SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB

/X/ Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Fiscal Year Ended January 1, 2000

Commission File Number: 000-24477

TITAN MOTORCYCLE CO. OF AMERICA

(Name of small business issuer 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)

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

Securities registered under Section 12(g) of the Exchange Act: common stock

Check whether the issuer (1) filed all reports required to be filed by section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or informational statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB [ ]

State issuer's revenues for its most recent fiscal year $ 26,939,962

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of a specified date within the past 60 days: High $2.313 Low: $2.218 as of March 31, 2000.

$17,078,306 Non - Affiliate Float

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 17,181,187 as of March 31, 2000.

Documents incorporated by reference: None

Transitional Small Business Disclosure Format. Yes No X

PART I

FORWARD LOOKING STATEMENTS

Certain matters discussed in this report on Form 10-KSB are "forward-looking statements." These forward-looking statements can generally be identified as such because the context of the statement will include words such as the Company "believes," "anticipates," "expects," "estimates" or words of similar meaning. Similarly, statements that describe the Company's future plans, objectives or goals are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties which are described in close proximity to such statements and which could cause actual results to differ materially from those anticipated as of the date of this report. Shareholders, potential investors and other readers are urged to consider these factors in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included herein are only made as of the date of this report and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

ITEM 1. DESCRIPTION OF BUSINESS

The genesis of Titan Motorcycle Co. of America ("Titan") was a small retail aftermarket motorcycle shop known as Paragon Custom Cycles in Phoenix, Arizona, which was owned and operated by the Company founder, Patrick Keery. Paragon specialized in aftermarket Harley Davidson(TM) customizations, repairs and upgrades, as well as the sale of a wide range of optional equipment and parts for the Harley Davidson(TM) line.

Through the design talents of its founder, Paragon became known for its unique award-winning Harley Davidson(TM) customizations. It was not unusual for such customizations to increase a stock vehicle's cost by 50% to 100% of the original purchase price. In the customizing process, a good deal of factory installed hardware was removed and discarded and major design restrictions improved.

Paragon evolved to designing and building custom large V-twin cylinder motorcycles from the ground up using various OEM parts. Although various configurations are used both domestically and internationally to power motorcycles; including one, two and four cylinder engines, the engine of choice in the United States for the larger displacement cruiser and touring bike classes of motorcycles is the V-twin engine. This engine design features two cylinders configured in a 45(degree) "V" shaped orientation.

By 1994, the aftermarket Harley Davidson(TM) parts market had gestated to the point where all major and minor components, including engine and drive trains, required to design and build a unique custom motorcycle from inception were readily available. While quality and continuity of supply were major challenges, a well connected shop owner could secure the necessary parts and labor to build the customer's dream creation.

Paragon, under the design and engineering skills of its president, Patrick Keery, became the shop of choice for more and more customers who sought him out to have their concept bikes built.

Initially, the process was somewhat long and tedious. It was not unusual for the total elapsed time from the design concept to delivery of the finished product to be as long as six months. The selling price for such vehicles could easily reach the $40,000 to $50,000 range.

In late 1994, Patrick approached his principal financial backer (and father) with the idea of creating an integrated manufacturing company to dramatically reduce the cost of production while enhancing delivery for new and unique custom designed and manufactured V-twin cruiser motorcycle products. This approach did not require the essential rebuilding of other large V-twin production configurations. The idea was to implement this design and production concept in a disciplined "cell" manufacturing process and environment where a small team or single individual artisan would essentially build the custom motorcycle using readily available and scientifically arranged component parts. The disciplined cell manufacturing process is a production methodology whereby a complete motorcycle is built from all components by a single builder/technician, as opposed to an assembly line methodology where a team of individuals assemble a finished motorcycle by repetitive, individual processes such as when one worker puts on the wheels, another worker installs a motor, etc.

The present Company was incorporated in 1994 employing the foregoing production techniques. Shortly after the incorporation, it became apparent that Titan needed additional capital to grow and that it would be advantageous to seek out and complete a merger with a publicly held company which, as a result, would provide both a public market and a new source of capital. Readily available was Mojave Financial Services, Inc. At the time, Mojave was essentially inactive. A merger was completed in June of 1996, with Mojave Financial Services, Inc. contributing its capital; and, as the surviving entity, assuming the name Titan Motorcycle Co. of America, a Nevada corporation. Titan Motorcycle Co. of America, the pre-merger entity, was incorporated as an Arizona successor corporation to Paragon on December 12, 1994 and ceased existence pursuant to the foregoing merger and name change. The integrated Company has existed and continues since the date of merger on June 11, 1996.

