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

FORM 10-QSB

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2000

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER 333-75137

PACIFIC SOFTWORKS, INC.
(Exact name of registrant as specified in its charter)

California	77-0390628
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

703 Rancho Conejo Boulevard	
Newbury Park, California	91320
(Address of principal executive offices)	(Zip Code)

(805) 499-7722
Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes _ X__ No____

There were 4,500,900 shares outstanding of the registrant's Common Stock, par value $.001 per share, as of May 9, 2000.

PACIFIC SOFTWORKS, INC.

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PART I

ITEM 1. FINANCIAL STATEMENTS

PACIFIC SOFTWORKS, INC.
CONSOLIDATED BALANCE SHEETS

(Unaudited)

ASSETS	March 31, 2000	December 31, 1999
Current assets		
Cash and cash equivalents	$1,113,021	$1,661,708
Accounts receivable, net of allowance of $72,986 and $72,986	460,837	175,751
Note Receivable	1,000,000	1,000,000
Prepaid expenses and other current assets	34,330	75,753
Total current assets	2,608,188	2,913,212
Property and equipment less accumulated depreciation and amortization of $456,085 and $426,589	319,133	241,003
Other assets	19,734	13,193
TOTAL ASSETS	$2,947,055	$3,167,408

See accompanying notes to condensed financial statements.

PACIFIC SOFTWORKS, INC.
CONSOLIDATED BALANCE SHEETS

(Unaudited)

	March 31, 2000	December 31, 1999
LIABILITIES AND STOCKHOLDERS'EQUITY		
Current liabilities		
Accounts payable and accrued expenses	$ 566,113	$ 390,546
Total current liabilities	566,113	390,546
Deferred revenues	164,406	149,872
Commitments and contingencies		
Stockholders'equity		
Preferred stock, par value $.01 per share, 10,000,000 shares authorized; no shares outstanding		
Common stock, par value $.001 per share, 50,000,000 shares authorized; 4,500,900 and 4,402,500 shares issued and outstanding	4,501	4,403
Additional paid in capital	5,591,150	5,042,624
RETAINED EARNINGS (DEFICIT)	(3,299,148)	(2,445,615)
Cumulative adjustment for currency translation	(79,967)	25,578
Total stockholders' equity	2,216,536	2,626,990
	$2,947,055	$3,167,408

See accompanying notes to condensed financial statements.

PACIFIC SOFTWORKS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	THREE MONTHS Ended March 31, 2000	THREE MONTHS Ended March 31, 1999
NET REVENUE		
SALES	$ 558,602	$ 713,059
ROYALTIES AND OTHERS	101,435	58,591
TOTAL	660,037	771,650
COST OF REVENUE PURCHASES AND Royalty fees	37,624	30,336
Gross profit	622,413	741,314
EXPENSES		
Selling, general and administrative	828,823	380,815
Research and development	617,627	323,824
Depreciation and Amortization	29,496	13,460
Former officers consulting and administrative expense		82,680
Total	1,475,946	800,779
Net loss	$ (853,533)	$ (59,465)
NET LOSS PER COMMON SHARE Basic and diluted	$ (0.19)	$ (0.02)
Weighted average common stock shares outstanding Basic and diluted	4,431,104	3,378,888

See accompanying notes to condensed financial statements.

PACIFIC SOFTWORKS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	Three Months Ended March 31,	
	2000	1999
NET LOSS	$(853,533)	$(59,465)
OTHER COMPREHENSIVE INCOME (LOSS)		
FOREIGN CURRENCY TRANSLATION ADJUSTMENT	(105,545)	(28,569)
COMPREHENSIVE LOSS	$(959,078)	$(88,034)

SEE ACCOMPANYING NOTES TO CONDENSED FINANCIAL STATEMENTS.

