

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 SEPTEMBER 30, 2004

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934 FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

Commission file number 0-29 219

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LEGALPLAY ENTERTAINMENT INC.

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

FLORIDA 98-0199508

-----  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

SUITE 308, 525 SEYMOUR STREET

VANCOUVER V6B 3H7

-----  
(Address of principal executive offices) (Zip Code)

(604) 408-0348

-----  
(Issuer's telephone number)

Suite 630, 1188 W. Georgia Street  
Vancouver, British Columbia,  
Canada V6E 4A2

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

Check whether the issuer (1) filed all reports required to be filed by Section  
13 or 15(d) of the Exchange Act during the past 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

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Applicable only to issuers involved in bankruptcy proceedings during the  
preceding five years

Check whether the registrant filed all documents and reports required to be  
filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of  
securities under a plan confirmed by a court. Yes  No

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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. 26,075,000 COMMON SHARES AS AT  
NOVEMBER 15, 2004.

Transitional Small Business Disclosure Format

(Check one):

Yes  No

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PART 1 - FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

LEGALPLAY ENTERTAINMENT INC.  
CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2004  
(U.S. DOLLARS)



Other Comprehensive Income		18,981	18,981
Deficit	(1,743,725)	(1,305,454)	

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TOTAL STOCKHOLDERS' EQUITY		132,455	563,726
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	340,846	\$	647,108
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See notes to consolidated financial statements

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<CAPTION>

LEGALPLAY ENTERTAINMENT INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(U.S. DOLLARS)  
(UNAUDITED)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30		SEPTEMBER 30	
	2004	2003	2004	2003
<hr/>				
<S>	<C>	<C>	<C>	<C>
<hr/>				
REVENUES				
Tournament Income	\$	0	\$	0
			\$	6,352
			\$	0
<hr/>				
TOTAL REVENUES		0	0	6,352
				0
<hr/>				
COST OF GOOD SOLD		1,645	0	45,729
				0
<hr/>				
GROSS MARGIN (LOSS)		(1,645)	0	(39,377)
				0
<hr/>				
EXPENSES				
Corporation promotion		875	10,255	10,785
				32,285
Depreciation and amortization		20,546	20,810	63,582
				41,256
Insurance	3,947	2,086	15,901	14,252
Management and Consultant fees		19,722	85,134	52,520
				261,233
Office supplies and services		8,045	13,121	24,161
				55,538
Professional fees		66,837	14,639	106,606
				130,678
Rent	3,412	4,673	13,042	13,963
Wages	21,053	50,798	103,609	135,044
Loss from disposition of assets (note 4)		0	0	8,688
				0
<hr/>				
TOTAL EXPENSES		144,437	201,516	398,894
				684,249
<hr/>				
LOSS BEFORE DISCONTINUED OPERATIONS			(146,082)	(201,516)
				(438,271)
				(684,249)
LOSS FROM DISCONTINUED OPERATIONS			0	(470,110)
				0
				209,442
<hr/>				
NET LOSS FOR PERIOD	\$	(146,082)	\$	(671,626)
			\$	(438,271)
			\$	(474,807)
<hr/>				
WEIGHTED AVERAGE NUMBER OF				
COMMON SHARES OUTSTANDING				
		26,075,000	25,657,250	26,068,887
				22,467,553
DILUTIVE EFFECT OF OPTIONS				
		1,115,000	1,299,815	1,115,164
				1,389,681
<hr/>				
WEIGHTED AVERAGE NUMBER OF SHARES				
OUTSTANDING ASSUMING FULL DILUTION				
		27,190,000	26,957,065	27,184,051
				23,857,234
<hr/>				
Basic Earnings (Loss) Per Share				
Continuing operations	\$	(0.01)	\$	(0.01)
			\$	(0.02)
			\$	(0.03)
Discontinued operations		0.00	(0.02)	0.00
				0.01

Basic Loss Per Share	\$	(0.01)	\$	(0.03)	\$	(0.02)	\$	(0.02)
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Diluted Earnings (Loss) Per Share