All present financial statements and other disclosures concerning Titan are based upon the merger accounting. The merger was accounted for as a recapitalization of Titan because the shareholders of Titan controlled Titan after the acquisition. There was no adjustment to the carrying value of the assets or liabilities of Titan in the exchange. Titan is the acquiring entity for legal purposes and Titan is the surviving entity for accounting purposes.

Research and development activities of Titan are ongoing. In the fiscal year 1999, Titan expended approximately $466,000 in research and development and had expended $301,000 on research and development in fiscal year 1998.

Titan provides a six month warranty for all parts and labor with regard to its motorcycle products. In fiscal year 1999 warranty expense totaled approximately $415,000. Titan has also obtained an extended warranty for two and one half years or three and one half years (for a total warranty of 3 or 4 years depending on model).

The principal suppliers of the Company, and the parts purchased from these suppliers are identified in the table on the below page.

VENDOR	CITY AND STATE	PARTS PURCHASED
S&S CYCLE	VIOLA, WI	MOTORS/MOTOR PARTS
DAYTEC	HESPERIA, CA	FRAMES/SHEET METAL
CUSTOM CHROME	MORGAN HILL, CA	MISC. PARTS
PERFORMANCE MACHINE	LA PALMA, CA	WHEELS/ROTORS/BRAKES
JIMS USA	CAMARILLO, CA	TRANSMISSIONS/MOTOR PARTS
DEANO'S	TEMPE, AZ	PAINTED PARTS
URSCHEL MANUFACTURING	SCOTTSDALE, AZ	FORWARD CONTROL/PEGS
WORKS PERFORMANCE	CANOGA PARK, CA	SHOCKS

There are alternative sources for all items listed in the table. In some cases there might be delays in the manufacturing process while alternate suppliers gear up to meet production level requirements. In some cases these delays could be considered to be material.

DESCRIPTION OF THE COMPANY

Titan has expanded its manufacturing and distribution facilities at 2222 West Peoria Avenue, Phoenix, Arizona 85029. It presently occupies two leased structures having approximately 124,000 square feet of combined administrative, manufacturing, assembly and distribution space. Titan has a current five year lease on these premises at the rate of approximately $65,000 per month.

It is reasonably anticipated that the present physical facilities should be adequate for Titan's anticipated manufacturing and distribution needs into the year 2002.

In fiscal 1999, the Company opened a new product development center located within a few miles of its main facilities. This approximately 3,200 square feet facility is reserved for development and testing of new bikes, parts and subsystem designs.

Titan believes it has developed a unique design and manufacturing process for the large customized displacement motorcycle industry. Titan offers seven (7) custom model configurations and four (4) "Phoenix" models. In addition, Titan brings a unique service to its customers by allowing the customers to specifically "predesign" the end product down to the customization of colors and finish. The completed product, in its custom design configuration and based upon one of the basic models, can be delivered within eight to ten weeks of an order. Customers not desiring individual customization can choose one of the basic custom models in standard finish and configuration and be assured of prompt delivery, usually from dealer floor stock.

Titan believes itself to be the market leader in volume production, customized V-twin motorcycles as evidenced by its rapidly expanding distribution network. New designs and the introduction of the "Phoenix" line of four new models in 1999 should insure continuing leadership in this market niche.

This custom manufacturing and service concept is made possible by the application of a small production team or single skilled artisan who is responsible for assembling each unit from component parts.

Titan believes it is unique in providing this degree of customization resulting in essentially a "hand built" new vehicle at a cost and design advantage to purchasing a typical stock model V-twin, such as Harley Davidson(TM) and paying for customization through an individual shop. Additionally, the customer is assured of state of the art design, assembly and testing technology. For comparison purposes, the price of the basic Titan models range from the top of the line "Gecko", currently selling at retail for $29,065, to the "Phoenix" at $20,495. This compares to a non-customized similar displacement stock Harley Davidson at approximately $15,000 to $20,000. Currently the products of Titan are being distributed through 60 domestic dealers, and 26 foreign dealers with current expansion plans underway.

