shareholder of \$1,389,386 and \$529,174, respectively, at March 31, 2003 and December 31, 2002 on the consolidated balance sheets.

Note 3. Inventories

Inventories, stated at the lower of cost, determined on a first-in, first-out basis, or market, are summarized as follows:

| | March 31, 2003 | December 31, 2002 |
|----------------------|---------------------|----------------------|
| Raw materials | \$ 819 | \$ 819 |
| CRA-Z Soap | 19,693 | 29,693 |
| Finished goods | 1,434,818 | 1,445,650 |
| Obsolescence Reserve | (140,000) | (140,000) |
| | <u>\$ 1,315,330</u> | <u>\$ 1,336,162</u> |

Table of Contents

**CONSULIER ENGINEERING, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Note 4. Partnership Interests and Concentration of Credit Risk

The limited partnership interests consist of Consulier's investment in AVM, L.P., BioSafe Systems, LLC. And Systems Technologies, LLC.

AVM, L.P

Consulier owns approximately 10% of AVM's capital as of March 31, 2003 and December 31, 2002. Based on capital and earnings distributions provided in the partnership agreement, Consulier was allocated approximately 5% and 8%, respectively, of AVM's earnings during the three-month periods ended March 31, 2003 and 2002. Under the partnership agreement, Consulier may withdraw all or any portion of its capital account upon 30 days written notice. AVM's general partner may also expel Consulier from the partnership through payment of the balance of Consulier's capital account.

BioSafe Systems, LLC

The Company owns a 40% interest in BioSafe Systems, LLC. Bio Safe Systems, LLC's total assets (unaudited) at March 31, 2003 and December 31, 2002 were approximately \$1,861,000 and \$1,725,000 respectively. The investment is recorded at \$874,124 and \$788,371 at March 31, 2003 and December 31, 2002, respectively, further, equity in income for the three-month periods ended March 31, 2003 and 2002 was \$85,753 and \$47,957, respectively.

Systems Technologies, LLC

During 2002 the Company purchased a 14.25% interest in Systems Technologies, LLC, a Nevada limited liability company (ST, LLC). ST, LLC is a member of Patient Care Technology Systems, LLC, a California limited liability company (PCTS). ST, LLC's primary asset is its approximate 60% (at March 31, 2003) investment in PCTS. As of March 31, 2003 PCTS's summarized financial information was as follows: total assets of approximately \$509,370, total liabilities of approximately \$230,605, and net operating loss of \$831,657. The Company's investment in ST, LLC is recorded at \$1,896,455 which is the investment initially and subsequently of \$2,200,000 net of equity in the loss of ST, LLC of 303,545. The Company's principal shareholder owns approximately 71% of ST, LLC, therefore the Company is accounting for its investment using the equity method. The Company can require the Company's principal shareholder to purchase its interest in ST, LLC for cash equal to the Company's capital account balance in ST, LLC at any time with 60 days written notice.

Table of Contents

CONSULIER ENGINEERING, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 5. Earnings Per Share

| | Three Months Ended March 31, | |
|---|------------------------------|------------------|
| | 2003 | 2002 |
| Numerator: | | |
| Net income, numerator for basic and diluted earnings per share | \$ 185,162 | \$ 271,081 |
| Denominator: | | |
| Denominator for basic earnings per share, weighted average shares | 4,951,150 | 4,951,150 |
| Effect of dilutive securities: | | |
| Stock options | | |
| Warrants | 11,124 | 11,124 |
| Dilutive potential common shares | 11,124 | 11,124 |
| Denominator for diluted earnings per share, adjusted weighted average shares | | |
| | 4,962,274 | 4,962,274 |
| Basic earnings per share | \$ 0.04 | \$ 0.05 |
| | _____ | _____ |
| Diluted earnings per share | \$ 0.04 | \$ 0.05 |
| | _____ | _____ |

At March 31, 2003, no stock options were outstanding.

