

SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended July 31, 2000

Commission File Number: 0-26277

WOWTOWN.COM, INC.  
-----

(Exact name of registrant as specified in its charter)

Delaware  
-----

98-0204758  
-----

(State or other jurisdiction of  
incorporation or organization)

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

999 West Hastings St., Suite 450  
Vancouver, British Columbia, Canada V6C 2W2 (address of  
principal executive offices) (Zip Code)

(604) 633-2556  
-----

(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) or 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  No

As of September 15, 2000 the Company had 15,500,067 shares of Common Stock issued and outstanding.

wowtown.com, Inc.  
(a development stage enterprise)  
(formerly Paramount Services Corp.)  
Condensed Consolidated Balance Sheets  
As at July 31, 2000 and April 30, 2000  
-----  
(expressed in U.S. dollars)  
(Unaudited)

	July 31, 2000	April 30, 2000
	\$	\$
<b>Assets</b>		
Current assets		
Cash and cash equivalents	49,882	149,170
Other receivables	12,439	7,318
Prepaid expenses and deposits (note 4)	88,832	25,959
	-----	-----
	151,153	182,447
Capital assets - net (note 4)	24,433	25,105
Intangible assets - net (note 4)	33,585	37,462
	-----	-----
	209,171	245,014
	=====	=====

**Liabilities**

Current liabilities  
Accounts payables and accrued liabilities

(note 4)	111,817	104,358
Accounts payable to related party (note 8a)	37,150	26,330
Demand loan from related party (note 5)	100,000	-
	-----	-----
	248,967	130,688
	=====	=====

Shareholders' Equity

Capital stock (note 7)

Authorized

30,000,000 common shares at par value of  
\$0.0001 5,000,000 preferred shares at  
par value of \$0.0001

Issued

15,500,067 common shares	1,550	1,471
250 preferred shares	1	1
Other capital accounts	976,199	744,697
Deficit accumulated during the development stage	(1,017,546)	(631,843)
	-----	-----
	(39,796)	114,326
	-----	-----
	209,171	245,014
	=====	=====

Going concern (note 1)

Commitments (note 6)

wowtown.com, Inc.

(a development stage enterprise)

(formerly Paramount Services Corp.)

Condensed Consolidated Statement of Operations and Deficit

For the three months ended July 31, 2000

-----  
(expressed in U.S. dollars)  
(Unaudited)

		\$
Expenses		
Sales and marketing	207,723	
General and administrative	133,726	
Development costs	31,038	
Amortization	13,684	
	-----	
	386,171	
Other income		
Interest	468	
	-----	
Loss for the period and deficit - End of period	385,703	
	-----	
Basic loss per share (note 2)	(0.03)	
Weighted average number of shares outstanding	15,213,954	
	-----	

wowtown.com, Inc.

(a development stage enterprise)

(formerly Paramount Services Corp.)

Condensed Consolidated Statement of Shareholders' Equity

For the three months ending July 31, 2000

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(expressed in U.S. dollars)  
(Unaudited)

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Total Shareholders' Equity \$	Common stock		Preferred stock		Other capital accounts		Deficit \$
	Number of Shares	Amount \$	Number of Shares	Amount \$	Additional paid in capital \$	Accumulated other compre- hensive income \$	
Balance - April 30, 2000 (631,843) 114,326	14,709,320	1471	500	1	738,908	5,789	
Conversion of Preferred Stock to Common Stock (note 7)	390,747	39	(250)		(39)		
Issuance of Common Stock (note 7) - 150,000	200,000	20	--	--	149,980	--	-
Issuance of Common Stock for marketing services (note 7) 225,000	200,000	20			224,980		
Marketing services Receivable (note 7) (143,032)					(143,032)		
Comprehensive income Loss for the period (385,703) (385,703)	--	--	--	--	--		
Accumulated other com- prehensive income - foreign currency translation -- (387)	--	--	--	--	--	(387)	
(385,703) (386,090)						(387)	
Balance - July 31, 2000 (1,017,546) (39,796)	15,500,067	1,550	250	1	970,797	5,402	

</TABLE>

wowtown.com, Inc.  
(a development stage enterprise)  
(formerly Paramount Services Corp.)  
Condensed Consolidated Statement of Cash Flows  
For the three months ended July 31, 2000  
-----  
(expressed in U.S. dollars)  
(Unaudited)

	\$
Cash flows from operating activities	
Loss for the period	(385,703)
Adjustments to reconcile loss for the period to net cash used for operating activities	
Amortization	13,684
Non-cash marketing fees	81,968
Changes in operating working capital items	
Other receivables	(5,165)
Prepaid expenses and deposits	(62,985)
Accounts payable and accrued liabilities	7,919

