FORM 10Q/A

Securities and Exchange Commission
Washington, D.C. 20549

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

For the quarterly period ended July 1, 2000

OR

[ ] 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 000-24477

TITAN MOTORCYCLE COMPANY OF AMERICA
(Exact name of registrant as specified in its charter)

Nevada	86-0776876
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2222 West Peoria Avenue, Phoenix, Arizona	85029
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (602) 861-6977

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

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

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Number of shares of common stock, par value $.001,
outstanding as of July 1, 2000: 18,044,665

TITAN MOTORCYCLE CO. OF AMERICA

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

TITAN MOTORCYCLE CO. OF AMERICA
Consolidated Balance Sheets
(Unaudited)

	JULY 1, 2000	JANUARY 1, 2000
ASSETS	(UNAUDITED)	
Current assets:		
Cash	$ 163,822	$ 33,700
Accounts receivable, net	1,977,203	1,228,311
Accounts receivable - related party	425,000	999,252
Inventories, net	14,606,893	17,451,996
Prepaid expenses	256,653	351,483
TOTAL CURRENT ASSETS	17,429,571	20,064,742
Property and equipment, net	1,823,035	2,013,905
Other assets	17,317	17,317
Trademarks	84,516	85,481
TOTAL ASSETS	$19,354,439	$22,181,445
LIABILITIES, REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Bank Overdraft	$ --	$ 305,538
Accounts payable	3,930,753	3,891,287
Accrued expenses	1,368,426	2,158,985
Note Payable - Line of Credit	6,028,228	9,779,731
Repurchase obligation	1,262,092	--
Current portion of notes payable	941,782	627,825
TOTAL CURRENT LIABILITIES	13,531,281	16,763,366
Notes payable	2,583,212	2,647,169
Total liabilities	16,114,493	19,410,535
Redeemable Preferred Stock		
Cumulative preferred stock, 7,273 share outstanding	5,608,836	3,536,739
Stockholders' deficit		
Common stock, par value $.001; 100,000,000 shares authorized	18,005	17,162
Additional paid in capital	10,735,424	9,098,252
Unearned compensation	(27,843)	(31,475)
Accumulated deficit	(13,094,476)	(9,849,768)
TOTAL STOCKHOLDERS' DEFICIT	(2,368,890)	(765,829)
TOTAL LIABILITIES, REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT	$19,354,439	$22,181,445

The accompanying notes are an integral part of these financial statements

Titan Motorcycle Co. of America
Consolidated Statements of Operations
(Unaudited)

	Twenty-Six Weeks Ended July 1, 2000	Twenty-Six Weeks Ended July 3, 1999
Sales, net	$19,146,421	16,096,910
Cost of goods sold	17,958,060	14,059,411
Gross profit	1,188,361	2,037,499
Operating expenses:		
Selling, general and administrative	3,662,554	2,449,088
Research and development	68,886	113,402
Total operating expenses	3,731,440	2,562,490
Income (loss) from operations	(2,543,079)	(524,991)
Other income (expense):		
Other income (expense)	3,524	(2,683)
Finance costs	(185,000)	--
Interest expense	(520,153)	(423,888)
Total other income (expense)	(701,629)	(426,571)
Income (loss) before income taxes	(3,244,708)	(951,562)
Income taxes	--	--
Net loss	(3,244,708)	(951,562)
Amortization of beneficial conversion feature	(1,047,368)	--
Net loss available to common stockholders	(4,292,076)	(951,562)
Loss per common share - basic and diluted	$ (0.25)	$ (0.06)
Weighted average shares used in computation:	17,402,050	16,652,744

The accompanying notes are an integral part of these financial statements.