Continuing operations	\$	(0.01)	\$	(0.01)	\$	(0.02)	\$	(0.03)
Discontinued operations		0.00		(0.02)		0.00		0.01

Diluted Loss Per Share	\$	(0.01)	\$	(0.03)	\$	(0.02)	\$	(0.02)
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See notes to consolidated financial statements

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LEGALPLAY ENTERTAINMENT INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

NINE MONTH PERIOD ENDED SEPTEMBER 30, 2004 AND YEAR ENDED DECEMBER 31, 2003

(U.S. DOLLARS)

	SEPTEMBER 30,	DECEMBER 31,
	2004	2003
	(UNAUDITED)	

SHARES OF COMMON STOCK ISSUED

	<S>	<C>	<C>
Balance, beginning of period		26,025,000	17,175,000
Issued for:			
Acquisition of intangible assets		0	6,000,000
Consulting & management services		0	2,250,000
Cash on exercise of options		50,000	600,000
Balance, end of period		26,075,000	26,025,000

COMMON STOCK AND PAID-IN CAPITAL IN EXCESS OF \$0.01 PAR VALUE

Balance, beginning of period	\$	1,857,080	\$	1,624,155
Issued for:				
Acquisition of intangible assets		0		159,000
Consulting & management services		0		50,125
Stock option benefit		0		11,800
Cash on exercise of options		1,000		12,000
Balance, end of period	\$	1,858,080	\$	1,857,080

TREASURY STOCK

Balance, beginning and end of period	\$	(6,881)	\$	(6,881)
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SUBSCRIPTIONS RECEIVED

Balance, beginning of period	\$	0	\$	32,480
Subscriptions received		6,000		0
Cancellation of agreement		0		(32,480)
Balance, end of period	\$	6,000	\$	0

OTHER COMPREHENSIVE INCOME

Balance, beginning of period	\$	18,981	\$	17,229
Foreign currency translation gain		0		1,752
Balance, end of period	\$	18,981	\$	18,981

DEFICIT

Balance, beginning of period	\$	(1,305,454)	\$	(697,824)
Net loss for period		(438,271)		(607,630)
Balance, end of period	\$	(1,743,725)	\$	(1,305,454)

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TOTAL STOCKHOLDERS' EQUITY	\$	132,455	\$	563,276
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See notes to consolidated financial statements

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LEGALPLAY ENTERTAINMENT INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
NINE MONTHS ENDED SEPTEMBER 30, 2004  
(U.S. DOLLARS)

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	2004	2003		
	(UNAUDITED)	(UNAUDITED)		
<S>	<C>	<C>		
OPERATING ACTIVITIES				
Net loss	\$ (438,271)	\$ (474,807)		
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities				
Items not involving cash:				
Written-off property	0	13,889		
Loss from disposition of assets	8,688	0		
Non-cash payment for services	6,000	50,125		
Depreciation and amortization	63,582	41,256		
Stock based compensation	0	1,300		
Bad debt expense	0	529,299		
Changes in non-cash working capital	54,762	(168,691)		
<hr/>				
NET CASH USED IN OPERATING ACTIVITIES	(305,239)	(7,629)		
<hr/>				
INVESTING ACTIVITIES				
Purchase of intangible assets	0	(50,660)		
Cash proceeds from asset disposition	5,460	0		
Purchase of property and equipment	(5,810)	(60,681)		
<hr/>				
NET CASH USED IN INVESTING ACTIVITIES	(350)	(111,341)		
<hr/>				
FINANCING ACTIVITIES				
Bank indebtedness	42	0		
Cash proceeds from issuance of common stock	1,000	9,000		
Cash advance from related parties	95,030	0		
<hr/>				
NET CASH PROVIDED BY FINANCING ACTIVITIES	96,072	9,000		
<hr/>				
OUTFLOW OF CASH	(209,517)	(109,970)		
CASH, BEGINNING OF PERIOD	209,517	458,650		
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CASH, END OF PERIOD	\$ 0	\$ 348,680		