PACIFIC SOFTWORKS, INC.
STATEMENT OF CASH FLOWS
(Unaudited)

	For the Three Months Ended March 31,	
	2000	1999
Cash flows from operating activities		
Net loss	$(853,533)	$ (59,465)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	29,496	13,460
(Increase) decrease in assets:		
Accounts receivable	(285,086)	(173,189)
Related party receivable		43,000
Other receivables		(25,000)
Prepaid expenses	41,423	
Other assets	(6,541)	
Deposits and trademarks		(539)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	175,567	207,600
Related party payable		(3,705)
Accrued taxes payable		(12,348)
CUSTOMER DEPOSITS		(23,100)
Deferred revenue	14,534	7,000
Net cash provided by (used in) operating activities	(884,140)	(26,286)
Cash flows from investing activities		
Acquisition of fixed assets	(107,626)	(27,982)
Disposition of assets, net		
Net cash used in investing activities	(107,626)	(27,982)
Cash flows from financing activities:		
Exercise of warrants	548,624	
Repayment of borrowings		(100,000)
Deferred offering costs		(81,541)
Private placement of common stock		500,000
Net cash provided by financing activities	548,624	318,459
Effect of exchange rate changes on cash	(105,545)	(27,315)
Net increase (decrease) in cash	(548,687)	236,876
Cash - Beginning	1,661,708	224,031
Cash - Ending	$ 1,113,021	0 $ 460,907

Supplemental non-cash financing activities:
During the period ended March 31, 1999
Warrants valued at $200,000 were issued in
connection with the public offering.

See accompanying notes to condensed financial statements.

PACIFIC SOFTWORKS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Basis of presentation

The accompanying unaudited consolidated financial statements of Pacific Softworks, Inc. ("PASW", "Pacific" or the "Company")have been prepared in accordance with generally accepted accounting principles for interim financial information and the instructions to Form 10-QSB. 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 only normal recurring accruals) considered necessary for a fair presentation of the Company's financial position at March 31, 2000, the results of operations for the three months ended March 31, 2000 and March 31, 1999, and the cash flows for the three months ended March 31, 2000 and March 31, 1999 are included. Operating results for the three month period ended March 31, 2000 are not necessarily indicative of the results that may be expected for the year ending December 31, 2000.

The information contained in this Form 10-QSB should be read in conjunction with audited financial statements and related notes for the year ended December 31, 1999 which are contained in the Company's Annual Report on Form 10-KSB filed with the Securities and Exchange Commission (the "SEC") on March 29, 2000 and the unaudited financial statements as of March 31, 1999 filed as a part of the Company's Registration Statement on Form SB-2 filed with the Securities and Exchange Commission on July 29, 1999. (File 333-75137).

Earnings per share

The Company adopted SFAS No. 128, "Earnings Per Share", during 1998. SFAS No. 128 requires presentation of basic and diluted earnings per share. Basic earnings per share is computed by dividing income available to common stockholders by the weighted average number of common shares outstanding for the reporting period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts, such as stock options, to issue common stock were exercised or converted into common stock. All prior period weighted average and per share information has been restated in accordance with SFAS No. 128.

(3) Subsequent events

FSPNetwork, Inc.

On October 25, 1999 the Company and FSPNetwork, Inc ("FSPN") signed a Letter of Intent to enter into discussions with the purpose of entering a strategic relationship to jointly develop certain internet applications with financial institutions. The Company indicated that subject to entering into a definitive agreement it would invest up to $1,000,000 in FSPN and under certain conditions up to an additional $2,000,000. On October 25, 1999 the Company loaned FSPN $250,000 through a promissory note bearing interest at ten (10%) percent due in ninety days. The loan was for general corporate purposes. On December 3, 1999 the Company loaned FSPN an additional $750,000 and converted the $250,000 note evidenced by a $1,000,000 convertible promissory note. On April 28, 2000 the note was converted into 713,129 shares of Series A Preferred Stock of FSPN. The stock is equal to 5% of the outstanding capital stock of FSPN concurrent with FSPN's closing of an equity financing on the same time.

PASW, Inc.