Table of Contents

CONSULIER ENGINEERING, INC. AND SUBSIDIARIES

Item 2. Management's Discussion and Analysis or Plan of Operation

Results of Operations

The following compares the results of operations for the three months ended March 31, 2003 to the three months ended March 31, 2002:

During the quarter ended March 31, 2003, sales increased \$33,000 from the comparable amounts recorded during the quarter ended March 31, 2002, without regard to Southeast Automotive Parts, as discussed below. Net Income for the quarter of 2003 was \$232,808, or \$0.05 per share, compared to \$271,081, or \$0.05 per share, in the first quarter of 2002. The decrease in net income is related primarily to an increase in general and administrative expenses offset by an increase in other income.

Other income consisting of investment income and interest income/expense increased \$79,083, primarily attributable to a \$298,370 increase in earnings from AVM, offset by the \$26,667 decrease in undistributed income from BioSafe, and an undistributed Loss from SST, LC of \$183,795.

AUTOMOTIVE PARTS DISTRIBUTION Net sales of South East's automotive parts distribution represented 91% and 99% of Consulier's net sales in the first quarters of 2003 and 2002 respectively.

The automotive parts distribution segment had loss of \$47,646 in the first quarter of 2003, and net income before income taxes of \$95,989 in the first quarter of 2002.

HOUSEHOLD AND TOOL PRODUCTS C-6 incurred a net income of \$12,922 in the first quarter of 2003, compared to a net loss of \$6,276 in the first quarter of 2002.

INVESTMENT IN AVM Investment income from Consulier's AVM limited partnership interest was \$612,778 in the first quarter of 2003, a 95% increase from the comparable 2002 quarter's income of \$314,408. This represents annualized returns of 132% and 61%, respectively, on Consulier's average investment during each quarter.

INVESTMENT IN BIOSAFE Equity income of BioSafe was \$83,753 in the first quarter of 2003, a 24% decrease from the comparable 2002 quarter's income of \$110,422. This represents the Company's 40% interest in BioSafe's net income of approximately \$214,000 in the first quarter of 2003, compared to \$276,000 in the first quarter of 2002.

Table of Contents

CONSULIER ENGINEERING, INC. AND SUBSIDIARIES

Liquidity and Capital Resources

At March 31, 2003, Consulier's cash totaled \$262,313 as compared to \$262,303 at December 31, 2002, an increase of \$10. Net cash provided by operations was \$544,887 for the first three months of 2003 compared to \$724,522 of net cash used in the first three months of 2002. Net cash used by investing activities was primarily the cash contributions to SST, LLC of \$775,000, offset by the net decrease of related parties and shareholder receivable of \$226,238.

The ability of Consulier to continue to generate cash flow in excess of its normal operating requirements depends almost entirely on the performance of its limited partnership investment in AVM. Consulier cannot, with any degree of assurance, predict whether there will be a continuation of the net return experienced in the period that the AVM limited partnership interest has been owned. However, Consulier does not expect that the rate of return will decline to the point where Consulier has negative cash flow. Furthermore, although AVM has given Consulier no indication of any intention on its part to redeem the partnership interest, there can be no assurance that AVM will not do so in the future.

During the first quarter of 2003, none of the Company's excess cash funds was advanced to the Company's principal shareholder, under demand receivables.

On April 16, 2002, the Company entered into agreement granting a line of credit of up to \$900,000 to Asset Assistance Group, LLC. The line of credit expires one year from April 16, 2003 and zero was outstanding at March 31, 2003. Sources for funding the line of credit are expected to be investment income from AVM and repayments of outstanding amounts/advances by the principal shareholder.

Table of Contents

CONSULIER ENGINEERING, INC. AND SUBSIDIARIES

Future Outlook

Based on AVM's recent operations and operating results over the past five years, management expects continued annualized returns in 2003 on Consulier's limited partnership investment. However, there is no guarantee that the annualized return of 61% in the first quarter of 2002 will be maintained.

Since the December 31, 2002 Southeast stock sale, the Company has not been provided updated information concerning Southeast's marketing plans for 2003 and accordingly, no performance projections can be made.

The Company has developed a new formula for its Captain Cra-z Hand and All Purpose Soap and is expecting its first delivery of soap based on this formula from its new domestic manufacturer in the second quarter of 2003. Design changes to packaging to better serve the industrial as well as retail markets will be implemented and launched with the new formula.