TITAN MOTORCYCLE CO. OF AMERICA
Consolidated Statements of Operations
(Unaudited)

	Thirteen Weeks Ended July 1, 2000	Thirteen Weeks Ended July 3, 1999
Sales, net	$11,124,601	$ 8,451,345
Cost of goods sold	10,448,793	7,574,065
Gross profit	675,808	877,280
Operating expenses:		
Selling, general and administrative	1,960,426	1,359,576
Research and development	46,539	73,869
Total operating expenses	2,006,965	1,433,445
Income (loss) from operations	(1,331,157)	(556,165)
Other income (expense):		
Other income (expense)	2,324	9,060
Finance charges	(185,000)	--
Interest expense	(243,660)	(224,164)
Total other income (expense)	(426,336)	(215,104)
Loss before income taxes	(1,757,493)	(771,269)
Income taxes	--	--
Net income (loss)	(1,757,493)	(771,269)
Amortization of beneficial conversion feature	(547,368)	--
Net loss available to common stockholders	$(2,304,861)	$ (771,269)
Loss per common share - basic and diluted	$ (0.13)	$ (0.05)
Weighted average shares used in computation:	17,402,050	16,652,744

The accompanying notes are an integral part of these financial statements.

TITAN MOTORCYCLE CO. OF AMERICA
Consolidated Statements of Cash Flows

	July 1, 2000	July 3, 1999
Cash Flows from Operating Activities:		
Net loss	$(3,244,708)	$ (951,562)
Adjustments to reconcile net loss to net cash Provided (used) in operating activities:		
Depreciation and amortization	191,835	127,853
Stock compensation expense	3,632	4,843
Net change in balance sheet accounts		
Accounts receivable	(174,640)	(2,019,337)
Inventories	4,024,028	(1,766,538)
Other assets	94,830	(82,039)
Accounts payable	122,633	1,046,563
Accrued expenses	(790,559)	175,534
Net cash Provided (used) in operating activities	227,051	(3,464,683)
Cash Flows from Investing Activities:		
Purchase of property and equipment	--	(684,451)
Purchase of trademarks	--	--
Net cash used in investing activities	--	(684,451)
Cash Flows from Financing Activities		
Bank overdraft	(305,538)	93,422
Issuance of stock	3,710,112	1,122,480
Note payable	250,000	--
Net change in line of credit	(3,751,503)	2,932,124
Net cash provided by financing activities	(96,929)	4,148,026
Net increase in cash	130,122	(1,108)
Cash and cash equivalants at beginning of year	33,700	8,398
Cash and cash equivalants at end of period	$ 163,822	$ 7,290
Supplemental Cash Flow Information:		
Cash paid for:		
Interest	$ 705,000	$
Non-cash investing and financing activities		
Inventory in exchange for payables	$ 83,167	$
		$ --
		$ --
Repurchase obligation	$ 1,262,092	--

The accompanying notes are an integral part of these financial statements

TITAN MOTORCYCLE CO. OF AMERICA
Notes to the Consolidated Financial Statements
July 1, 2000 and July 3, 1999

NOTE 1 - Condensed Consolidated Financial Statements

The accompanying condensed consolidated financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at July 1, 2000 and for all periods presented have been made.

Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission and generally accepted accounting principles for interim financial information. It is suggested that these consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company's year ended January 1, 2000 audited consolidated financial statements. The results of operations for the period ended July 1, 2000 are not necessarily indicative of the operating results for the full year.

NOTE 2-INVENTORY

The composition of inventory as of July 1, 2000 and January 1, 2000 was as follows:

	2000	1999
Raw materials and supplies	$ 11,175,795	$ 10,607,330
Work-in-process	1,023,458	2,461,800
Finished Goods	3,292,640	4,382,866
Total inventories	15,491,893	17,451,996
Inventory reserves	(885,000)	--
	$ 14,606,893	$ 17,451,996

The Company intends to sell certain raw material inventory as a method of obtaining capital. A reserve of approximately $ 400,000 has been established to provide for estimated losses on disposal.

NOTE 3 - EARNINGS PER SHARE

In accordance with the disclosure requirements of Statement of Financial Accounting Standards No. 128, Earnings Per Share, a reconciliation of the numerator and denominator of basic and diluted EPS is provided as follows:

Since the company incurred a net loss for all periods presented, potential common shares are antidilutive and excluded from the calculation of diluted earnings per share.