The Company refined its strategic focus during 1999 in order to enhance its positioning and flexibility in the rapidly growing market for Internetworking technology and to improve the utilization of its assets and competencies. In conjunction with this strategy on April 19, 2000 the Board of Directors of the Company voted to change its name to PASW, Inc. The name change is subject to shareholder approval and will brought to a vote at the Company's Annual Meeting scheduled for May 26, 2000.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Cautionary Note Regarding Forward-Looking Statements

Except for historical information contained herein, the statements in this report (including without limitation, statements indicating that the Company "expects," "estimates," anticipates," or "believes" and all other statements concerning future financial results, product offerings, proposed acquisitions or combinations or other events that have not yet occurred) are forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Forward-looking statements involve known and unknown factors, risks and uncertainties, which may cause the Company's actual results in future periods to differ materially from forecasted results. Those factors, risks and uncertainties include, but are not limited to: the positioning of the Company's products in the Company's market segments; the Company's ability to effectively manage its various businesses in a rapidly changing environment; the timing of new product introductions; sell-through of the Company's products; the continued emergence of the internet resulting in new competition and changing customer demands; the Company's ability to adapt and expand its product offerings in light of changes to and developments in the internet environment; growth rates of the Company's market segments; variations in the cost of, and demand for, customer service and technical support; price pressures and competitive environment; the possibility of programming errors or other "bugs' in the Company's software; the timing and customer acceptance of new product releases and services (including current users' willingness to upgrade from older versions of the Company's products); the consummation of possible acquisitions or combinations; and the Company's ability to integrate acquired or combined operations with its existing business and otherwise manage growth; and the Company's ability to generate or obtain additional capital resources to fund its operations and growth. Additional information on these and other risk factors are included in the "Factors That May Affect Future Results" section in the Company's Annual Report on Form 10-KSB filed with the SEC on March 29, 2000 and the risks discussed in the Company's other filings with the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis, judgement, belief and expectations only as of the date hereof. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof.

GENERAL

THE COMPANY COMPLETED AN INITIAL PUBLIC OFFERING OF 950,000 UNITS CONSISTING OF ONE SHARE OF COMMON STOCK AND ONE WARRANT ON JULY 29, 1999. AN ADDITIONAL 142,500 UNITS REPRESENTING THE UNDERWRITER'S OVERALLOTMENT WAS SOLD ON SEPTEMBER 13, 1999. THE COMPANY DEVELOPS AND LICENSES SOFTWARE WHICH ENABLES INTERNET AND WEB BASED COMMUNICATIONS. THE SOFTWARE PRODUCTS ARE EMBEDDED INTO SYSTEMS AND "INFORMATION APPLIANCES" DEVELOPED OR MANUFACTURED BY OTHERS. INFORMATION APPLIANCES ARE INTERNET-CONNECTED VERSIONS OF EVERY DAY PRODUCTS SUCH AS TELEPHONES, FAX MACHINES, PERSONAL DIGITAL ASSISTANTS AND OTHER DIGITALLY BASED DEVICES. THE COMPANY HAS DEVELOPED A NEW PROPRIETARY INTERNET BROWSER FOR USE WITHIN INDEPENDENT, "NON WINDOWSREGISTERED TRADEMARK" INFORMATION APPLIANCES. THE BROWSER MAY BE EFFECTIVELY PLACED IN USE WITHOUT AN OPERATING SYSTEM AND DOES NOT REQUIRE

SUBSTANTIAL AMOUNTS OF MEMORY. THE COMPANY BEGAN MARKETING THE INITIAL VERSION OF THIS BROWSER DURING THE FIRST QUARTER OF 2000.

THE COMPANY REFINED ITS STRATEGIC FOCUS IN THE FOURTH QUARTER OF 1999 IN ORDER TO ENHANCE ITS POSITIONING AND FLEXIBILITY IN THE RAPIDLY GROWING MARKET FOR INTERNETWORKING TECHNOLOGY AND TO IMPROVE THE UTILIZATION OF ITS ASSETS AND COMPETENCIES. KEY ELEMENTS OF THE BUSINESS STRATEGY INVOLVE THE SEGREGATION OF THE COMPANY'S CORE TECHNOLOGY INTO SEPARATE BUSINESS UNITS AND IDENTIFYING STRATEGIC INVESTMENT OPPORTUNITIES AND/OR ASSOCIATIONS WITH OTHER OPERATING COMPANIES.