Accounts payable to related parties	10,820
	-----
	(339,462)
Cash flows from investing activities	
Purchase of capital assets	(1,028)
Purchase and development of intangible assets	(8,097)
	-----
	(9,125)
Cash flows from financing activities	
Proceeds from issuance of Common stock	150,000
Proceeds from Demand Loan	100,000
	-----
	250,000
	-----
Effect of exchange rates on cash	(701)
	-----
Net decrease in cash and cash equivalents	(99,288)
Cash and cash equivalents - Beginning of period	149,170
	-----
Cash and cash equivalents - End of period	49,882
	-----

Supplemental cash flow information (note 3)

wowtown.com, Inc.  
(a development stage enterprise)  
(formerly Paramount Services Corp.)  
Notes to Condensed Consolidated Financial Statements  
For the three months ended July 31, 2000

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(expressed in U.S. dollars)  
(Unaudited)

1 The company and reverse acquisition

On February 7, 2000, Paramount Services Corp. (Paramount) acquired all the issued and outstanding shares of WOWtown.com, (Nevada) Inc. (WOWtown subsidiary) in exchange for 10,000,000 common shares, following which the name Paramount was changed to wowtown.com Inc. (WOWtown parent). As a result of this transaction, the former shareholders of WOWtown subsidiary obtained a majority interest in WOWtown parent. For accounting purposes, the acquisition has been treated as a recapitalization of WOWtown subsidiary with WOWtown subsidiary as the acquirer (reverse acquisition) of WOWtown parent. As WOWtown parent was a non-operating entity, the reverse acquisition has been recorded as an issuance of 4,498,000 common shares for an amount of \$nil and the excess of liabilities over assets of \$28,471 has been charged to the statement of operations. The historical financial statements prior to February 7, 2000, are those of WOWtown subsidiary. Pro forma information has not been presented as the recapitalization has not been treated as a business combination. The accounts of WOWtown parent have been consolidated from February 7, 2000.

The company did not commence operations until February 2000, as such no comparative income statement or statement of cash flows has been presented.

Nature of operations

wowtown.com Inc.'s (the company) principal business activities include the establishment of internet web site portals for certain cities and communities. The portals are intended to provide an internet user with a local resource guide for the community. The portals will also offer services for the user and provide the user with discounts and savings for purchases made from merchants featured on the community portal sites.

Going concern

The company has not yet generated revenues, has an operating loss and no assurance of future profitability. Even if marketing efforts are successful, substantial time may pass before profitability will be achieved. During this time, the company will require financing from outside sources to finance the company's operating and investing activities until sufficient positive cash flows from operations can be generated. The company's management has plans to raise the required financing through the sale of equity. There is no assurance that this financing will be available to the company, accordingly, there is substantial doubt about the company's ability to continue as a

going concern. These consolidated financial statements have been prepared on the basis that the company will be able to continue as a going concern and realize its assets and satisfy its liabilities in the normal course of business, and do not reflect any adjustments which would be necessary if the company is unable to continue as a going concern.

wowtown.com, Inc.  
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Notes to Condensed Consolidated Financial Statements  
For the three months ended July 31, 2000  
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(expressed in U.S. dollars)  
(Unaudited)

2 Summary of significant accounting policies

Development stage company

The company's activities have primarily consisted of establishing facilities, recruiting personnel, development, developing business and financial plans and raising capital. Accordingly, the company is considered to be in the development stage. The accompanying consolidated financial statements should not be regarded as typical for a normal operating period.

Basis of presentation

These unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States and include the accounts of the Company and its wholly owned subsidiary. All significant intercompany transactions and balances have been eliminated on consolidation. The accompanying interim condensed consolidated financial statements of the company do not include all notes in annual financial statements and therefore should be read in conjunction with the Company's annual financial statements. The accompanying financial statements include all normal recurring adjustments, which, in the opinion of management, are necessary to present fairly the Company's financial position at July 31, 2000 and its results of operations and cash flows for the three month period then ended.

Loss per share

Basic loss per share is computed by dividing loss for the period by the weighted average number of common shares outstanding for the period. Fully diluted loss per share reflects the potential dilution of securities by including other potential common stock, including convertible preferred shares, in the weighted average number of common shares outstanding for a period, if dilutive.

The convertible preferred shares are not included in the computation of fully diluted loss per share as their effect is anti-dilutive.