	Twenty-Six Weeks Ended July 1, 2000			Twenty-Six Weeks Ended July 3, 1999		
	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount
BASIC EPS						
Net loss	$(3,244,708)	17,402,050	$(0.19)	$(951,562)	16,652,744	$(0.06)
Amortization of beneficial conversion feature	$(1,047,368)	17,402,050	$(0.06)	$ -	-	$ -
Net Income (Loss) available to common shareholders	$(4,292,076)	17,402,050	$(0.25)	$(951,562)	16,652,744	$(0.06)
EFFECTS OF DILUTIVE SECURITIES Common stock options	$ -	-	$ -	$ -	-	$ -
DILUTED EPS Net Income (Loss) available to common shareholders	$(4,292,076)	17,402,050	$(0.25)	$(951,562)	16,652,744	$(0.06)

	Thirteen-Weeks Ended July 1, 2000			Thirteen-Weeks Ended July 3, 1999		
	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount
BASIC EPS						
Net loss	$(1,757,493)	17,402,050	$(0.10)	$(771,269)	16,652,744	$(0.05)
Amortization of beneficial conversion feature	$ (547,368)	17,402,050	$(0.03)	$ -	-	$ -
Net Income (Loss) available to common shareholders	$(2,304,861)	17,402,050	$(0.13)	$(771,269)	16,652,744	$(0.05)
EFFECTS OF DILUTIVE SECURITIES Common stock options	$ -	-	$ -	$ -	-	$ -
DILUTED EPS Net Income (Loss) available to common shareholders	$(2,304,861)	17,402,050	$(0.13)	$(771,269)	16,652,744	$(0.05)

NOTE 4 - GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis of accounting which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

The Company has incurred net losses of $3,244,708 for the twenty-six weeks ended July 1, 2000. For the year ended January 1, 2000, the Company has incurred a net loss of $8,060,282. As of July 1, 2000 and January 1, 2000, the Company had cash balances of approximately $163,822 and $33,700, respectively, and an accumulated deficit of $13,094,476 as of July 1, 2000. Additionally, as of July 1, 2000, the Company has an outstanding balance on its credit line of $6,028,228 that matures on September 10, 2000 (see Note 6). These factors, among other things, raise substantial doubt about the Company's ability to continue as a going concern.

The accompanying consolidated financial statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

Management is pursuing various options in order to provide necessary financing. Management's plans to resolve near term cash flow issues include the following:

- Negotiating a new line of credit with additional cash availability;
- Effecting a private placement equity financing to provide approximately $3 to $5 million in cash flow, less offering costs; and
- Reducing its operating costs.

Management believes if it can finalize the financing alternatives that it is pursuing and improve its operating results for the remainder of fiscal 2000, the Company will generate sufficient resources to ensure uninterrupted performance of its operating obligations as currently structured and anticipated. The Company's continuance as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations in a timely manner, to obtain additional financing as required, and ultimately to attain profitability. There can be no assurance, however, that financing sources will be available to the Company on acceptable terms or when necessary or that the Company will be successful in its efforts to improve its operating results.

NOTE 5 - EQUITY

On June 20, 2000, the Company sold 1,300 shares of Series C Convertible Preferred Stock ("Series C Stock") and a warrant to purchase 1,642,106 shares of the Company's common stock. in a private placement for $1,300,000 in gross proceeds. The Company allocated approximately $401,000 related to the value of the warrants. The warrants have an exercise price of $2.26 for 1/6 of the warrants and $1.69 for the remaining warrants. The warrants expire on June 30, 2005.

The Series C Stock and warrants are convertible at any time into a maximum of 3,500,000 shares of the Company's common stock. For the first six months after issuance, the Series C Stock is convertible at a fixed conversion price of $0.95 per share, which was less than the common stock price at the date of close, resulting in a beneficial conversion feature at issue date. Thereafter, the conversion price is adjusted every three months to be the lower, of (a) 80% of the average market price for the lowest three trading days during the last ten trading days prior to the adjustment date and (b)either (i) the current conversion price if 80% of the average market price is less than or equal to 200% of the current conversion price, or (ii) $.95 if 80%of the average market price is more than 200% of the current conversion price. The number of shares of Common stock underlying the Series C Stock is subject to adjustment for stock splits, stock dividends, combinations, capital reorganizations and similar events relating to the Company's common stock. An additional beneficial conversion feature occurred as a result of the 80% of market adjustment.

As of the issue date the Company allocated approximately 612,000 to the beneficial conversion feature, of which $547,368 was amortized as of July 1, 2000.

