

**EQUIPMENT AND SYSTEMS ENGINEERING, INC.**

**ISSUER INFORMATION AND DISCLOSURE STATEMENT  
PURSUANT TO  
RULE 15c2-11(a)(5)**

January 19, 2005

All information contained in this Information and Disclosure Statement has been compiled to fulfill the disclosure requirements of 15c2-11(a)(5) promulgated by the Securities and Exchange Act of 1934, as amended. The enumerated items and captions herein correspond to the format as set forth in the Rule.

**Item 1. The exact name of the issuer and its predecessor (if any).**

Equipment and Systems Engineering, Inc.

**Item 2. The address of its principal executive offices.**

14260 S.W. 136th Street, Unit 4  
Miami, Florida 33186  
Telephone: 305-378-4101  
Facsimile: 305-378-4121  
[www.aquachlorese.com](http://www.aquachlorese.com)

Person responsible for issuer's investor relations:  
Jose Tomas Masis  
14260 S.W. 136th Street, Unit 4  
Miami, Florida 33186  
Telephone: 305-378-4101

**Item 3. The state of incorporation, if it is a corporation.**

The Issuer was organized under the corporate laws of the State of Florida as Equipment and Systems Engineering, Inc. on September 25, 1986.

**Item 4. The exact title and class of the security.**

Common Stock

CUSIP number: 29445M 10 3

Trading symbol: EQSE

**Item 5. The par or stated value of the security.**

\$0.001 par value per share

**Item 6. The number of shares or total amount of the securities outstanding as of the end of the issuer's most recent fiscal year.**

**A. As of the most recent fiscal year (12/31/04):**

Authorized shares of Common Stock: 300,000,000

Shares issued: 71,385,384

Shares in the public float: 15,385,384

Number of shareholders: 5

**B. As of the most recent fiscal quarter (4th Quarter of 2004):**

Authorized shares of Common Stock: 300,000,000

Shares issued: 71,385,384

Shares in the public float: 15,385,384

Number of shareholders: 5

**C. As of the date of this disclosure statement:**

Authorized shares of Common Stock: 300,000,000

Shares issued: 71,385,384

Shares in the public float: 15,385,384

Number of shareholders: 5

D. Offerings:

1. As of the most recent fiscal year (12-31-04): ✓

<u>Date</u>	<u>Common Shares Sold</u>	<u>Price Per Share</u>	<u>Amount of Offering</u>	<u>Exemption</u>
10/22/04	15,385,384	\$0.0649	\$998,511.42	Rule 504

2. As of the date of this disclosure statement:

<u>Date</u>	<u>Common Shares Sold</u>	<u>Price Per Share</u>	<u>Amount of Offering</u>	<u>Exemption</u>
10/22/04	15,385,384	\$0.0649	\$998,511.42	Rule 504

(See attached offering information ). The company issued 500 shares for services to its president, Jose Tomas Masis, in 1986. The company has issued shares for services in the past two-year period as follows:

<u>Date</u>	<u>Common Shares</u>	<u>Trading Status</u>	<u>Recipient(s)</u>	<u>Services Provided</u>
10/22/04	350,000	Free-Trading	Alma Financial Services of Texas, Inc.	Consulting
10/22/04	705,646	Free-Trading	INFE Ventures, Inc.	Consulting

**Item 7. The name and address of the transfer agent.**

Holladay Stock Transfer, Inc.  
2939 North 67th Place  
Scottsdale, Arizona 85251  
Telephone: 480-481-3940

Holladay Stock Transfer, Inc. is registered with the Securities and Exchange Commission, which is the appropriate regulatory authority of the transfer agent.

**Item 8. The nature of the issuer's business.**

A. Business Development.

1. The issuer is a corporation.
  2. The Issuer was organized under the corporate laws of the State of Florida as Equipment and Systems Engineering, Inc. on September 25, 1986.
  3. The issuer's fiscal year end date is December 31st.
  4. The issuer and/or any predecessor has not been in bankruptcy, receivership, or any similar proceeding.
  5. The issuer has not effectuated a reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.
  6. The issuer has not defaulted on any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments.
  7. The issuer has not effectuated a change of control.
  8. The issuer effectuated an increase in its authorized common stock on October 19, 2004.
  9. The issuer effectuated a 112,000-for-1 forward split of its common stock on October 22, 2004.
- Other than as referenced herein, there are no past, pending or anticipated stock splits, stock dividends, recapitalizations, mergers, acquisitions, spin-offs, or reorganizations.
10. The issuer securities have not been delisted by any securities exchange or NASDAQ.
  11. There are no current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations.