ESTABLISHING SEPARATE BUSINESS UNITS FOR THE CORE TECHNOLOGY WILL FACILITATE THE ABILITY TO DEVELOP AND COMMERCIALIZE THE UNDERLYING TECHNOLOGY AND WILL ALSO ALLOW FOR EITHER PRIVATE OR PUBLIC INVESTMENT, JOINT VENTURES OR MERGERS THAT ARE BENEFICIAL TO SUCH DEVELOPMENT AND COMMERCIALIZATION. ACCORDINGLY, THE COMPANY TRANSFERRED THE OPERATING ASSETS AND TECHNOLOGY THAT REPRESENTED THE HISTORICAL BUSINESS OF THE COMPANY INTO TWO WHOLLY OWNED SUBSIDIARIES. THE TECHNOLOGY AND PERSONNEL RESPONSIBLE FOR THE INTERNET AND WEB RELATED SOFTWARE AND SOFTWARE DEVELOPMENT TOOLS NOW OPERATE AS PACIFIC SOFTWORKS. THE TECHNOLOGY AND PERSONNEL RESPONSIBLE FOR THE EMBEDDED WEB BROWSER AND SERVER NOW OPERATE AS PSI WEB TECHNOLOGIES, INC. DURING 1999 THE COMPANY ALSO ESTABLISHED IAPPLIANCENET.COM ("IAPPLIANCENET") A DEVELOPMENT STAGE COMPANY AND A WHOLLY-OWNED SUBSIDIARY, TO PROVIDE INTERNET-ACTIVE MERCHANDISE AND SERVICE STORE DISPLAYS AND THE INFRASTRUCTURE THAT SUPPORTS THEM.

THE COMPANY ALSO COMMENCED A PROGRAM OF IDENTIFYING STRATEGIC INVESTMENT OPPORTUNITIES AND/OR ASSOCIATIONS WITH OPERATING COMPANIES THAT ARE COMPATIBLE AND COMPLEMENTARY TO THE PLAN OF OPERATIONS. IN ACCORDANCE WITH THIS PROGRAM, THE COMPANY MADE AN INVESTMENT IN FSPNETWORK, INC. ("FSPN") IN DECEMBER 1999 AND SIGNED A LETTER OF INTENT TO INVEST IN REDFLAG, INC. ("REDFLAG") IN EARLY 2000. THE GOAL OF THIS STRATEGY IS TO BOTH INCREASE SHAREHOLDER VALUE AND TO CREATE AN OPERATING GROUP OF COMPANIES THAT HAVE MUTUALLY BENEFICIAL TECHNOLOGY AND BUSINESSES. FUTURE INVESTMENTS AND/OR ASSOCIATIONS, IF ANY, WILL FOCUS ON COMPANIES THAT:

HAVE A STRONG INTERNET/WEB PRESENCE THAT ARE SYNERGISTIC WITH THE COMPANY'S CORE BUSINESSES AND THAT CAN UTILIZE THE COMPANY'S INTERNET AND WEB TECHNOLOGY IN THE IMPLEMENTATION OF THEIR INTERNET STRATEGIES;

HAVE A STRONG INTERNET/WEB PRESENCE THAT ARE SYNERGISTIC WITH THE BUSINESSES OF COMPANIES IN WHICH THE COMPANY HAS AN INVESTMENT/AND OR AFFILIATION ("PSI NETWORK COMPANIES") AND THAT CAN UTILIZE THE TECHNOLOGY OF THE PSI NETWORK COMPANIES IN THE IMPLEMENTATION OF THEIR INTERNET STRATEGIES;

PRESENT CROSS LICENSING OPPORTUNITIES FOR THE COMPANY'S TECHNOLOGY;

ARE PAST THE START-UP PHASE OF OPERATIONS, HAVE REVENUES AND EARNINGS AND ARE NEAR TERM CANDIDATES FOR AN INITIAL PUBLIC OFFERING; AND

CAN BENEFIT FROM THE COMPANY'S FINANCIAL AND OPERATIONAL RESOURCES IN SECURING BOTH PRIVATE AND PUBLIC INVESTMENT CAPITAL.

THE COMPANY OPERATES IN ONE BUSINESS SEGMENT. THE COMPANY'S FISCAL YEAR ENDS ON DECEMBER 31.