EMPLOYEES

As of March 15, 2000, Titan had 189 full-time employees, of whom 148 work in engineering and manufacturing; 11 work full-time in marketing; and 30 work in staff and administration. Titan is not subject to any collective bargaining agreement.

FOREIGN OPERATIONS

The foreign operations of Titan consist solely of sales of its products through non-U.S. distributors of the motorcycles of Titan.

SUBSIDIARY OF TITAN

Titan has one subsidiary. Titan Motorcycle GmbH, Alte Hersfelder Str. 30, 36289 Friedewald, Germany is wholly owned by Titan. Titan Motorcycle GmbH was established in April 1998 to set up a marketing organization for Titan in Europe. Its function is to coordinate with and offer support to dealers and other marketing partners in Europe, to organize and participate in trade shows and develop product advertising and promotional activities for Titan and its authorized dealers, and to establish a central office in Europe to handle Titan's business affairs.

ITEM 2. DESCRIPTION OF PROPERTY.

In March 1997, Titan moved to its present manufacturing and distribution facilities to 2222 West Peoria Avenue, Phoenix, Arizona 85029. In September 1998, Titan entered into a second lease with the same landlord for an adjacent parcel of property. Under the combined leases, Titan presently occupies two leased structures having approximately 124,000 square feet of combined administrative, manufacturing, assembly and distribution space. Approximately 15,800 square feet are devoted to offices with the remaining area dedicated to production and warehouse. Titan has just entered the third year of a current five-year lease on these premises at an aggregate rate for the two leases of approximately $65,000 per month. Titan has maintained its former leased facility at 2002 East Indian School Road, Phoenix, Arizona on a month to month basis at the current monthly cost of $3,978.

It is reasonably anticipated that the present physical facilities should be adequate for Titan's anticipated manufacturing and distribution needs into the year 2002.

ITEM 3. LEGAL PROCEEDINGS

Titan is involved in certain litigation encountered in the normal course of business. Management does not believe that the ultimate resolution of any of the cases involved will have a material impact on the Company's financial position or results from operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

NONE

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The stock of the Company is traded on the NASDAQ SmallCap market. As of March 31, 2000, there were more than 634 shareholders of record of the common stock of the Company. As of the same date, 17,181,187 shares of common stock were outstanding. Actual trading volume of the stock of the Company in fiscal year 1999 has been moderate.

Provided in the following table is the price range of the Company's stock for the eight most recent quarters, and as of March 31, 2000. The referenced quotations do not reflect inter-dealer prices, dealer retail markup, markdown, or commissions, and may not necessarily represent actual transactions.

PRICE RANGE OF COMMON STOCK

TRANSACTION PRICE

Quarter & Year	High	Low
1st 1998	4.630	3.000
2nd 1998	6.500	3.750
3rd 1998	5.190	3.625
4th 1998	5.125	4.125
1st 1999	4.500	3.750
2nd 1999	4.125	3.810
3rd 1999	4.000	2.375
4th 1999	3.625	2.625

March 31, 2000 high $2.313 low $2.218

The Company has paid no dividends on common stock during its two most recent calendar years, and has no present intention to pay dividends in fiscal year 2000.

RECENT SALES OF UNREGISTERED SECURITIES.

On March 9, 2000, Titan sold to private U.S. investors two thousand shares of a newly authorized Series B Convertible Preferred Stock. Total gross proceeds for the private placement transaction were $2,000,000.

The Series B Convertible Preferred Stock is convertible into a maximum of 3,436,000 shares of the common stock of the company. For the first year after issuance, the Series B Convertible Preferred Stock is convertible at a fixed conversion price of $1.75. Thereafter, the conversion price is adjusted every six months to the lesser of:

- - the prior conversion price, or

- - the average market price for the ten days prior to the adjustment date.

Titan also issued warrants in connection with the offering of the Series B Convertible Preferred Stock. The warrants issued to the Series B Convertible Preferred stockholders allowed such stockholders to purchase 250,000 shares of common stock of the company. Titan also issued warrants to purchase an additional 12,500 shares of common stock to an entity and its designees as partial compensation for their assistance in placing the Series B Convertible Preferred Stock. The exercise price of all warrants is $2.00 per share. The warrants expire on March 9, 2005.

The recipients of the Series B Convertible Preferred Stock and of the warrants are U.S. entities making written representations of their "accredited investor" status. Titan reasonably believes that the issuance of the shares is exempt from registration under the provisions of Regulation D promulgated by the Securities and Exchange Commission.