In addition to the above, Consulier is expanding its sales and marketing department to develop new retail and distribution outlets nationally and internationally. Specifics of the new marketing plan have not been finalized.

Table of Contents

CONSULIER ENGINEERING, INC. AND SUBSIDIARIES

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

Except for the historical information contained in this report, certain matters discussed in Management's Discussion and Analysis are forward looking statements which involve risks and uncertainties including, but not limited to statements regarding Consulier's planned capital expenditure requirements, cash and working capital requirements. Consulier's expectations regarding the adequacy of current financing arrangements, product demand and market growth, other statements regarding future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts. It should be noted that Consulier's actual results could differ materially from those contained in such forward looking statements mentioned above due to adverse changes in any number of factors that affect Consulier's business including, without limitation, risks associated with investing in Systems Technologies, BioSafe and AVM and the marketing of Consulier's Captain CRA-Z Soap products, manufacturing and supply risks, reliance upon distributors, regulatory risks, risks of expansion, product liability and other risks described herein.

Item 3. Controls and Procedures

- a. Within the 90 days prior to the date of this report, the Company evaluated the effectiveness of its disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based upon that evaluation, the Company's Chief Executive Officer and Principal Accounting and Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company required to be included in its periodic SEC filings.
- b. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to the date of the evaluation referenced above.

Table of Contents

CONSULIER ENGINEERING, INC. AND SUBSIDIARIES

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

As of March 31, 2003, there were no legal proceedings pending against the Company or its subsidiaries nor did the Company have any knowledge of any proceedings, which were being contemplated.

Item 2. Changes in Securities

During the first quarter of 2003, there were no changes in the instruments defining the rights of the holders of any class of registered securities, nor were the rights evidenced by any class of registered securities limited or qualified by the issuance or modification of any other class of securities.

Item 3. Defaults Upon Senior Securities

During the first quarter of 2003, there have been no material defaults in the payment of principal, interest, or any other material default with respect to any indebtedness, nor has there been any arrearage in the payment of dividends of any class of stock.

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

During the first quarter of 2003, the Company did not submit any matters to a vote of security holders.

Item 5. Other Information

The Company has no other information to report, which might otherwise be reported under Form 8-K.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits required by Item 601 of Regulation S-B

None

(b) Current Reports on Form 8-K

The Company did not file any reports on Form 8-K during the three month period ended March 31, 2003 except to report the Company's sale of 70% of its stock in South East..

(c) Certification Pursuant To Section 906 Of The Sarbanes-Oxley Act Of 200218 U.S.C. (Section 1350)

The Company has attached Exhibits 99.1 and 99.2 to this filing to comply with the requirements of the Sarbanes-Oxley Act of 2002.

Table of Contents

CONSULIER ENGINEERING, INC. AND SUBSIDIARIES

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.

CONSULIER ENGINEERING, INC.

(Registrant)

Date: May 28, 2003

By: /s/ Alan R. Simon

ALAN R. SIMON, ESQ
Secretary and Treasurer (Principal
Financial and Accounting Officer)

Date: May 28, 2003

By: /s/ Warren B. Mosler

WARREN B. MOSLER
Chairman of the Board, President
& Chief Executive Officer (Principal
Executive Officer)

Table of Contents

CONSULIER ENGINEERING, INC. AND SUBSIDIARIES

Sarbanes-Oxley Section 302 Certification

I, Alan R. Simon, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Consulier Engineering, 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 officer 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 we 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 officer 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 function):
 - 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 officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 28, 2003

By: /s/ Alan R. Simon

Alan R. Simon, Esq.,
Secretary and Treasurer (Principal
Financial and Accounting Officer)

Table of Contents

CONSULIER ENGINEERING, INC. AND SUBSIDIARIES

Sarbanes-Oxley Section 302 Certification

I, Warren B. Mosler, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Consulier Engineering, 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 officer 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 we 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 officer 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 function):
 - 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 officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 28, 2003

By: /s/ Warren B. Mosler

Warren B. Mosler
Chairman of the Board, President and
Chief Executive Officer (Principal
Executive Officer)