RESULTS OF OPERATIONS

THE FOLLOWING TABLE SETS FORTH, FOR THE PERIODS INDICATED, THE PERCENTAGE RELATIONSHIP TO NET REVENUE OF CERTAIN ITEMS IN THE CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME:

	UNAUDITED	
	THREE MONTHS ENDED MARCH 31,	
	2000	1999
Net revenue	100.00%	100.00%
COST OF REVENUE	5.70	3.93
GROSS PROFIT	94.30	96.07
SELLING, GENERAL AND ADMINISTRATIVE	125.59	49.35
RESEARCH AND DEVELOPMENT	93.57	41.97
DEPRECIATION AND AMORTIZATION	4.45	1.74
FORMER OFFICER CONSULTINGAND AND ADMINISTRATIVE EXPENSE	0.00	10.71
TOTAL OPERATING EXPENSES	223.61	103.77
NET LOSS FROM OPERATIONS	(129.31)	(7.70)
FOREIGN CURRENCY TRANSLATION ADJUSTMENT	(15.99)	(3.71)
COMPREHENSIVE LOSS	(145.30%)	(11.41%)

THE FOLLOWING TABLE SETS FORTH, FOR THE PERIODS INDICATED, THE PERCENTAGE OF NET REVENUE BY PRINCIPAL GEOGRAPHIC AREA TO TOTAL REVENUE:

	Unaudited	
	Three Months Ended March 31,	
	2000	1999
United States	58%	43%
UNITED KINGDOM AND EUROPE	28	42
JAPAN AND ASIA	12	14
OTHER	2	1
TOTAL	100%	100%

THREE MONTHS ENDED MARCH 31, 2000 AND 1999.

Net revenue

For the three months ended March 31, 2000 revenues decreased 14% to $660,037 from $771,650 for the three months ended March 31, 1999. Sales of licenses decreased 22% for the three months ended March 31, 2000 due to lower sales in the United Kingdom partially offset by the initial sale of the Company's FUSION WebPilot Micro Browsertrademark in February 2000. Royalty revenue increased by $42,844 for the three months ended March 31, 2000 from $58,591 for the three months ended March 31, 1999 principally due to higher revenue in Japan.

Cost of revenue

The cost of revenue for the three months ended March 31, 2000 was $37,624 or 5.7% of sales compared to $30,336 or 3.9% of sales for the three months ended March 31, 1999. The increase in cost of sales related to direct and indirect costs for production and duplication of manuals and media for software products charged against lower sales for the three months ended March 31, 2000.

Selling, general and administrative

Selling, general and administrative expense increased $448,008 to $828,823 for the three months ended March 31, 2000 from $380,815 for the three months ended March 31, 1999. This increase is the result of increases in the sales and marketing staffs which were expanded after the receipt of funds from the Company's initial public offering in July, 1999, an increase in administrative costs for expenses associated with the Company becoming a public company and the employment of a consulting team to assist the Company in refocusing its business strategies. Because of the 14% decrease in net revenues the cost of these expenses as a percentage of revenue increased to 126% of net revenue for the three months ended March 31, 2000 from 49% for the three months ended March 31, 1999.

Research and development expense

Research and development expense increased to $617,627 or 94% of revenue for the three months ended March 31, 2000 from $323,824 or 42% of revenue for the three months ended March 31, 1999. The increase is principally attributable to a continuation of development of the Fast Track product line, the development of the FUSION WebPilot Micro Browsertrademark begun in 1998 and research and development expenses associated with the initial operation of the Company's iApplianceNet subsidiary.

Depreciation and amortization

Depreciation and amortization increased to $29,496 in the three months ended March 31, 2000 from $13,460 for the three months ended March 31, 1999. This increase was attributable to an increase of $79,654 in capital additions for the three months ended March 31, 2000 over capital additions of $27,982 in the three months ended March 31, 1999.

Former officer's consulting and administrative expense

The former officer's consulting and administrative expense decreased to zero for the three months ended March 31, 2000 from $82,680 for the three months ended March 31, 1999. This agreement plus an agreement not to compete and a consulting agreement with the former officer expired in September 1999.

Provision for taxes

Commencing in 1995 the Company elected to be treated as a subchapter S corporation. Through 1998 all federal tax liabilities were recognized at the individual stockholder level. In February 1999 the Company terminated the S election and became subject to taxation at the corporate level. Had the Company been subject to taxation as a C corporation in 1998, it would have received a pro forma tax benefit of $1,099. For the three months ended March 31, 2000 the Company had no income tax liability.