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SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS

Assets received for shares issued	\$	0	\$	159,000
Non-cash payment for services	\$	6,000	\$	0

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See notes to consolidated financial statements

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LEGALPLAY ENTERTAINMENT INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
NINE MONTH PERIOD ENDED SEPTEMBER 30, 2004  
(U.S. DOLLARS)  
(UNAUDITED)

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1. BASIS OF PRESENTATION

These unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America for interim financial information. These financial statements are condensed and do not include all disclosures required for annual financial statements. The organization and business of the Company, accounting policies followed by the Company and other information are contained in the notes to the Company's audited consolidated financial statements filed as part of the Company's December 31, 2003 Form 10KSB.

In the opinion of the Company's management, these financial statements reflect all adjustments necessary to present fairly the Company's consolidated financial position as at September 30, 2004, the consolidated results of operations for the three months and nine months ended September 30, 2004 and 2003 and the consolidated cash flows for the nine months ended September 30, 2004 and 2003. The results of operations for the three months and nine months ended September 30, 2004 are not necessarily indicative of the results to be expected for the entire fiscal year.

2. GOING CONCERN

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America on a going-concern basis. This presumes funds will be available to finance on-going development, operations and capital expenditures and the realization of assets and the payment of liabilities in the normal course of operations for the foreseeable future. Management intends to raise additional capital through share issuances to finance operations and invest in other business opportunities.

The Company has a working capital deficit of \$204,510 at September 30, 2004, minimal other capital resources presently available to meet obligations which can normally be expected to be incurred by similar companies and has a loss of \$438,271 for the nine months ended September 30, 2004.

The outcome of the above matters cannot be predicted. These financial statements do not give effect to any adjustments to the amounts and classification of assets and liabilities which might be necessary should the Company be unable to continue as a going concern.

These factors raise substantial doubt about the Company's ability to continue as a going-concern which is dependent on the Company's ability to obtain and maintain an appropriate level of financing on a timely basis and to achieve sufficient cash flows to cover obligations and expenses.

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LEGALPLAY ENTERTAINMENT INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
NINE MONTH PERIOD ENDED SEPTEMBER 30, 2004  
(U.S. DOLLARS)  
(UNAUDITED)

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3. DUE TO RELATED PARTIES

The amounts are owing to the President of the Company and a company under his control for organizational expenses paid on behalf of the Company with 5% interest.

4. LOSS FROM DISPOSITION OF ASSETS

On June 11, 2004, the Company entered into a purchase and sale agreement with PokerSoft Corporation A.V.V. to sell computer equipment for \$7,500 Canadian. The Company recorded a loss from the equipment disposition of \$8,688 in the second quarter.

5. STOCKHOLDERS' EQUITY

(a) Pursuant to a directors' resolution dated January 7, 2004, 605,000 options with an exercise price of \$0.11 were awarded to the officers and employees of the Company.

(b) The following table summarizes the Company's stock option activity for the period:

<TABLE>  
<CAPTION>

	Number of Shares	Weighted Average Exercise Price
Balance, December 31, 2003	960,000	\$ 0.02
Expired during the period	(400,000)	\$ (0.02)
Granted during the period	605,000	\$ 0.11
Stock options exercised	(50,000)	\$ (0.02)
Balance, September 30, 2004	1,115,000	\$ 0.07

</TABLE>

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LEGALPLAY ENTERTAINMENT INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
NINE MONTH PERIOD ENDED SEPTEMBER 30, 2004  
(U.S. DOLLARS)  
(UNAUDITED)

5. STOCKHOLDERS' EQUITY (Continued)

(c) The following summarizes the options outstanding and exercisable at September 30, 2004 all of which were fully vested:

<TABLE>  
<CAPTION>

Expiry Date	Exercise Price	Number of Options
Unlimited	\$ 0.02	510,000
January 7, 2006	\$ 0.11	605,000
		1,115,000