Subsequent to its fiscal year ending January 1, 2000, Titan made three separate private placements to three non-U.S. investors as defined in Regulation S promulgated by the Securities and Exchange Commission. Pursuant to these transactions, Titan has agreed to issue 543,480 shares of its restricted common stock for the aggregate sum of $750,000.

In April 2000, the Company entered into an agreement to satisfy the annual installment payment and all accrued interest as of January 1, 2000 related to a loan with a private lender by issuing 724,638 shares of its restricted common stock. The shares will be issued pursuant to the exemption from registration provided under Regulation S promulgated by the Securities and Exchange Commission. The total amount of principal and interest satisfied pursuant to this transaction is approximately $1,050,000. The payment of these amounts is documented in a Modification and Partial Payment Agreement entered into between Titan and the lender.

The Regulation S transactions are deemed exempt from registration. Titan reasonably believes, and the purchasers specifically warranted and represented to Titan, that (a) the purchasers were not U.S. persons as that term is defined under Regulation S; (b) at the time the buy orders for the securities were originated, the purchasers were outside of the United States; (c) the purchasers were purchasing the securities for their own account and not on behalf of any U.S. person; (d) the sale had not been pre-arranged with a purchaser in the United States; (e) all offers and resales of the securities would only be made in compliance with Regulation S; and (f) the sales transactions were made in compliance with all laws of the country of domicile of the purchasers, and of any political subdivision thereof, and the customary practices and documentation of such jurisdictions. The certificates representing the shares to be issued in such transactions will bear the appropriate restrictive legend.

Except as otherwise disclosed above, no commissions or finders fees were paid on any of the referenced transactions.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS.

The audited consolidated financial statements as of January 1, 2000, and for fiscal years ended January 1, 2000 and January 2, 1999 are enclosed with this Form 10-KSB. Reference is made to the Consolidated Financial Statements filed with this Registration Statement for greater detail regarding the financial position of the Company.

Effective January 1, 1998, the Company adopted a fiscal accounting period as opposed to the calendar accounting period of prior years. The effect of this change is that all quarters are now comprised of thirteen weeks, ending Saturday at midnight instead of the last calendar day of the month. The first two fiscal months of a quarter have four weeks each and the last fiscal month has five weeks.

The selected financial data set forth below should be read in connection with, and is limited by, the more complete information in the attached Consolidated Financial Statements and the notes thereto.

	1/1/00	1/2/99	12/31/97	12/31/96	12/31/95
Revenue	$ 26,939,692	$ 27,913,025	$ 13,064,145	$ 4,983,876	$ 625,284
Net Income (Loss)	($ 8,060,282)	$ 237,479	($ 1,673,743)	($ 95,496)	($ 257,513)
Earnings (Loss) Per Share(1)	($ 0.47)	$ 0.01	($ 0.11)	($ 0.01)	($ 0.02)
Total Assets	$ 22,181,445	$ 18,420,223	$ 8,769,057	$ 3,318,289	$ 187,244
Long-Term Obligations	$ 2,647,169	$ 8,249,311	$ 1,928,664	$ 502,521	$ 252,113

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(1) These figures have been restated to reflect the two-for-one forward split of the stock of the Company which took effect in March 1997.

FISCAL YEAR 1999 COMPARED WITH FISCAL YEAR 1998

OVERALL

Net Sales for fiscal 1999 of $26.9 million were $1 million less than net sales of $27.9 million for fiscal 1998. The Company experienced a net loss of $8.1 million, or ($0.47) per common share as compared to net income of $237,000 or $0.01 per common share for fiscal 1998.

Over the past year, the Company continued investing in building an infrastructure that is necessary to meet anticipated sales growth along with the development of new models and features for its customer base. Part of this investment is in the Company's engineering capability, which is focused on developing new products and components as well as continuing to improve upon the current products and production processes. Other investments have been made in building the management team of the Company, developing marketing capabilities focused on building the Titan brand name, adding new facilities to support the introduction of the Phoenix line of products and upgrading computer systems to support anticipated growth of the business.