Subject to certain restrictions in a subordination agreement with the Company's bank, the Series C Stock holders have the right to force the Company to redeem the Series C Stock at a premium upon the occurrence of certain events as defined in the agreement.

During the second quarter, the Company received $300,000 in gross proceeds related to the exercise of warrants to purchase 300,000 shares of the Company's common stock.

NOTE 6 - SUBSEQUENT EVENTS

CONVERTIBLE DEBENTURES

On August 14, 2000, in a private placement, the Company sold $750,000 of its 12% Convertible Debentures. The private placement also included warrants to purchase 1,025,160 shares of the Company's common stock.

The Debentures are collateralized against substantially all of the Company's assets, subject to a senior security interest in favor of the holder of the Company's credit line.

Unless shareholder approval is obtained, the Debentures are convertible into a maximum of 3,500,235 shares of the Company's common stock at the lower of a fixed or variable conversion price as defined in the agreement.

The warrants are exercisable at a price equal to 105% of the market price for the Company's common stock as of the closing date or $0.64 per share and expire on August 31, 2005, subject to the terms and conditions as described in the agreement.

In connection with the sale of the Convertible Debentures, the Company was required to obtain the consent of the holders of the Series C Stock. In exchange for this concession, the Company agreed to amend the terms of the Series C Stock. Pursuant to the terms of the amendment, the conversion price of the Series C Stock is equal to 70% of the average of the market price of the 5 lowest trading days over the 22 trading days preceding the relevant conversion date.

As a condition to the sale of the Debentures, the Company was required to obtain consent from its existing holders of Series A and Series B and Series C Convertible Preferred Stock. In exchange for this consent, the Company amended certain provisions of the related agreements. The effect of these amendments is to accelerate the preferred holders' ability to convert at a variable conversion price which in each case is based upon then current market price as defined in the amendment.

Since the price of the Company's common stock has declined significantly since the closing of the Series A and Series B and Series C Convertible Preferred Stock, the acceleration of reset dates may result in a substantially increased number of shares of common stock to be issued upon conversion. Management is currently evaluating the impact of the amendments.

CREDIT LINE EXTENSION AND AMENDMENT

In July 2000, the Company signed an agreement which extended the line of credit due on July 10, 2000 for an additional two months. The extension agreement contains restrictive covenants and fees as defined in the agreement. As of the filing of this report on Form 10QSB, the Company is in technical default of the covenants contained in the Loan and Security Agreement with Wells Fargo. However, as of the date of the filing of this report on Form 10QSB the Company has reached a verbal agreement with Wells Fargo to amend the Loan and Security Agreement, which will bring this into compliance with the applicable covenants and cure any prior default.

The Company expects to execute the amendment within one business day of this filing.

Although management anticipates it will be able to either extend the line of credit or obtain a new line of credit with another financial institution, there can be no assurance that it will be able to obtain financing on acceptable terms and conditions or when necessary.

RELATED PARTY REPURCHASE OF INVENTORY

In July 2000, the Company was notified of default under and cancellation of flooring arrangements for certain affiliated dealerships. Under the terms of the wholesale financing agreement with the flooring company, the Company was required to repurchase approximately $1.3 million in motorcycles sold to these affiliated dealerships and held in inventory.

The estimated loss of $100,000 that the Company expects to incur related to this transaction has been included in the accompanying financial statements. Additionally, a reduction of $1.3 million dollars in sales and cost of sales, and a payable to the flooring company for $1.3 million, have also been established.

In connection with the repurchase of the $1.3 million in motorcycles, the Company has entered into a Forbearance Agreement with the commercial finance company that requires the Company to repurchase the related motorcycles over a maximum three month period with a required minimum payment of three equal installments. The final installment is due on October 17, 2000. The Company has delivered approximately 1/3 of the related motorcycles and met the required first installment in August 2000.

There can be no assurance that the Company will be able to sell the remaining motorcycles or meet the installment payment requirements. In the event the Company is unable to comply with the terms of the Forbearance Agreement, its ability to sell motorcycles funded with commercial flooring could be eliminated, which would have a material adverse impact on the Company's financial position. Due to the loss of flooring and the closure of two of the affiliated dealership locations, the Company has determined that the collectability of accounts receivable balances as of July 1, 2000 from the affiliated dealerships is in question. Accordingly, an allowance for doubtful accounts has been established totaling approximately $600,000 is included in the accompanying financial statements.