</TABLE>

(d) The Company applies APB Opinion No. 25 and related interpretations in accounting for its stock options granted to employees, and accordingly, compensation expense of \$Nil was recognized as wages expense. Had compensation expense been determined as provided in SFAS 123 using the Black-Scholes option pricing model, the pro-forma effect on the Company's net loss and per share amounts would have been as follows:

<TABLE>  
<CAPTION>

Net loss, as reported	\$(438,271)
Add back:	
Stock compensation under intrinsic value method	0
Deduct:	

Stock compensation under fair value method	(53,966)
-----	
Net loss, pro-forma	\$(492,237)
-----	
Net loss per share, as reported	\$ (0.02)
Add back:	
Stock compensation under intrinsic value method	0
Deduct:	
Stock compensation under fair value method	(0.00)
-----	
Net loss per share, pro-forma	\$ (0.02)
-----	

</TABLE>

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LEGALPLAY ENTERTAINMENT INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
NINE MONTH PERIOD ENDED SEPTEMBER 30, 2004  
(U.S. DOLLARS)  
(UNAUDITED)

5. STOCKHOLDERS' EQUITY (Continued)

The fair value of each option grant is calculated using the following weighted average assumption:

<TABLE>  
<CAPTION>

<S>	<C>
Expected life (years)	2
Interest rate	4%
Volatility	182.57%
Dividend Yield	0.00%

</TABLE>

6. CONTINGENT LIABILITIES

- (a) At present, the sale of Internet gaming software/licenses is unregulated. As the Internet grows in popularity and use, it is possible that certain laws and regulations will be adopted which may materially affect the Company's ongoing operations.
- (b) The Company is a plaintiff in a lawsuit initiated by Uninet Technologies, the master licensee, against Ala Corp., the owner of the Poker.com URL/Domain name. The master licensee sold a sublicense to the Company, granting it the exclusive use of the URL/Domain name for a period of 99 years. The owner of the URL/Domain name is accused of wrongfully breaching the license agreement by assigning the URL/Domain name to a different company.

Our focus to recover the rightful use of the domain Poker.com remains and we are continuing with the process to select a mutually acceptable arbitrator panel. Our ability to continue the legal proceedings will largely depend on our financial condition with respect to working capital.

The domain dispute may have a negative impact on the Company's ability to market itself based on the domain www.poker.com and may not be able

to achieve the corresponding revenues from the license agreement with Antico Holdings S.A. ("Antico") for the use of the domain. Additionally, the Company may be subject to damages in relation to the domain dispute, which may impact the ability of the Company to collect the outstanding Antico receivable.

The Company may be responsible for damages in relation to the dispute in respect of the license agreement with Antico and may not be able to fully collect the outstanding receivable of \$638,434. The Company provided an applicable allowance for this outstanding receivable in 2003.

## 7. SUBSEQUENT EVENTS

On November 9, 2004, the Company entered into an Agreement with Uninet Technologies Inc. ("Uninet") in regards to compensating Uninet for their services in relation to the legal prosecution against Ala Corp and Communication Services Inc. The payment terms pursuant to the Agreement are as follows:

1. For prosecuting the action against Ala Corp., Uninet will be entitled to a 50% ownership in the rights of the URL "www.poker.com". Therefore, entitling Uninet to receive 50% of all revenue received by the Company in using and/or re-licensing the URL to a third party.
2. In the event that the Company is unable to continue to contribute fees to the proposed legal action to recover the use of the URL "www.poker.com", the Company hereby agrees to assign 90% of its right, title and interest in and to the use of the URL to Uninet. In this regard, the Company irrevocably undertakes to allow Uninet to act for and/or represent the Company in order to continue prosecuting the joint action against CSI and any other action that Uninet believes should be taken against Ala Corp and/or CSI, for which costs Uninet will be responsible.

## ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

### OVERVIEW

During the third quarter of 2004, we continued to own the Skill Poker system and a horse racing prediction software known as DailyHorse.com. Both of these systems were not active during the third quarter due to lack of available working capital for marketing purposes.