RESULTS OF OPERATIONS
MOTORCYCLE UNIT SHIPMENTS AND NET SALES

	1999	1998	INCREASE (DECREASE)	% CHANGE
Motorcycle Units	1,010	1,001	9	--
Net Sales (in $ 000's):				
Motorcycles	$26,224	$27,286	$(1,062)	(03)%
Motorcycle Parts and Accessories	715	627	88	14%
Total Motorcycles and Parts	$26,939	$27,913	$ (974)	(03)%

As indicated above, the Company's business consisted primarily of motorcycle sales. Parts and Accessories sales were approximately 2% of total revenues. The Company's Clothing and accessories product line, introduced in late 1997, continues to be well received

The increase in motorcycle shipments is lower than anticipated and relates primarily to production issues. The Company's historically rapid growth was disrupted primarily due to part supply issues during start-up operations for its new Phoenix line of bikes. The disruption duration was long enough to cause liquidity problems which led to part supply problems on its high end product line as well. These issues, among others, had a major, negative impact on production output during 1999.

GROSS PROFIT (LOSS)

	1999	1998	DECREASE	% CHANGE
Gross Profit (Loss) (In 000's)	$ (339)	$ 4,193	$(4,532)	(108)%
Gross Margin %	(1.0)%	15.0%	(16)%	

In 1999, the Company's cost of goods sold ("COGS") has been negatively impacted by the Company's transition into its new facility and costs associated with ramping-up both the new facility and new employees in preparation of anticipated increased production volume. The "ramping-up" activities consist principally of amassing the various elements necessary to rapidly increase unit production output, including:

- Adding expanded floor space for manufacturing, storage and personnel offices
- Adding staff, both hourly and salaried, throughout the organization
- Adding production equipment to facilitate higher unit volume output
- Expansion of marketing and promotion activities

During 1999, these costs were exacerbated due to parts delivery issues that reduced production. Labor inefficiencies and overhead resulted in a higher cost per unit than the Company has experienced historically. Management anticipates lower costs per unit for the first quarter and throughout fiscal 2000.

Production was less than anticipated due to the delayed introduction of the new "Phoenix by Titan" line of motorcycles. Expected sales of the Phoenix line were negatively impacted due to unexpected limitation on parts availability from two outside suppliers. Failure to achieve anticipated Phoenix line production volume was a significant factor in the Companys' lower than expected sales volume and resulting cost inefficiencies.

Management has plans in place to improve the gross margin with volume purchases of components, vertical integration , motorcycle and component redesign and improved utilization of labor and overhead.

OPERATING EXPENSES

	1999	1998	INCREASE	% CHANGE
Operating Expenses (In 000's)	$6,885	$3,486	$3,399	97%
Operating Expense as % of Sales	25%	12.5%	(12.5%)	

The increase in operating expenses for fiscal 1999 as compared to fiscal 1998 is due to a number of factors, including but not limited to the following:

- An increase in salaries and wages attributed to enhancing the management and support staff necessary to support anticipated growth. Salary and benefit expense increased in this area from approximately $1.58 million in fiscal 1998 to approximately $2.11 million in fiscal 1999.
- Increased advertising, trade show and promotional activities related primarily to the "roll-out" of the Phoenix line and web site development.

- - Legal and accounting expense increased from approximately $126,000 in fiscal 1998 to approximately $354,000 in fiscal 1999.

INTEREST EXPENSE

Interest expense was approximately $933,000 and $477,000 for fiscal years ended 1999 and 1998, respectively. The increased interest expense is due primarily to the Company's $4.1 million dollar increase in debt and additional bank fees incurred related to a line of credit.

CONSOLIDATED INCOME TAXES

The Company had an effective tax rate of 0.0% in both fiscal 1999 and fiscal 1998 as a result of the net operating loss in fiscal 1999 and the use of tax loss carryforwards in 1998. The Company has net operating loss carryforwards of approximately $8.4 million as of January 1, 2000.

WORKING CAPITAL MANAGEMENT

The Company supplies motorcycles to its dealers in one of two ways. First, the dealer can specify the motorcycle completely with customized paint and selected options with a lead time of 6-8 weeks, sometimes slightly longer during peak season. Alternatively, the dealer can select a completed bike from the Company's available Finished Goods inventory list for immediate shipment or one from the current production schedule that will be available inside the normal lead time window. The Company builds some inventory of finished motorcycles during the winter months that is consumed during the spring/summer peak season. During the rest of the year the Company normally maintains a low level of finished goods inventory.