Liquidity and capital resources

At March 31, 2000 and December 31, 1999 the Company had working capital of $2,042,075 and $2,522,666 and cash and cash equivalents of $1,113,021 and $1,661,708.

The Company used $884,140 in cash flow from operating activities in the three months ended March 31, 2000 compared to using $26,286 in the three months ended March 31, 1999. The increase in use of cash of $857,854 was the result of an increase of $18,746 in accounts receivable, an increase of $18,807 in prepaid expenses, an increase of $9,521 in other assets, an increase in accounts payable and other accrued expenses of $168,687, a decrease of $25,000 in other receivables, and an increase of $50,532 in deferred revenue.

Investing activities in the three months ended March 31, 2000 consisted of purchase of fixed assets of $107,626 compared to the purchase of assets of $27,982 in the three months ended March 31, 1999.

The Company provided $548,624 from financing activities in the three months ended March 31, 2000 through the exercise of warrants. Financing activities for the three months ended March 31, 1999 consisted of $500,000 from a private placement of common stock offset by repayment of borrowings of $100,000 and deferred offering costs of $81,541 associated with the Company's Initial Public Offering.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

IN APRIL 1999 THE COMPANY WAS NOTIFIED THAT A MERCHANT BANKER, GOLENBERG & CO., HAD ASSERTED RIGHTS UNDER A JUNE 1998 LETTER AGREEMENT TO PURCHASE 10% OF THE THEN OUTSTANDING COMMON STOCK OF THE COMPANY FOR $400,000. IN JUNE 1999 COUNSEL FOR GOLENBERG & CO. REITERATED THIS DEMAND AND ADVISED THE COMPANY THAT THESE CLAIMS WERE BEING EVALUATED FOR POSSIBLE LEGAL ACTION. TO DATE NO ACTION HAS BEEN TAKEN BY GOLENBERG & CO.

THE COMPANY IS NOT CURRENTLY INVOLVED IN ANY LITIGATION THAT IS EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT ON THE COMPANY'S BUSINESS OR FINANCIAL POSITION. THERE CAN BE NO ASSURANCE, HOWEVER, THAT THIRD PARTIES WILL NOT ASSERT INFRINGEMENT OR OTHER CLAIMS AGAINST THE COMPANY IN THE FUTURE WHICH, REGARDLESS OF THE OUTCOME, COULD HAVE AN ADVERSE IMPACT ON THE COMPANY AS A RESULT OF DEFENSE COSTS, DIVERSION OF MANAGEMENT RESOURCES AND OTHER FACTORS.

ITEM 2. CHANGES IN SECURITIES.

NOT APPLICABLE.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

NOT APPLICABLE.

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

NOT APPLICABLE

ITEM 5. OTHER INFORMATION.

NOT APPLICABLE.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

THE FOLLOWING EXHIBITS ARE INCLUDED HEREWITH

EXHIBIT 11 - WEIGHTED AVERAGE OF COMMON STOCK SHARES OUTSTANDING

EXHIBIT 27 - FINANCIAL DATA SCHEDULE

THE COMPANY FILED NO REPORTS ON FORM 8-K DURING THE QUARTER FOR WHICH THIS FORM IS FILED.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THE REGISTRANT HAS DULY CAUSED THIS REPORT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED THEREUNTO DULY AUTHORIZED.

DATE: MAY 10, 2000   PACIFIC SOFTWORKS, INC.

WILLIAM E. SLINEY

PRESIDENT AND CHIEF
FINANCIAL OFFICER
(DULY AUTHORIZED OFFICER
AND PRINCIPAL
FINANCIAL AND ACCOUNTING
OFFICER)

EXHIBIT 11

PACIFIC SOFTWORKS, INC.

COMPUTATION OF WEIGHTED AVERAGE
COMMON SHARES OUTSTANDING

	Total Number Of Shares	Three Months Ended March 31, 2000
Outstanding shares as of January 1, 2000	4,402,500	4,402,500
Exercise of warrants	98,400	28,604
TOTAL WEIGHTED AVERAGE shares outstanding	4,500,900	4,431,104
Net loss		$(853,533)
NET LOSS PER COMMON SHARE basic and diluted		$ (0.19)