We continued to operate our business through our three subsidiary companies: Casino Marketing S.A., a Costa Rican registered company which performs technical management for our licensees; 564448 BC Ltd., a British Columbia registered company which performs administrative management services to LegalPlay Entertainment Inc, Casino Marketing; and Skill Poker.com Inc., a Washington state registered company incorporated January 29, 2003, through which the patent pending Skill Poker system was developed and through which the Skill Poker system is operated.

Given the nature of the legislative climate in the United States with respect to the regulation or prohibition of online gaming through such potential laws as the Kyl Bill and the Bacchus Bill, management has been of the opinion that skill based gaming has the potential to become a significant market to online gaming. During the course of the second and third quarters, it became apparent that regulation of online gaming is something which may be difficult to achieve and little progress has been made with respect to banning offshore operators from accepting citizens of the U.S. as customers. This has negatively impacted our business model to the extent that during the second quarter we began reevaluating our business and announced on May 31, 2004 that we would be considering other business opportunities such as precious metals exploration and will be seeking potential purchasers of the Skill Poker system which would include the intellectual property, software licenses and trademarks related to Skill Poker. There can be no assurance we will be successful at identifying a mining property or other opportunity suitable for our business nor can there be assurances that we will conclude a transaction relating to the sale of the Skill Poker subsidiary and related assets. We continue to seek partners or potential purchasers for the Skill Poker system.

The litigation in relation to the domain name dispute relating to Poker.com continued during the third quarter.

Our future revenues are dependent on concluding a transaction suitable for us to

continue as a going concern and which brings an immediate source of working capital through debt, equity or a combination thereof.

Our mandate for the foreseeable future is to find a suitable opportunity for us to continue as a viable business and to identify suitable candidates for the acquisition of our Skill Poker subsidiary.

We are in immediate need of further working capital and are considering options with respect to financing in the form of debt, equity or a combination thereof, and may also consider disposing of assets as a method through which to raise additional working capital.

#### CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have adopted various accounting policies that govern the application of accounting principles generally accepted in the United States of America in the preparation of our financial statements. Our significant accounting policies are described in the footnotes to our financial statements at December 31, 2003. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

Although these estimates are based on our knowledge of current events and actions we may undertake in the future, they may ultimately differ from actual results. Certain accounting policies involve significant judgments and assumptions by us which have a material impact on our financial condition and results. Management believes its critical accounting policies reflect its most significant estimates and assumptions used in the presentation of our financial statements. Our critical accounting policies include revenue recognition, accounting for stock based compensation and the evaluation of the recoverability of long lived and intangible assets. We do not have off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as "special purpose entities".

#### NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2004

#### RESULTS OF CONTINUING OPERATIONS

The following table sets forth for the periods indicated selected information from LegalPlay Entertainment Inc.'s consolidated financial statements of operations:

<TABLE>  
<CAPTION>

	Three Months Ended September 30	Three Months Ended September 30	Nine Months Ended September 30	Nine Months Ended September 30	
	2004	2003	2004	2003	
<S>	<C>	<C>	<C>	<C>	
Tournament Income	\$ -	\$ -	\$ 6,352	\$ -	
Cost of Goods Sold	1,645	-	45,729	-	
Expenses	144,437	201,516	398,894	684,249	
Income (Loss) before discontinued operations		(146,082)	(201,516)	(438,271)	(684,249)
Income (Loss) from discontinued operations		-	(470,110)	-	209,442
Net Income (loss) during the period	\$ (146,082)	\$ (671,626)	\$ (438,271)	\$ (474,807)	

</TABLE>

#### RESULTS OF CONTINUING OPERATIONS

NET SALES. Net sales for the nine months ended September 30, 2004 were \$6,352 compared to \$0 for the nine months ended September 30, 2003. This results from tournament fees that resulted from the launch of Skill Poker in fourth quarter of 2003.