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

13 WEEK PERIOD ENDED JULY 1, 2000, COMPARED WITH 13 WEEK PERIOD ENDED JULY 3, 1999

OVERALL

Net sales for the thirteen-week period ended July 1, 2000 of approximately $11.1 million were $2.7 million, or 32%, higher than net sales for the comparable period in 1999. The Company recorded a net loss of $1,757,493, or $(0.10) per share in 2000 compared with a net loss of $771,269 or $(0.05) per share for 1999.

RESULTS OF OPERATIONS
MOTORCYCLE UNIT SHIPMENTS AND NET SALES

	2000	1999	INCREASE	% CHANGE
Motorcycle Units	568	291	277	95%
Net Sales (in $ 000's):				
Motorcycles	$ 10,746	$ 7,744	$3,002	39%
Motorcycle Parts and Accessories	$ 378	$ 707	$ (329)	(47)%
Total Motorcycles and Parts	$ 11,124	$ 8,451	$(2,673)	32%

As indicated in the above chart, the Company's business continues to consist primarily of motorcycles sales. A small amount of business has been done in parts and accessories. Parts and accessories sales were approximately 5% of revenues.

The increase in motorcycle shipments is due to several reasons, including the continuing growth in reputation of the Company's motorcycles resulting in increased demand, growth in the Company's dealership network, and the Company's investment in new facilities and staff to meet this growing demand. Growth was constrained in the second quarter due to cash flow problem causing part supply issues affecting both the existing Legacy line of motorcycles as well as the new Phoenix line of products. Cash flow issues continue to restrict the Company's ability to obtain parts and meet production requirements.

GROSS PROFIT

	2000	1999	DECREASE	% CHANGE
Gross Profit (In 000's)	$676	$877	$201	23%
Gross Margin %	6.1%	10.4%	4.3%	41%

In the thirteen-weeks ended July 1,2000, gross profit was fairly consistent in dollars with the comparable period in 1999, although the gross margin decreased to 6.1% from 10.4% in 1999.

The Company's gross margins were negatively impacted during the second quarter of 2000 due to parts acquisition issues encountered as a result of cash flow constraints. Failure to generate cash flow sufficient to pay vendors in a more timely manner resulted in lower than expected materials cost savings and anticipated margin improvement. The lower than planned volumes in the last month of the second quarter impacted labor and overhead utilization resulting in a decline in gross margin.

OPERATING EXPENSES

	2000	1999	INCREASE	% CHANGE
Operating Expenses (In 000's)	$2,007	$1,433	$574	40%
Operating Expense as % of Sales	18.0%	17%	1%	

Total operating expense for the thirteen-week period ended July 1, 2000 increased $573,520, or 40%, over the comparable period in 1999 while sales increased approximately 32% for the same period. This increase was due to a number of factors, including increased rental expense in the new facility, larger support staff in anticipation of growth, and increased legal and accounting expenses.

CONSOLIDATED INCOME TAXES

The Company's effective tax rate was 0.0% in both the thirteen-week period ended July 1, 2000 and the comparable period ended July 3, 1999 as a result of losses in 2000 and use of tax loss carryforwards in 1999. The Company's ability to use its tax loss carry forwards in the future may be limited due to IRS Section 382 limitations.

26 WEEK PERIOD ENDED JULY 1, 2000, COMPARED WITH 26 WEEK PERIOD ENDED JULY 3, 1999

OVERALL

Net sales for the twenty-six week period ended July 1, 2000 of approximately $19.1 million were $3.0 million, or 19%, higher than net sales for the comparable period in 1999. The Company recorded a net loss of $3,244,708, or $(0.19) per share, in 2000 compared with a net loss of $951,562 or $(0.06) per share, for 1999.

RESULTS OF OPERATIONS
MOTORCYCLE UNIT SHIPMENTS AND NET SALES

	2000	1999	INCREASE/(DECREASE)	% CHANGE
Motorcycle Units	927	542	385	71%
Net Sales (in $ 000's):				
Motorcycles	$18,645	$15,176	$ 3,469	23%
Motorcycle Parts and Accessories	$ 501	$ 921	$ (420)	(46)%
Total Motorcycles and Parts	$19,146	$16,097	$ 3,049	19%

As indicated in the above chart, the Company's business continues to consist primarily of motorcycle sales. Parts and accessories sales approached 6% of revenue during this period.