B. Business of Issuer.

1. Primary SIC Code: 8711

Secondary SIC Code: None

2. The issuer is currently conducting operations.

3. The issuer does not have a parent, subsidiary, or affiliate.

4. The issuer does not anticipate any adverse effect from existing or probable governmental regulations of its business.

5. The issuer has spent no monies during each of the last two fiscal years on research and development activities.

6. The issuer does not expect to incur any costs or effects resulting from compliance with federal, state, and local environmental laws.

7. Number of employees: 5

Number full-time employees: 5

C. Investment Policies.

1. *Investments in real estate or interests in real estate.*

None.

2. *Investments in real estate mortgages.*

None.

3. *Securities of or interests in persons primarily engaged in real estate activities.*

None.

**Item 9. The nature of products or services rendered. (See attached executive summary).**

**Item 10. The nature and extent of the issuer's facilities.**

The issuer occupies approximately 3,000 square feet of leased office space and 3,000 square feet of leased warehouse space at the rate of \$2,450.00 per month. The issuer believes that the space is in good condition and properly insured.

**Item 11. The name of the chief executive officer, members of the board of directors, as well as counsel, accountant and public relations consultant.**

a. Executive Officers

Jose Tomas Masis      President, CEO, Secretary, and  
Treasurer

b. Directors

Jose Tomas Masis

(See attached biography - business address in care of the issuer).

c. General Partners

Not applicable

d. Promoters

None.

e. Control Persons

Jose Tomas Masis

f. Outside securities counsel

David B. Stocker, Esq.

2425 East Camelback Road  
Suite 1075  
Phoenix, Arizona 85016  
Telephone: 602-852-5445  
E-mail: david.stocker@azbar.org

g. Accountant or auditor

Andres Triay, CPA, P.A.  
147 Alhambra  
Suite 200  
Coral Gables, Florida 33134

h. Public Relations Consultant

None.

i. Name of person who assisted with respect to this disclosure statement:

David B. Stocker, Esq.  
2425 East Camelback Road  
Suite 1075  
Phoenix, Arizona 85016  
Telephone: 602-852-5445  
E-mail: david.stocker@azbar.org

There are no other advisors or other persons that assisted, advised, prepared or provided information with respect to this disclosure documentation.

None of the foregoing persons have, in the last five years, been the subject of:

1. a conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
2. the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily

enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

3. a finding or judgment by a court of competent jurisdiction (in a civil action), the SEC, the CFTC, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or,

4. the entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

The ownership of anyone known to the Issuer to own beneficially more than five percent (5%) of the outstanding common shares, and the beneficial ownership of the officers and directors:

Jose Tomas Masis 56,000,000 shares

Alma Financial Services of Texas, Inc. 350,000  
a Texas corporation

Registered agent:  
Amy Duncan  
5919 Greenville Avenue  
Suite 140  
Dallas, TX 75206

Alma Financial Services of Texas, Inc. is controlled by Mark Shelley.

INFE Ventures, Inc. 705,646

Registered agent:  
The SPO Group  
2722 Routh Street  
Dallas, TX 75201

INFE Ventures, Inc. is controlled by Tom Richfield.

Dolphin Bay Capital, Inc. 7,164,869 shares



Registered agent:  
BBXSupport, Inc.  
5710 LBJ Freeway, Suite 215  
Dallas, TX 75240

Dolphin Bay Capital, Inc. is controlled by Carlos Pichardo.

Gold Coast Capital, Inc.	7,164,869 shares
Registered agent:	
The SPO Group, Inc.	
2722 Routh Street	
Dallas, TX 75201	

Gold Coast Capital, Inc. is controlled by Tom Richfield.