3 Supplemental cash flow information

	\$
Cash received for interest	432
Cash paid for interest	1,729
Supplemental non-cash financing and investing activities	
Common stock issued for consulting services	225,000

wowtown.com, Inc.  
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Notes to Condensed Consolidated Financial Statements  
For the three months ended July 31, 2000  
-----  
(expressed in U.S. dollars)  
(Unaudited)

4 Balance sheet components

Prepaid expenses and deposits	July	April
	31,2000	30,2000
	\$	\$

Prepaid Marketing	62,125	-
Security deposit for operating line of credit	21,688	21,688
Other prepaid expenses	5,019	4,271
	-----	-----
	26,707	25,959
	=====	=====
Capital assets		
	\$	\$
Furniture and fixtures	8,036	8,069
Office equipment	6,123	6,148
Computer hardware	15,448	14,482
	-----	-----
	29,607	28,699
Less: Accumulated amortization	5,174	3,594
	-----	-----
	24,433	25,105
	=====	=====
Intangible assets	July 31, 2000	April 30, 2000
	\$	\$
Website development costs	48,072	48,270
Domain names and trademarks	17,971	9,935
Computer software	6,756	6,784
	-----	-----
	72,799	64,989
Less: Accumulated amortization	39,214	27,527
	-----	-----
	33,585	37,462
	=====	=====
Accounts payable and accrued liabilities		
	\$	\$
Trade accounts payable	102,501	88,321
Accrued employee costs	9,034	11,747
Other accruals	282	4,290
	-----	-----
	111,817	104,358
	=====	=====

wowtown.com, Inc.  
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Notes to Condensed Consolidated Financial Statements  
For the three months ended July 31, 2000  
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(expressed in U.S. dollars)  
(Unaudited)

5 Demand loan from related party

The demand loan consists of a promissory note to a shareholder of the company payable on demand after December 31, 2000. The note bears interest at 10% per annum. The note is secured by 2,500,000 common shares which have been pledged by a majority shareholder of the company.

6 Commitments

The company leases certain facilities and equipment used in its operations under operating leases. Future minimum lease payments under these lease agreements at July 31, 2000 are as follows:

	\$
2001	14,537
Thereafter	--

7 Capital stock

Common stock

Holders of common shares are entitled to one vote per share and to share equally in any dividends declared and distributions in liquidation.

On May 30, 2000, 200,000 common shares were issued for \$150,000.

On June 12, 2000, 100,000 common shares were issued as payment for marketing services. The shares cannot be traded for a period of one year from the date

of issuance.

On June 12, 2000, as payment for marketing services, the company paid \$105,000 and issued 100,000 common shares. The shares cannot be traded for a period of one year from the date of issuance.

Both transactions on June 12, 2000 were recorded using the fair value of the company's common shares as they are publicly traded. The market value of this security was \$1.13 per share on June 12, 2000.

Preferred stock

Each Series A preferred share may be converted, at the option of the holder, into common shares equal in number to the amount determined by dividing \$1,000 by the conversion price, which is 75% of the average closing bid price of the common shares for the ten trading days preceding the conversion date

wowtown.com, Inc.  
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Notes to Condensed Consolidated Financial Statements  
For the three months ended July 31, 2000

-----  
(expressed in U.S. dollars)  
(Unaudited)

or \$2.00, whichever amount is less. In addition, all Series A preferred shares will automatically convert into shares of common stock on February 7, 2001 at the conversion price then in effect.

On May 30, 2000, 250 Series A preferred shares were converted into 390,747 common shares at a conversion price of \$0.64 per share.

8 Related party transactions

a) Accounts payable to related party consists of amounts payable for development costs and other services provided by a company in which one of the company's directors is a director.

9 Income taxes

The company is subject to U.S. Federal and State income taxes.

The company has accumulated net operating loss ("NOL") carryforwards totalling \$225,000 which can be applied to reduce taxable income in future taxation years. The NOL expire in 2000.

The potential tax benefit of these losses, if any, has not been recorded in the financial statements. Net deferred tax assets consist of the following:

	\$
Start-up expenditures	273,000
Net operating loss carryforwards	225,000
Capital assets	23,000
Deferred tax valuation allowance	(521,000)
	-----
	-
	=====

Based on a number of factors including, the lack of a history of profits, management believes that there is sufficient uncertainty regarding the realization of deferred tax assets such that a full valuation allowance has been provided.

The income tax provision for the period ended July 31, 2000, does not differ materially from the amount obtained by applying the applicable statutory income tax rates of 30% to loss before income taxes, net of the valuation allowance of \$521,000.

wowtown.com, Inc.  
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Notes to Condensed Consolidated Financial Statements  
For the three months ended July 31, 2000

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(expressed in U.S. dollars)  
(Unaudited)

10 Segmented information

The company identifies its operating segments based on business activities, management responsibility and geographical location. The company operates in one single operating segment being the development of internet portals and as of July 31, 2000 operated portals in Vancouver, B.C., Las Vegas NV and Seattle, WA. In addition, substantially all of the company's assets are located in Canada. The company operates as a regional portal, offering Internet infrastructure-based services to local business and directs Internet users to many businesses and Internet links relevant to the user-base. The company has registered domain names for the major cities in the U.S. and Canada in order to create similar web-sites for other cities.