The increase in motorcycle shipments is due to several reasons, including continuing growth in reputation of the Company's motorcycles, resulting in increased demand. Sales were constrained in the second quarter due primarily to cash flow issues that led to part supply issues affecting both the existing Legacy line of motorcycles as well as the Phoenix line of products.

GROSS PROFIT

	2000	1999	DECREASE	% CHANGE
Gross Profit (In 000's)	$1,188	$2,037	$849	42%
Gross Margin %	6.2%	12.7%	6.5%	51%

In the twenty-six weeks ended July 1, 2000, gross profit decreased approximately $849,000 or 42%, as compared to the comparable period in 1999. Gross margin in 2000 was 6.2% as compared with 12.7% in 1999.

The Company's gross margins were negatively impacted during the second quarter of 2000 due to parts acquisition issues encountered as a result of cash flow constraints. Failure to generate cash flow sufficient to pay vendors in a more timely manner resulted in lower than expected materials cost savings and anticipated margin improvement. The lower than planned volumes in the last month of the second quarter impacted labor and overhead utilization resulting in a decline in gross margin.

The Company's budgeted sales for the new Phoenix line of motorcycles was negatively impacted during the second quarter 2000 due to parts supply problems derived from cash flow constraints. Failure to achieve anticipated Phoenix line production was a significant factor in the disparity between sales revenues and increased support costs.

OPERATING EXPENSES

	2000	1999	INCREASE	% CHANGE
Operating Expenses (In 000's)	$3,731	$2,562	$1,169	46%
Operating Expense as % of Sales	19.5%	15.9%	3.6%	23%

Total operating expense for the twenty-six week period ended July 1, 2000 increased $1,168,947, or 46%, over the comparable period in 1999. This increase was due to a number of factors, including, but not limited to the following principal factors listed in descending order of importance:

- an increase in salaries and wages attributed to both management and support staff necessary to support anticipated increases in sales volumes that did not materialize as anticipated.
- an increase in legal and accounting expense;
- increased rental expense

Management has initiated significant cost cutting plans in an attempt to lower operating costs in the third quarter of fiscal 2000.

CONSOLIDATED INCOME TAXES

The Company's effective tax rate was 0.0% in both the twenty-six week period ended July 1, 2000 and the comparable period ended July 3, 1999 as a result of losses in 1999 and use of tax loss carryforwards in 1999. The Company's ability to use its tax loss carry forwards in the future may be limited due to IRS Section 382 limitations.

LIQUIDITY AND CAPITAL RESOURCES

The Company generated a small amount of cash in operating activities in the twenty-six week period ended July 1, 2000 compared with uses of $3.5 million in the comparable period in 1999. The decrease in cash used for operating expenses is due primarily to a reduction in inventory of approximately $4.0 million for the period. Capital expenditures totaled $ 0 in the twenty-six week period ending July 1, 2000 compared with $684,000 for the comparable period in 1999.

Cash provided through the issuance and sale of common and preferred stock totaled $3.8 million for the first two quarters in fiscal 2000 as compared to $1.1 million for the same period in 1999. Additionally, the Company had a net reduction in borrowings under its line of credit of $3.8 million in 2000 as compared with a net increase of $2.9 million in 1999. A more detailed description of cash flows can be found in the attached financial statements.

For the first two quarters of fiscal 2000 and fiscal 1999, the Company has incurred net losses of $3.2 million and $1.0 million, respectively. For the two years ending January 1, 2000, the Company has incurred a net loss and net income of approximately $8.1 million and $240,000, respectively. As of July 1, 2000 and January 1, 2000, the Company had cash balances of approximately $164,000 and $34,000, respectively, and an accumulated deficit of approximately $13.1 million as of July 1, 2000. These factors, among other things, raise substantial doubt about the Company's ability to continue as a going concern.

Management is pursuing various options in order to provide necessary financing. As discussed in Note 4 to the consolidated financial statements, management's plans to resolve near term cash flow issues include the following:

- Negotiating a new line of credit with additional cash availability;
- Effecting a private placement equity financing to provide approximately $3 to $5 million in cash, less offering costs; and
- Improving its operating results primarily through a reduction in operating costs.