The issuer knows of no relationships among and between the issuer's officers, directors and shareholders.

The issuer knows of no relationships or affiliations among and between the shareholders and the issuer, its predecessors, its present and prior officers and directors, and other shareholders.

**Item 12. The Issuer's most recent balance sheet and profit and loss and retained earnings statement.**

Pursuant to the guidelines promulgated by the Pink Sheets, the issuer intends to comply with all interim reporting obligations, including without limitation, the posting of updated financial statements on a quarterly basis.

The financial statements attached as an exhibit are certified by the signing officer of the Company that they present fairly, in all material respects, the financial position, results of operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States, consistently applied.

**Item 13. Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.**

The financial statements attached as an exhibit are certified by the signing officer of the Company that they present fairly, in all material respects, the financial position, results of operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States, consistently applied.

**Item 16. Whether any quotation is being submitted or published directly or indirectly on behalf of the issuer, or any director, officer or any person, directly or indirectly the beneficial owner of more than 10 percent of the outstanding units or shares of any equity security of the issuer, or at the request of any promoter for the issuer, and if so, the name of such person, and the basis for any exemption under the federal securities laws for any sales of such securities on behalf of such person.**

None.

## INFORMATION AND DISCLOSURE STATEMENT

ALL INFORMATION FURNISHED HEREIN HAS BEEN PREPARED FROM THE BOOKS AND RECORDS OBTAINED FROM THE COMPANY IN ACCORDANCE WITH RULE 15c2-11(a)(5) PROMULGATED UNDER THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED, AND IS INTENDED ONLY AS INFORMATION TO BE USED BY SECURITIES BROKER-DEALERS.

~~NO DEALER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED HEREIN IN CONNECTION WITH THE COMPANY. ANY REPRESENTATIONS NOT CONTAINED HEREIN MUST NOT BE RELIED UPON AS HAVING BEEN MADE OR AUTHORIZED BY THE COMPANY.~~

The undersigned hereby certifies that the information herein is true and correct to the best of their knowledge and belief.

EQUIPMENT AND SYSTEMS  
ENGINEERING, INC.

By: 

Jose Tomas Masis  
President

COPIES OF THIS INFORMATION AND DISCLOSURE STATEMENT ARE AVAILABLE FROM THE ISSUER UPON REQUEST.

# Equipment & Systems Engineering, Inc.

## Company Profile

14260 S.W. 136<sup>th</sup> Street, Unit #4, Miami, FL 33186

Tel: (305)378-4101; Fax: (305)378-4121; [www.aquachlorese.com](http://www.aquachlorese.com)

**Company.** Miami-based Equipment & Systems Engineering, Inc. ("ESE") was founded in 1986 to provide packaging and process machinery as well as related consulting services to the petroleum industry in Latin America and the Caribbean. For many years, ESE also has been a distributor to companies that manufacture alternative fuels converters for automobiles, waste water treatment systems, and water sanitation systems based on onsite sodium hypochlorite generation. Today, the Company manufactures its own on-site Hypo Chlorite Generation System, under the brand name Aquachlor, to sanitize drinking water in the rural areas of developing nations. The company has seven products based on a unique technology that uses common table salt and either A/C or D/C electricity from its own solar panels to produce the sanitizing agent sodium hypochlorite. Requiring minimal training, its systems are easy to operate and maintain. ESE has an installed base of more than 1,000 units around the world, providing several hundred million liters of safe drinking water every day in 47 countries across North, Central, South America, Africa and Asia. Numerous multinational organizations and governments use or finance the Aquachlor line of products.

