MERIDIAN HOLDINGS INC
Form 10QSB
November 14, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM 10-QSB

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

For the Quarterly Period Ended September 30, 2003

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

For the Transition Period From ____________ to ____________

COMMISSION FILE NUMBER: 0-30018

MERIDIAN HOLDINGS,INC.

(Exact Name of Registrant as Specified in its Charter)

COLORADO	52-2133742
(State of Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

900 WILSHIRE BOULEVARD, SUITE 500, LOS ANGELES, CALIFORNIA 90017

(Address of Principal Executive Offices)

(213) 627-8878

(Registrant's telephone number, including area code)

N/A

(Former name, former address and formal 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) of the Securities Exchange Act of 1934 during the preceding 12 months and, (2) has been subject to such filing requirements for the past 90 days. Yes (X) No (   )

As of September 30, 2002, Meridian Holdings, Inc., Registrant had 9,370,649 shares of its $0.001 par value common stock outstanding.

MERIDIAN HOLDINGS, INC.

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MERIDIAN HOLDINGS, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

ASSETS	As of Sept. 30, 2003	2002
Current assets		
Cash and cash equivalents	$ 8,838	$ 2,071
Restricted Cash (Note 1)	410,973	623,286
Accounts receivable, net of allowance for doubtful accounts of ($179,812)	1,348,643	1,099,909
Other current assets	81,176	53,140
Total current assets	1,849,630	1,778,406
Fixed assets, net of accumulated depreciation	45,133	380,122
Pre-paids	-	4,541
Investments	3,448,564	3,915,003
Total assets	$ 5,343,327	$ 6,078,072
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 296,879	$ 180,388
Accrued payroll and other	-	144,000
Reserve for incurred but not reported claims	216,553	366,258
Accrued interest	-	45,716
Line of credit	98,002	65,063
Current portion of long-term debt	-	96,375
Total current liabilities	611,434	897,800
Long Term liabilities		
Loan from majority stockholder/officer	-	266,380
Long-term debt, net of current portion	173,638	297,625
Total liabilities	785,072	1,461,805
Commitments and contingencies		
Stockholders' equity		

Preferred stock (20,000,000 shares authorized, par value $0.001; no shares issued and outstanding)	-	-
Common stock (100,000,000 shares authorized, par value $0.001; 9,370,649 shares issued and outstanding as at September 30, 2003 and 9,370,649 as at September 30, 2002	9,370	9,370
Additional paid-in capital	5,031,475	4,947,424
Accumulated deficit	(482,590)	(340,527)
Total stockholders' equity	4,558,255	4,616,267
Total liabilities and stockholders' equity	$ 5,343,327	$ 6,078,072

See accompanying notes to Condensed consolidated financial statements

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MERIDIAN HOLDINGS, INC.
Condensed Consolidated Statements of Operations
(UNAUDITED)

	Three Months Ended Sept 30, 2003	Three Months Ended Sept 30, 2002	Nine Months Ended Sept 30, 2003	Nine Months Ended Sept 30, 2002
Revenues				
HMO Capitation Revenue	$ 444,006	$ 492,033	$ 1,399,039	$ 1,323,347
Risk Pool Revenue (Note7)	185,337	264,612	572,696	565,384
Fee For Service	1,808	9,131	2,910	25,327
	631,151	765,776	1,974,645	1,914,058
General Operating expenses				
Cost of Provider Services	197,746	156,668	698,538	441,360
General and Administrative	364,607	574,644	1,092,615	1,424,444
Income/loss from operations	68,798	34,464	183,492	48,254
Other income and expense				
Equity interest in earnings (loss) of investment	-	99	-	111,312
Other net	4,066	8,209	68,992	(31,289)
Net Other	4,066	8,308	68,992	80,023
Net income/loss before Extraordinary items.	64,732	26,156	114,500	128,277
Net income after Extraordinary items	$ 64,732	26,156	$ 114,500	$ 128,277
Net income/loss per share: Basic and diluted - Net Income(loss)	$ 0.007	0.0003	$ 0.012	$ 0.014
Weighted average				

shares outstanding	9,370,649	9,370,649	9,370,649	9,370,649

See accompanying notes to Condensed consolidated financial statements

MERIDIAN HOLDINGS, INC.
Condensed Consolidated Statements of Cash Flows
(UNAUDITED)