Management believes if it can finalize the financing alternatives that it is pursuing to improve its operating results for the remainder of fiscal 2000, the Company will generate sufficient resources to ensure uninterrupted performance of its operating obligations as currently structured and anticipated. The Company's continuance as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations in a timely manner, to obtain additional financing as required, and ultimately to attain profitability. There can be no assurance, however, that financing sources will be available to the Company on acceptable terms or when necessary or that the Company will be successful in its efforts to improve its operating results.

PART II - OTHER INFORMATION

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits

EXHIBIT NUMBER	DESCRIPTION
3.1	Amended and Restated Certificate of Designations for Series A Preferred Stock filed August 16, 2000 with the Nevada Secretary of State (incorporated by reference from the Company's Form 8-K filed August 21, 2000)
3.2	Amended and Restated Certificate of Designations for Series B Preferred Stock filed August 16, 2000 with the Nevada Secretary of State (incorporated by reference from the Company's Form 8-K filed August 21, 2000)
3.3	Amended and Restated Certificate of Designations for Series C Preferred Stock filed August 16, 2000 with the Nevada Secretary of State (incorporated by reference from the Company's Form 8-K filed August 21, 2000)
4.1	Form of Debenture issued to Esquire Trade & Finance, Inc. and Celeste Trust Reg. (incorporated by reference from the Company's Form 8-K filed August 21, 2000)
4.2	Form of Warrant issued to Esquire Trade & Finance, Inc. and Celeste Trust Reg. (incorporated by reference from the Company's Form 8-K filed August 21, 2000)
4.3	Registration Rights Agreement with Esquire Trade & Finance Inc. and Celeste Trust Reg., dated as of August 14, 2000. (incorporated by reference from the Company's Form 8-K filed August 21, 2000)
4.4	Security Interest and Pledge Provisions, dated as of August 14, 2000 by and among the Company, Esquire Trade & Finance Inc. and Celeste Trust Reg. (incorporated by reference from the Company's Form 8-K filed August 21, 2000)
10.1	Securities Purchase Agreement with Esquire Trade & Finance Inc. and Celeste Trust Reg., dated as of August 14, 2000. (incorporated by reference from the Company's Form 8-K filed August 21, 2000)
10.2	Intecreditor Agreement dated as of August 14, 2000 by and among the Company, Esquire Trade & Finance, Inc., Celeste Trust Reg. and Wells Fargo Credit, Inc. (incorporated by reference from the Company's Form 8-K filed August 21, 2000)
10.3	Second Amendment to Amended and Restated Loan and Security Agreement dated as of August 14, 2000 by and between the Company and Wells Fargo Credit, Inc. (incorporated by reference from the Company's Form 8-K filed August 21, 2000)
10.4	Consent and Waiver Agreement, dated as of August 14, 2000 by and among the Company, Advantage Fund II Ltd. and Koch Investment Group Limited. (incorporated by reference from the Company's Form 8-K filed August 21, 2000)
27	Financial Data Schedule

(b) Reports on Form 8-K

During the quarter ended July 1, 2000 the Company filed two reports on Form 8-K on May 24, 2000 and June 22, 2000.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TITAN MOTORCYCLE COMPANY OF AMERICA
(Registrant)

/S/ FRANCIS KEERY /S/   September 11, 2000
- --
FRANCIS KEERY   DATE
CHAIRMAN AND CEO

/S/ ROBERT P. LOBBAN /S/   September 11, 2000
- --
ROBERT LOBBAN   DATE
CHIEF FINANCIAL OFFICER

5
U.S. DOLLARS

6-MOS
DEC-30-2000
JAN-02-2000
JUL-01-2000
1
163,822
0
2,402,203
0
14,606,893
17,429,571
2,014,871
(191,836)
19,354,439
13,531,281
0
5,608,836
0
18,005
(2,386,895)
19,354,439
19,146,421
19,146,421
17,958,060
17,958,060
3,731,440
686,259
520,153
(3,244,708)
0
(3,244,708)
0
0
0
(3,244,708)
(0.25)
(0.25)