We expect to enhance our revenues through the consideration of other business

opportunities. There can be no assurances we will be able to identify any business opportunities which will benefit us. These are forward-looking statements, particularly as related to the business plans of the Company, within the meaning of Section 27A of the Securities Act of 1933 and Sections 21E of the Securities Exchange Act of 1934 and are subject to the safe harbor created by these sections. Actual results may differ materially from our expectations and estimates.

EXPENSES. Operating expenses for the nine months ended September 30, 2004 were \$398,894 compared to \$684,249 for the nine months ended September 30, 2003. The major expense items for the nine months ended September 30, 2004 were professional fees of \$106,606, as compared to \$130,678 for the nine months ended September 30, 2003.

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PROVISION FOR INCOME TAXES. No tax provision was made for the three and nine months ended September 30, 2004.

#### FINANCIAL CONDITION AND LIQUIDITY

On September 30, 2004, our net working capital deficit was \$204,510 compared to a net working capital of \$154,841 at December 31, 2003. At September 30, 2004 the Company had bank indebtedness for \$42 and compared to December 31, 2003 the Company had cash and cash equivalents totaling \$209,517. We are in immediate need of further working capital and are considering options with respect to financing in the form of debt, equity or a combination thereof, and may also consider disposing of assets as a method through which to raise additional working capital.

Net cash used for operating activities for the nine months ended September 30, 2004 was \$305,239. The decrease in cash was mainly due to developing and marketing the Skill Poker system, legal fees relating to the URL dispute and general office operations.

Net cash used for investing activities for the nine months ended September 30, 2004 was \$350 for the acquisition of the computer and disposition of assets for the Skill Poker.

Net cash provided by financing activities for nine months ended September 30, 2004 was \$96,072. The increase resulted from stock options exercised and cash advance from related parties.

The Company's ability to continue as a going concern and fund operations through the remainder of 2004 and into 2005 is contingent upon its ability to produce cash flows from operations and to raise funds through equity or debt financing.

#### Item 3. Controls and Procedures.

i). We maintain disclosure controls and procedures that are designed to ensure that information we are required to disclose in our Securities Exchange Act of 1934 reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Within 91 days prior to the date of this report, our management carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based upon the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective in connection with the filing of this Quarterly Report on Form 10-QSB for the period ended September 30, 2004.

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ii). There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any significant deficiencies or material weaknesses of internal controls that would require corrective action.

#### PART II--OTHER INFORMATION

## Item 1. Legal Proceedings

On December 6, 2002, the domain www.poker.com was re-directed without our

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consent or knowledge by Ala Corp., a company registered under the laws of Antigua and whose principal is Liz Bryce of Vancouver, British Columbia, Canada. The domain was originally licensed from Ala Corp. to UniNet Technologies Inc. in 1999. UniNet immediately sub-licensed the domain to us. In turn, we sub-licensed the domain to Antico Holdings S.A. of Costa Rica for the operating casino and/or card rooms. We retained all other rights to the domain name including developing the web site as a portal, marketing casinos and card rooms and other gaming software.

Liz Bryce, through Ala Corp., owns 1,297,900 shares of our common stock or 4.98% of our issued and outstanding common stock. In addition, Ms. Bryce's parents collectively own 1,105,500 shares or 4.24% of our common stock. Ms. Bryce, together with her parents, owns directly and indirectly, a total of 2,403,400 shares or 9.23% of our common stock.

Although contemplated in the agreements between Ala Corp. and Uninet and between Uninet and us, Ala Corp. failed to provide Uninet or us with any notice that it was redirecting the domain. As such, we were unaware of any allegations of contractual breach and management is of the opinion that all obligations as set forth by the terms and conditions of the agreements have been fulfilled and we are not aware of any reason for this dispute.

We have agreed with Uninet to jointly pursue all legal avenues available to retain the exclusive right to use the www.poker.com and to enforce the

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provisions of the agreement between Ala Corp. and Uninet.

After the domain was redirected, Ala Corp. transferred the registered owner of the domain to Communications Services Inc., a company registered in Western Samoa and the registrar was changed from California based Verisign Inc. to Australia based Fabulous.com.