11 Contingencies

On May 23, 2000 the company entered into a Memorandum of Understanding ("MOU") with SpanTec Limited to form a corporation to be designated WOWtown Latin America Limited. Upon the successful completion of a financing of at least (pound)500,000 by WOWtown Latin America Limited, WOWtown Latin America Limited shall pay SpanTec Limited a fee of 10% of capital raised. Concurrent with the successful completion of the financing, the company shall issue to SpanTec Limited 100,000 three year common stock warrants for \$1.10 per share.

12 Subsequent events

Subsequent to the period end, the company entered into an MOU with EuroTec Worldwide Limited to form a corporation to be designated WOWtown Europe Limited. Upon the successful completion of a financing of at least (pound)500,000 by WOWtown Europe Limited, WOWtown Europe Limited shall pay EuroTec Worldwide Limited a fee of 10% of capital raised. Concurrent with the successful completion of the financing, the company shall issue to EuroTec Worldwide Limited 100,000 three year common stock warrants for \$1.10 per share.

Subsequent to the period end, the company entered into an MOU with BrazilTec Limited to form a corporation to be designated WOWtown Brazil Limited. Upon the successful completion of a financing of at least (pound)500,000 by WOWtown Brazil Limited, WOWtown Brazil Limited shall pay BrazilTec Limited a fee of 10% of capital raised. Concurrent with the successful completion of the financing, the company shall issue to BrazilTec Limited 100,000 three year common stock warrants for \$1.10 per share.

MANAGEMENTS DISCUSSION AND ANALYSIS  
OR PLAN OF OPERATIONS

Summary Financial Data

Results of Operations:

Three Months Ended  
July 31, 2000

Sales	\$	--
Operating Expenses		(386,171)
Interest		468
		-----
Net Loss	\$	(385,703)
		=====

Balance Sheet Data:

July 31, 2000

Current Assets	\$	89,208
Total Assets		147,046
Current Liabilities		248,967
Total Liabilities		248,967
Working Capital		(159,759)
Stockholders' Deficit		(101,921)

The Company has not declared any common stock dividends since our inception.

Liquidity and Capital Resources

During the three months ended July 31, 2000 the Company's sources and use of cash were:



Cash used by operations	\$(339,462)
Proceeds from sale of common stock	150,000
Purchase of equipment and intangible assets.	(9,125)
Loan from third party	100,000

The Company expects that its expenses will continue to increase during the next twelve months as a result of increased marketing expenses and the establishment of new websites. The Company expects that its revenues will be substantially less than operating expenses until November 2000.

The Company is in the development stage company and through July 31, 2000 had not generated any revenues from its operations. During the twelve months ending July 31, 2001 the Company anticipates that it will need capital for the following purposes:

Fund operating losses:	\$1,450,000
Sales and marketing:	50,000
Expansion of internet services:	300,000
Establishment of additional websites	100,000
	-----
	\$1,900,000

As of August 31, 2000 the Company's current liabilities exceeded its current assets by approximately \$146,000. The Company anticipates obtaining the additional capital which it will require through revenues from operations and through a combination of debt and equity financing. There is no assurance that the Company will be able to obtain capital which it will need or that its estimates of capital requirements will prove to be accurate. As of September 15, 2000 the Company did not have any commitments from any source to provide additional capital.

The Company's independent accountants have stated in their report to the Company's financial statements for the year ended April 30, 2000 that, due to recurring losses from operations, there is substantial doubt as to the Company's ability to continue in business.

## PART II

### OTHER INFORMATION

#### Item 2. Changes in Securities.

During the three months ended June 30, 2000 the Company:

- (1) issued 390,747 shares of common stock as a result of the conversion of 250 Series A Preferred Shares,
- (2) issued 200,000 shares of common stock for consulting services, and
- (3) sold 200,000 shares of common stock to a private investor for \$150,000 in cash.

The Company relied upon the exemption provided by Section 3(a)(9) of the Securities Act of 1933 in connection with the issuance of the shares described in (1) above.

The Company relied upon the exemption provided by Section 4(2) of the Securities Act of 1933 in connection with the sale of these shares of common stock described in (2) and (3) above.

The shares described above are "restricted securities" as that term is defined in Rule 144 of the Securities and Exchange Commission

#### Item 6. Exhibits and Reports on Form 8-K:

Exhibits:

Exhibit 27 - Financial Data Schedule

Reports on Form 8-K:

During the three months ending July 31, 2000, the Company did not file any reports on form 8-K.

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.

wowtown.com, Inc.

September 20, 2000

By /s/ David Packman

-----  
David Packman, President and Principal  
Financial Officer

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