**Products and Services.** ESE has developed a unique family of high performance products for water supply treatment based on low-cost technology and low-cost operating requirements. The seven products in the company's *Aquachlor Business Unit* range from a small emergency/portable unit (AQ-Kit), which sanitizes 44,000 liters of water per day at 1 ppm (part per million) Cl<sub>2</sub>, to its largest unit (AC-200), which sanitizes 5,040,000 liters of water per day at 1 ppm Cl<sub>2</sub>. These systems are exceptionally economic and provide sustainable projects, with approximately \$3 per day, using just common salt and electricity, can sanitize water to more than 10,000 people. These high margin products, which have been time tested and accepted in the marketplace, are directed to the rural water supply market in developing nations. The company is also developing new high margin products for future introduction to the suburban regions of these countries. ESE's *Alternative Fuels Business Unit* is the exclusive reseller of alternative fuels carburetors made by US-based IMPCO and Italy-based OMVL in numerous countries in Latin America and the Caribbean; these carburetors convert gasoline driven engines to alternative gases such as natural gas (CNG) and propane (LPG). Targeting the petroleum industry and many navy installations in Latin America, the company's *Waste Water Treatment Business Unit* resells systems made by ENVIROVAC designed to convert waste water into safely disposable water.

**Markets.** The United Nations Millennium Summit in 2000 set the target of halving the number of people without access to an improved source of drinking water by 2015. This new international mandate provides ESE with an unprecedented opportunity to expand its market presence by focusing marketing efforts primarily in the world's rural areas, for which the company offers the easiest-to-implement and lowest-cost sanitation alternative. The world's rural population of 926 million without access to improved sources of drinking water represents a potential market for Aquachlor of more than 100,000 units or more than \$300 million per year. Aquachlor's penetration in rural areas is expected to continue to grow in the coming years. The market for Alternative Fuels and Treatment of Waste Water are small for the Company's targeted countries, at under \$5 million per year. However, the Company enjoys high market shares (over 25 percent) for these divisions in the countries where it actively participates.

**Management.** José T. Masís is President of ESE. Mr. Masís has over 30 years of executive experience in the petroleum industry, water sanitation industry, alternative fuels industry, and waste

# **Equipment & Systems Engineering, Inc.**

## **Company Profile**

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water treatment industry. Mr. Masís started his career in 1968 at Chevron Latin America, as an operations supervisor in Nicaragua, rising through the ranks and becoming General Manager of the Nicaragua Division and eventually Vice President for Central America ten years later. Mr. Masís later moved to Chevron's headquarters in San Francisco, where he held engineering, planning and analysis positions at various departments of Chevron USA. Mr. Masís left Chevron in 1986 to start Equipment & Systems Engineering, Inc, where he has had 18 successful years at the Company. Mr. Masís holds a B.S. Civil Engineering, Central America Catholic University, Managua, Nicaragua High Management, INCAE (Harvard Branch), 1968.

**DAVID B. STOCKER, LTD.**  
Attorney at Law  
Suite 1075 Camelback Esplanade  
2425 East Camelback Road  
Phoenix Arizona 85016  
Telephone: 602-852-5445  
Facsimile: 602-852-5446  
E-mail: david.stocker@azbar.org

November 4, 2004

Board of Directors  
Equipment and Systems Engineering, Inc.

**Re: Application of SEC Rule 504 to the Sale of 15,385,384 Shares of  
Common Stock of Equipment and Systems Engineering, Inc.**

To Whom It May Concern:

The undersigned is corporate securities counsel for Equipment and Systems Engineering, Inc. (the "Company"), which has requested that I provide a legal opinion with respect to the Company's proposed sale and issuance of 15,385,384 shares of common stock (the "Shares"), to persons residing and/or domiciled in the State of Texas (the "Purchasers") in an offering exempt from registration under the Securities Act of 1933 (the "Securities Act") pursuant to Rule 504 of Regulation D promulgated thereunder, Sections 5.1, 5.T and 7 of the Texas Securities Act, Rules 139.16 and 139.19 of the Texas Administrative Code, and the Regulations promulgated thereunder.

In connection with this opinion, I have reviewed applicable federal and state laws, rules, and regulations and have made such investigations and examined such documents and materials related to the Company and the purchasers as I have deemed necessary and appropriate under the circumstances, including, but not limited to, the following:

1. SEC Regulation D, especially Rules 501, 502, 503, and 504 thereunder.
2. Sections 5.1, 5.T and 7 of the Texas Securities Act (the "Texas Act") and Rules 139.16 and 139.19 of the Texas Administrative Code promulgated under Section 5.T.
3. Various corporate books and records, including a resolution of the Company's Board of directors related to the authorization and issuance of the Shares.