Together with Uninet, we applied to The Internet Corporation for Assigned Names and Numbers (ICANN), a governing body which oversees domain registration and use issues, for the purpose of obtaining a decision on the basis of the wrongful redirection of www.poker.com. ICANN, however, ruled on January 21, 2003 that

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since the domain is now registered in the name of Communication Services Inc., it could only decide on a dispute between Ala Corp., the previous registered owner of the domain and Communications Services Inc. Together with Uninet, we did not have any standing to apply for relief with ICANN since neither of us were ever the registered owner of the domain name.

On February 28, 2003, together with Uninet, we sued Communication Services Inc. in the Supreme Court of British Columbia, Canada for a declaration that as a successor and assignee of Ala Corp., Communications is a trustee of the domain name for the benefit of Uninet and us; an accounting for profits earned by Communication through the wrongful use of the domain name; a declaration that Ala and Communication are bound by the License Agreement between Ala and Uninet; a declaration that Uninet and us are entitled to the exclusive use of the domain name.

In addition, together with Uninet, we are presently proceeding to arbitration (in accordance with the terms and conditions of the agreement) with Ala Corp. in Vancouver, British Columbia, Canada to assert Uninet and our rights under the agreements. We are in the process with Ala Corp. at selecting a mutually acceptable arbitrator.

In the meantime, together with Uninet, we requested and the current registrar, Fabulous.com to impose a lock on the domain pending outcome of the Supreme Court action and the arbitration which means the domain cannot be transferred to either another owner or to another registrar.

As mentioned above, we sub-licensed the domain name to Antico Holdings SA of Costa Rica to use the domain for operating casinos and/or card rooms. Antico has notified us that it has ceased all payments of royalties payable to us pending resolution to the dispute over the right to use the domain. It is anticipated that Antico will allege that we are responsible for damages incurred by Antico as a result of the dispute. We intend to defend any claims and will appropriately claim similarly against Uninet Technologies Inc., Ala Corp. and Communications Services Inc.

Our focus to return the rightful use of the domain Poker.com remains and we are continuing with the process to select a mutually acceptable arbitrator panel. Our ability to continue the legal proceedings will largely depend on our financial condition with respect to working capital.

To the knowledge of management, no federal, state or local governmental agency is presently contemplating any proceedings against us. Other than as described above, no director, executive officer or affiliate thereof or owner of record or beneficially of more than five percent of our common stock is a party adverse to or has a material interest adverse to us in any proceeding.

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Item 2. Changes in Securities

None.

Item 3. Defaults upon Senior Securities

None.

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

None.

Item 5. Other Information.

Item 6. Exhibits and Reports on Form 8-K

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Exhibit Description

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- 2.1\* On November 11, 2004 we filed an 8K relating to an agreement dealing with the required funds for the legal expenses relating to the defense of the domain name dispute.
- 31.1 Certification pursuant to section 302 of the Sarbanes-Oxley act of 2002 for Mark Glusing, President and Acting Chief Financial Officer of the Company
- 32.1 Certification pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley act of 2002 for Mark Glusing, President and Acting Chief Financial Officer of the Company
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<FN>

\* Previously filed with the SEC.

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In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LegalPlay Entertainment Inc.

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(Registrant)

Date November 19, 2004 /s/ M. Glusing

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(Signature)\* President

Date

-----  
(Signature)\*

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\* Print the name and title of each signing officer under his signatures.  
Form 10-QSB

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SECTION 302 CERTIFICATION

I, Mark Glusing certify that:

1. I have reviewed this quarterly report on Form 10-QSB of LegalPlay Entertainment 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 report;
4. The registrants and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 91 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 registrants 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 registrants and I have indicated in this quarterly report whether there was 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: November 19, 2004

/s/Mark Glusing

President & Acting CFO

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

In connection with the quarterly report of LegalPlay Entertainment Inc. on form 10-Q for the period ended September 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark Glusing, President and Acting Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934;  
and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/Mark Glusing  
Mark Glusing  
President, Acting CFO, November 19, 2004