	Nine Months Ended Sept 30, 2003	2002
Cash flows from operating activities		
Net income	$ 114,499	$ 128,276
Adjustments to reconcile net Loss to net cash used in operating activities:		
Loss on abandonment of software	-	-
Gain on forgiveness of debt	-	-
Depreciation and amortization	11,353	26,182
Equity interest in earnings of investments	-	-
(Increase) decrease in:		
Restricted cash	(9,981)	(292,054)
Accounts receivable	(245,155)	385,621
Other current assets	(20,390)	(39,799)
Accounts payable	71,844	(22,362)
Accrued payroll and other	(606,650)	(139,475)
Incurred but not reported reserve	(49,405)	222,233
Accrued interest	(49,172)	45,716
Net cash used in operating activities	(781,057)	314,388
Cash flow from investing activities		
Acquisition of fixed assets	(10,792)	(368,434)
Disposition of Fixed Asset	315,002	-
Investment in Intercare	298,931	(111,312)
Investments in CGI	163,715	-
Net cash used in investing activities	766,856	(479,746)

Cash flow from financing activities

Borrowings from majority stockholder/officer		266,380
Borrowings on long-term debt	-	-
Repayment of debt	-	(124,905)
Borrowings on line of credit	-	18,785
Net cash (used in) provided by financing activities	-	160,260
(Decrease) increase in cash and cash equivalents	(14,201)	(5,148)
Cash and cash equivalents, beginning of period	23,040	7,219
Cash and cash equivalents, end of period	$ 8,838	$ 2,071

See accompanying notes to Condensed consolidated financial statements

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MERIDIAN HOLDINGS, INC.

Notes to Condensed Consolidated Financial Statements

1. General

Basis of Reporting

The interim accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-QSB. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal, recurring accruals) considered necessary for a fair presentation have been included. For further information, management suggests that the reader refer to the audited financial statements for the year ended December 31, 2002 included in its Annual Report on Form 10-KSB. Operating results for the nine-month period ended Septmber 30, 2003 are not necessarily indicative of the results of operations that may be expected for the year ending December 31, 2003.

The interim accompanying unaudited condensed consolidated financial statements include the operations of the Company and its majority-owned subsidiary Corsys Group Limited.

Cash And Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. From time to time, the Company maintains cash balances with financial institutions in excess of federally insured limits.

Nature of Operations

Meridian Holdings, Inc. (the "Company") was incorporated under the laws of the

State of Colorado on October 13, 1998. The Company is located in the City of Los Angeles, California, U.S.A. and contracts with physicians to provide health care services primarily within the area of Los Angeles County.

The Company is an acquisition-oriented holding company focused on building, operating, and managing a portfolio of business-to-business companies. It seeks to acquire majority or controlling interests in companies engaged in e-commerce, e-communication, and e-business services, which will allow the holding company to actively participate in management, operations, and finances. The Company's network of affiliated companies is designed to encourage maximum leverage of information technology, operational excellence, industry expertise, and synergistic business opportunity.

2. Investments

InterCare

On September 18, 1999, the Company acquired 51% of all the outstanding Common Stock of InterCare in exchange for services and assumption of certain debts of InterCare. During fiscal year 2000, additional stock issued by InterCare combined with a dividend distribution by the Company of InterCare stock resulted in a net decrease in the Company's ownership percentage to 32% as at December 31, 2000. A dividend of approximately $160,800 was recorded reflecting the relative net book value of the Company's investment in InterCare that was distributed to Meridian Holdings, Inc., shareholders as at that time.

On April 10, 2003, the board of directors of the registrant approved the transfer of certain assets of the registrant to Meridian Medical Group, P.C, an affiliated entity, valued at $675,022, in exchange for forgiveness of $714,833 debt owed by the registrant. As a result of the above incident, the registrant completely divested itself from InterCare DX, Inc.

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CGI

On December 10, 1999, the Company agreed to acquire a 20% equity interest in CGI for common stock. On December 20, 1999, the board of directors authorized the issuance of 4,000,000 pre-split (adjusted to 12,000,000 post-split) shares of common stock in consideration for the 20% of the interest in CGI. At the date of the transaction, the Company's shares opened at a price of $3 per share. Between September 1, 1999 and the acquisition date, the Company's stock sold within a range of $.25 to $3.25 per share (an average of $.97 per share). Because of the limited trading history of the Company, the six-month average was deemed to be a fair valuation of the transaction, resulting in a total investment balance of $3,880,000 as of December 31, 2000 and 1999. The shareholders of CGI were also issued warrants to purchase an additional 1,000,000 pre-split (adjusted to 3,000,000 post-split) shares of common stock at $2 pre-split share (or approximately $0.67 on a post-split basis) over a five-year period as a hedge against any fluctuation of the share price of the common stock in the immediate future. These warrants will expire on December 30, 2004, and none have been exercised as of September 30 , 2003.