4. A certificate of the Company's president stating that the Company;
  - (a) is not a reporting company under the 1934 Securities Exchange Act;
  - (b) is an operating company with a specific business plan; and
  - (c) has not sold securities pursuant to exemption under Rule 504 within the past twelve (12) calendar months in an aggregate dollar amount that would preclude the contemplated sales of the Shares under that rule.
  
5. The form of the Subscription Agreement to be executed by the Company and the respective Purchasers, including various representations of the parties therein.

#### **The Law**

*Rule 504 Exemption.* Section 5 of the Securities Act requires with certain exceptions, that all securities involved in an original distribution by the issuer must be registered. Regulation D promulgated under Section 3(b) of the Securities Act provides several means by which an issuer which is not subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act and is neither an investment company nor a blank check company, may make an offer and sale of securities without registration upon satisfaction of certain requirements.

Specifically, Rule 504 of Regulation D provides an exemption from registration for eligible issuers who make a limited offer and sale of securities not exceeding an aggregate amount to \$1 million in any twelve (12) month period. Rule 504 was amended effective April 7, 1997 to provide that in a Rule 504 offering made in compliance with one or more exemptions from registration in states which permit general solicitation and general advertising where sales are made only to "accredited investors" as defined in Rule 501(a) of Regulation D, there will be no restriction on the resale of the securities sold in the offering.

*Texas Law.* In accordance with Rule 139.19 of the Texas Administrative Code which was promulgated under Section 5.T of the Texas Securities Act, the Texas State Securities Board has specifically exempted from the registration requirement of Section 7, the offer and sale of any securities made to an "accredited investor," provided that the issuer reasonably believes that all purchasers are purchasing for investment and not with the view to or for sale in connection with a distribution of the security. Any resale of a security sold in reliance on this exemption within 12 months of sale shall be presumed to be with a

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a view to distribution and not for investment, except a resale pursuant to a registration statement effective under the Texas Securities Act, Section 7, or to an accredited investor pursuant to an exemption available under the Texas Securities Act or Board rules.

In accordance with Rule 139.16 of the Texas Administrative Code which was promulgated under Section 5.T of the Texas Securities Act, the Texas State Securities Board has specifically exempted from the registration requirement of Section 7, the offer and sale of any securities made to an "individual accredited investor," or to any purchaser who the issuer has reasonable grounds to believe, and after making reasonable inquiry shall believe, to be an individual accredited investor, provided that such security is not part of the same distribution or offering as securities of the same issuer which have been registered or are proposed to be registered by pending application under Section 7 of the Texas Securities Act.

#### **Legal Opinion**

Regulation D Rule 504 requires a filing within 15 days of the date of the initial offering. However there is no penalty for a late filing.

The Company is not a reporting company under the 1934 Securities Exchange Act and intends to make an offering to a limited number of "accredited investors," as defined in Regulation D, Rule 501 (a), who reside or are domiciled in Texas and who purchase for investment in accounts which, if aggregated with all securities purchase in the offering and with any securities sold under Section 3(b) of the Securities Act and/or in violation of Section 5(a) of the Securities Act during the preceding 12 months, will not exceed \$1,000,000.

It is my opinion that there will be no restriction on resale of the securities sold in the offering as proposed if the purchasers do, in fact, qualify as "accredited investors." I have made no independent attempt to verify the facts provided to me and set forth herein and this opinion is limited to and conditioned on, the fact as stated herein.

I have relied on the issuer's assurances that it has made a reasonable inquiry to determine that the purchasers have a legitimate investment intent in purchasing the securities. I provide no opinion as to whether the purchasers are "underwriters" as that term is defined in Section 2(11) of the Securities Act of 1933, or whether they may sell these securities in reliance on the exemption provided in Section 4(1) of the Act.



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Please note that we are not licensed to practice law in the State of Texas.

This opinion is solely for the use of the Company and may not be published or provided to any person or entity other than the Company's transfer agent, without written permission from the undersigned. Please call me if you have any questions.

Very truly yours,



David B. Stocker