3. Fixed Assets

Fixed assets consist of the following:

	As of Sept 30, 2003	December 31,2002
Computer equipment	$ 99,934	$ 87,574
Leasehold improvements	6,500	6,500

Office furniture, fixtures and equipment	61,915	61,915
Software	25,803	25,803
Medical equipment	6,654	6,654
ICE software source code	-	350,000
	200,806	538,446
Less accumulated depreciation	(155,673)	(158,324)
	$ 45,133	$ 380,122

4. Line of Credit

The Company has a $50,000 line of credit with a financial institution. Related advances bear interest at 6.5%, and interest is payable monthly. The line of credit expires March 21, 2004.

5. Long-term Debt

The Company has various loans with financial institutions and majority shareholder, with interest rates ranging from 4% to 15% and maturity dates ranging from 2015 to 2024.

6. Risk Pool Agreement

The Company is a party to a Risk Pool Agreement (the "Agreement") with Tenet HealthSystem Hospitals, Inc. ("Tenet"). Pursuant to the Agreement, 50% of the monthly capitation revenue is received directly by the Company, and the remaining 50% is deposited into an escrow account from which Cap-Management Systems, Inc., a subsidiary of Tenet pays all facility related claims expenses, reinsurance expenses, make allowance for IBNR reserve, and retains a management fee, the Company is responsible for 50% of Profit (loss) after all institutional claims reinsurance and management fees are paid, and Incurred But Not Reported ("IBNR") reserve have been accounted for.

These revenues and expenses have been reflected in the accompanying

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consolidated statements of operations for the for the quarters ended September 30, 2003 and 2002.

The Company has also reflected the monies in the escrow account as of September 30, 2003 and September 30, 2002 as restricted cash in the accompanying consolidated balance sheets. Additionally, Cap-Management Systems, Inc., provides the Company with an estimate as to the incurred but not reported reserve, which has been recorded as such in the accompanying consolidated balance sheets.

Other Events

On Septemebr 19, 2003, the company announced that it has negotiated on behalf of Capnet IPA physician network a capitated risk contract with one of the federally qualified HMO located in Los Angeles County, operating within Southern California. This contract will be effective September 1, 2003. The registrant believes that this new contract will increase it's revenue significantly.

Subsequent Events

On October 10, 2003, the registrant was informed that the Tenet HealthSystems Hospitals contract with the County of Los Angeles Community Health Plan, was renewed for another successive contract period.

MERIDIAN HOLDINGS, INC.

THE COMPANY

Meridian Holdings, Inc. (the "Company") was incorporated under the laws of the State of Colorado on October 13, 1998. The Company is located in the City of Los Angeles, California, U.S.A. and contracts with physicians to provide health care services primarily within the area of Los Angeles County.

The Company is an acquisition-oriented holding company focused on building, operating, and managing a portfolio of business-to-business companies. It seeks to acquire majority or controlling interests in companies engaged in e-commerce, e-communication, and e-business services, which will allow the holding company to actively participate in management, operations, and finances. The Company's network of affiliated companies is designed to encourage maximum leverage of information technology, operational excellence, industry expertise, and synergistic business opportunity.

The Company also provides medical services management to its' Capnet IPA health care provider network. We provide the following services:

- disease management -- a method to manage the costs and care of high risk patients and produce better patient care

- quality management -- a review of overall patient care measured against best medical practice patterns

- utilization management -- a daily review of statistical data created by encounters, referrals, hospital, admissions and nursing home information

- claims adjudication and payment

Under our model, the primary care physicians maintain their independence but are aligned with a professional staff to assist in providing cost effective medicine. Each primary care physician provides direct patient services as a primary care doctor including referrals to specialists, hospital admissions and referrals to diagnostic services. These physicians are compensated on a per member per month capitation basis.

We believe our expertise allows us to provide a service and manage the risk that health insurance companies cannot provide on an efficient and economic level. Health insurance companies are typically structured as marketing entities to sell their products on a broad scale. Due to mounting pressures from the industry, managed care organizations have altered their strategy, returning to the traditional model of selling insurance and transferring the risk to a provider service network such as us. Under such arrangements, managed care organizations receive premiums from the Healthcare Financing Administration (HCFA), state Medicaid programs and other commercial groups and pass a significant percentage of the premium on to a third party such as us, to provide covered benefits to patients, including sometimes pharmacy and other enhanced services. After all medical expenses are paid, any surplus or deficit remains with the provider service network. When managed properly, accepting this risk can create significant surpluses.

SELECTED FINANCIAL DATA

The Company had net working capital of $ 1,238,296 as at September 30, 2003 compared to $ 880,606 at September 30, 2002. This represents an increase in working capital of 41%. This increase in working capital is due to decrease in current liabilities during the reporting period.

The selected financial data set forth above should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and notes thereto.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS:

The following section contains forward-looking statements that involve risks and uncertainties, including those referring to the period of time the Company's existing capital resources will meet the Company's future capital needs, the Company's future operating results, the market acceptance of the services of the Company, the Company's efforts to develop new products and services, and the Company's planned investment in the marketing of its current services and research and development with regard to future endeavors. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including: domestic and global economic patterns and trends.

LIQUIDITY AND CAPITAL RESOURCES OF THE COMPANY.

We believe that we will be able to fund our capital commitments, operating cash requirements and satisfy our obligations as they become due from a combination of cash on hand, restricted cash as they become available, and expected operating cash flow improvements through HMO premium increases as well as royalities from software licensing.

However, there can be no assurances that these sources of funds will be sufficient to fund our operations and satisfy our obligations as they become due.

Long-term cash requirements, other than normal operating expenses, are anticipated for the continued development of the Company's business plans. The Company will need to raise additional funds from investors in order to complete these business plans.

If we need additional capital to fund our operations, there can be no assurance that such additional capital can be obtained or, if obtained, that it will be on terms acceptable to us. The incurring or assumption of additional indebtedness could result in the issuance of additional equity and/or debt which could have a dilutive effect on current shareholders and a significant effect on our operations.

RESULTS OF OPERATIONS

THE FINANCIAL RESULTS DISCUSSED BELOW RELATE TO THE OPERATION OF MERIDIAN HOLDINGS FOR THE THREE MONTHS ENDED AND NINE MONTHS ENDED SEPTEMBER 30, 2003 AS COMPARED TO THE THREE MONTHS ENDED AND NINE MONTHS ENDED SEPTEMBER 30, 2002.

REVENUE

Medical services (Capitation) revenues decreased by 10% from $492,033 for the three months ended September 30, 2002 to $ 444,006 for the three months ended September 30, 2003, and increased by 6% from $1,323,347 for the nine months ended September 30, 2002 to $1,399,039 for the nine months ended September 30, 2003. The decrease in revenue for the three months ended September 2003 is due to decreased membership enrolment in the Capnet IPA physician network. The increase during the nine months ended September 2003 is due to increased overall membership enrollment in the Capnet IPA physician network. Risk pool revenue for the three months ended September 30, 2003 was $185,337, a decrease of 30% compared to $264,612 for the same period in 2002. For the nine months ended September 30, 2003, risk pool revenue was $572,696, an increase of 1 % compared to $ 565,384 for the nine month ended September 30, 2002. The decrease in risk pool revenue for the three months ended September 2003 was due to decrease in membership enrolment, with concomitant increase in claims expense.

We provided managed care services for approximately 75,000 and 55,000 member months (members per month multiplied by the months for which services were available) during the nine months ended September 30, 2003 and 2002,

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respectively.

Revenue generated by our managed care entities under our contracts with HMOs as a percentage of medical services revenue was approximately 100% during the nine months ended September 30, 2003 and 2002 respectively. Revenue generated by the Los Angeles County Community Health Plan ("CHP") contracts was 99% of medical services revenue for the nine months ended September 30, 2003 and 2002, respectively. Revenue generated by LACARE Health Plan ("LACARE") contract was approximately 1% of medical services revenue for the three and nine months ended September 30, 2003 and 2002, respectively.

EXPENSES

Of the $364,607 General Operating expenses for the three months ended September 30, 2003, $197,746 was paid for the cost of provider services, which consist of capitation payments to our contracted primary care providers or 45% of medical services revenue after giving account to IBNR reserves, compared to $156,668 or 32% of medical services revenue for the three month period ended September 30, 2002.

General and administrative expenses were $ 364,607 or 58 % of total revenues and $574,644 or 75% of total revenues, for the three months ended September 30, 2003 and September 30, 2002 respectively and $1,092,615 or 55% of total revenues compared to $1,424,444 or 74% of total revenues for the nine months ended September 30, 2003 and 2002 respectively. Medical claims expenses, for the nine month period ended September 30, 2003 were $482,314 or 24% of medical services revenue, compared to $488,582 or 25.5% of medical services revenue for the nine month period ended September 30, 2002.

Medical claims represent the costs of medical services provided by other healthcare providers other than our contracted primary care providers, but which are to be paid by us for individuals covered by our capitated risk contracts with HMOs. Our Medical claim loss ratio for nine months ended September 30, 2003 is 89% of total revenue as compared to 66% for comparable period in 2002. Our Medical Claim Loss Ratio varies from quarter to quarter due to fluctuations in utilization, the timing of claims paid by the HMOs on our behalf, as well as increases in medical costs without counter balancing increases in capitation revenues.

For the three months ended September 30, 2003, payroll and employee benefits for administrative personnel was $147,131 or 23% of total revenues, compared to $111,913 or 15% of revenue for comparable period in 2002, respectively. Payroll and employee benefits for administrative personnel was $375,320 for the nine months ended September 30, 2003, or 19% of total revenues, compared to $349,995 or 18% of revenue for comparable period in 2002. The increase in employee payroll expenses was due to hiring additional support staff

INCOME/LOSS FROM OPERATIONS

The registrant recorded a profit from operations for the three months ended September 30, 2003 of $68,798, or 11% of total revenues, compared to a profit of $34,464, or 4.5% of total revenues, for the three months ended September 30, 2002.

During the nine months ended September 30, 2003, the registrant recorded a profit from operations of $183,492, or 9% of total revenues compared to a profit from operations of $48,254 or 2.5% of total revenues for the nine months ended September 30, 2002. The increase in net profit from operations are due to the decrease in operating expenses, decrease in cost of medical claims paid and outside consultants fees.

CERTAIN FACTORS AFFECTING FUTURE OPERATING RESULTS

This Form 10-QSB contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the

Securities Exchange Act of 1934. When used in this Form 10-Q, the words "believe," "anticipate," "think," "intend," "plan," "will be," and similar expressions, identify such forward-looking statements. Such statements regarding future events and/or the future financial performance of our Company are subject to certain risks and uncertainties, which could cause actual events or our actual future results to differ materially from any forward-looking statement. Certain factors that might cause such a difference are set forth in our Form 10-K for the period ended December 31, 2002, including the following: our success or failure in implementing our current business and operational strategies; the availability, terms and access to capital and customary trade credit; general economic and business conditions; competition; changes in our business strategy; availability, location and terms of new business development; availability and terms of necessary or desirable financing or refinancing; labor relations; the outcome of pending or yet-to-be instituted legal proceedings; and labor and employee benefit costs.

Medical claims payable include estimates of medical claims expenses incurred by our members but not yet reported to us. These estimates are based on a number of factors, including our prior claims experience and pre-authorizations of treatment. Adjustments, if necessary, are made to medical claims expenses in the period the actual claims costs are ultimately determined. We cannot assure that actual medical claims costs in future periods will not exceed our estimates. If these costs exceed our estimates, our profitability in future periods will be adversely affected.

Pursuant to the Medicaid program, the federal government supplements funds provided by the various states for medical assistance to the medically indigent. Payment for such medical and health services is made to providers in an amount determined in accordance with procedures and standards established by state law under federal guidelines. Significant changes have been and may continue to be made in the Medicaid program which could have an adverse effect on our financial condition, results of operations and cash flows.

During certain fiscal years, the amounts appropriated by state legislatures for payment of Medicaid claims have not been sufficient to reimburse providers for services rendered to Medicaid patients. Failure of a state to pay Medicaid claims on a timely basis may have an adverse effect on our cash flow, results of operations and financial condition.

PLAN OF OPERATIONS

On September 16, 2002, the Company announced the release of version 3.0 of its' flagship software application known as ICE(tm), a scalable healthcare software solution that integrates every aspect of the healthcare enterprise, designed for information tracking, error reduction, patient safety.

ICE 's extensive, scalable system flexibility allows its adaptation to clinical workflow, operating independently in centralized and decentralized facilities. The program features intuitive order entry, "tapering" orders, a clinical knowledge base, digital video enhanced patient education module, real-time electro-physiological data capture and display, voice command, voice recognition, digital dictation module and numerous other capabilities to complement and document the diagnostic and treatment processes, including unlimited free-text notes.

ICE provides practical business solutions unique to current health care environments, where error reduction, medical necessity checking, HIPAA compliance and revenue loss reduction are essential. The software meets HL-7 standards, operating as a stand-alone system or integrated with other Legacy or third-party healthcare applications.

Microsoft OCX, GRID, SQL Server and PUSH technologies are provided on ICE , and the system provides real-time information to physicians and other healthcare providers on a need-to-know basis. Maximized information displays increase workflow efficiency by minimizing mouse clicks and screen changes.

ICE is available for both inpatient and outpatient clinical documentations, thus enabling healthcare providers to create a life-time longitudinal multimedia patient clinical record.

InterCare.com-Dx Inc. an affiliate of the Company has now embarked on aggressive marketing and sales efforts in other to introduce the application into the highly competitive healthcare market. As of this writing, no sales prospects have been closed, however, this event represents a significant milestone in the Company's overall business plan. The Company anticipates a significant revenue increase in future from software licensing royalties.

RECENT EVENTS

On September 19, 2003, the company announced that it has negotiated on behalf of Capnet IPA physician network a capitated risk contract with one of the federally qualified HMO located in Los Angeles County, operating within Southern California. This contract will be effective September 1, 2003. The registrant believes that this new contract will increase it's revenue significantly.

On October 10, 2003, the registrant was informed that the Tenet HealthSystems Hospitals contract with the County of Los Angeles Community Health Plan, was renewed for another successive contract period.

On November 5, 2003, the board of directors approved the appointment of Mr. Michael S. Muldavin, as a new member of the Board of Directors of the registrant, following the acceptance of the resignation of Mr. Scott Wellman, Esq., as a member of the board of directors.

PART II - OTHER INFORMATION

LEGAL PROCEEDINGS

As of this writing the Company is involved in various litigations stemming from its' purchase of the assets of Sirius Computerized Technologies of Israel and these litigations are in various stages of the legal process. (Please see form 10qsb of Second Quarter of 2003 filed with SEC at www.sec.gov)

From time to time, we may be engaged in litigation in the ordinary course of our business or in respect of which we are insured or the cumulative effect of which litigation our management does not believe may reasonably be expected to be materially adverse. With respect to existing claims or litigation, our management does not believe that they will have a material adverse effect on our consolidated financial condition, results of operations, or future cash flows.

ADDITIONAL INFORMATION

Item 6. Exhibits and Reports on Form 8-K

31.1 Certification pursuant to Section 302 of The Sarbanes-Oxley Act of 2002 of Anthony C. Dike

31.2 Certification pursuant to Section 302 of The Sarbanes-Oxley Act of 2002 of Foday Sorsor Conteh

32.1 Certification pursuant to Section 906 of The Sarbanes-Oxley Act of 2002 of Anthony C. Dike and Foday Sorsor Conteh

SIGNATURE

Pursuant to the requirements of Section 12 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: November 13, 2003 By: /s/ Anthony C. Dike

Anthony C. Dike
Chief Executive officer
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EXHIBIT 31.1

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Anthony C. Dike, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Meridian Holdings, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure 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 and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

c) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

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 information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: Novemebr 13, 2003

By:_/s/ Anthony C. Dike
Anthony C. Dike
Chairman and CEO (Principal Executive Officer)

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EXHIBIT 31.2

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Foday Sorsor Conteh, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Meridian Holdings, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure 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 and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

c) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

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 information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: Novemebr 13, 2003

By:_/s/ Foday Sorsor Conteh
Foday Sorsor Conteh
Vice President Finance

Exhibit 32.1

CERTIFICATION PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Meridian Holdings, Inc. (the "Company") on Form 10-QSB for the period ending June 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Anthony C. Dike, the Chief Executive Officer, and Mr. Foday Sorsor Conteh, Vice President Finance, 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.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Meridian Holdings, Inc., and will be retained by Meridian Holdings, Inc., and furnished to the Securities and Exchange Commission or its staff upon request.

DATE: November 13, 2003

By: /s/ Anthony C. Dike

Anthony C. Dike
Chairman and CEO

By: /s/ Foday Sorsor Conteh

Foday Sorsor Conteh
Vice President Finance