Motorcycles are typically either floored with major financial institutions by the dealer or are paid for in full prior to shipment by the Company. The Company receives payment for floored bikes within 2 weeks of shipment. During winter months the Company may provide free flooring for qualifying dealers depending on model and stock situation to help smooth shipments and keep higher levels of product available for customers.

Parts used to build the bikes are usually available with short lead times, but some parts do require up to ten weeks lead time. Due to high quality standards and reliability of delivery, the Company sets slightly higher stocking levels to assure the availability of parts to production. The Company has an ongoing program to continue to upgrade its supplier base and to selectively bring additional parts in house for production, reducing required inventory levels as well as part costs.

The Company has built a strong network of dealers both domestically and internationally. Collectively, there are approximately 86 dealers currently in place with more being added every month. There are 5 types of dealers in the Company's network; independent dealers, "Easyrider" stores and franchises, "Bikers' Dream" franchises, existing Harley Davidson(TM) dealers, and Titan dealerships. In 1999, 4 dealers with common ownership (Titan of Houston, Titan of Los Angeles, Titan of Las Vegas, and Paragon Custom dba Titan of Phoenix) represented 18% of the

Company's sales. In 1998, three dealers with common ownership, (Titan of Los Angeles, Titan of Las Vegas, and Paragon Custom dba Titan of Phoenix) represented 22.4% of the Company's sales. Majority ownership of these dealerships are held by principals in the Company. No other dealer represents more than 5% of sales.

As of March 31, 2000, backlog orders stood at approximately $7.3 million, compared with approximately $1.4 million and $1.2 million at the same time in 1998 and 1997, respectively. The Company is presently completing an average of more than 40 motorcycles each week. Management anticipates increasing to more than 50 per week in the second quarter of fiscal 2000.

DESCRIPTION OF MARKETS

The typical buyer of the Company's products is a male businessman or professional between 35 and 55 years of age, who has previously owned a production line motorcycle. The average age of a motorcycle owner is increasing, with the customer's median annual earnings exceeding $70,000. It is anticipated that the population of foreign motorcycle enthusiasts may actually increase at a greater rate than the domestic market.

It is generally accepted that demand for the customized V-twin motorcycle will significantly outstrip production for the next several years. At present, the Company occupies a unique niche in its capacity to produce, from the ground up, a customized high-end V-twin motorcycle on a production basis, while preserving the capacity to complete special orders. The Company does not anticipate significant competition in this sector for the next twelve to twenty-four months. Several companies compete in the market in and below the $20,000 price range, headed by Harley Davidson(TM) who is clearly the dominant manufacturer. There is currently no indication that they intend to move into Titan's market niche, but the possibility of that happening at some time in the future cannot be discounted. There are other builders that are currently smaller than the Company in the below $20,000 price range that are starting to produce some motorcycles at higher prices. The Company believes that none of these builders has any significant position in the Titan's niche at this time.

Over the next three years, management anticipates the Company will increase its market share of V-twin motorcycles, including both production line products and custom models, from its estimated 0.5% market share in 1997 to 2% by the year 2002. The Company estimates that it has a major market share for V-twin motorcycles over $25,000 and anticipates that this market sector will also continue to increase.

International motorcycle sales were lower in 1999 than 1998 due primarily to a general softness in demand in Asian markets related to general local economic conditions.

During the first quarter of 1999, the Company introduced its new website (www.titanmotorcycle.com). New features will be introduced to the website in several stages throughout 2000. The site will provide information to potential motorcycle customers and investors, allow customers to purchase clothing and accessories directly from the Company, and provide information on available motorcycle stock to the Company's dealers as well as other features.

ENVIRONMENTAL CONTROLS

The Company's products meet all federal and state emission requirements, and have been approved by the federal EPA and California CARB.

The Company's manufacturing facilities also meet all federal, state and local environmental requirements. The primary area of potential discharge is the Company's paint facility, which meets all required standards. Expansion of this area would require additional capital requirements, but it is not anticipated that this would have any significant material effect on earnings or capital expenditures at this time.

NEWLY ISSUED ACCOUNTING STANDARDS

In December 1999 the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101 (SAB 101). SAB 101 summarizes application of generally accepted accounting principles related to revenue recognition. The Company is currently evaluating the impact of this SAB.

IMPACT OF YEAR 2000

The Company has not experienced any adverse effects related to the Year 2000 issue. Costs associated with the Company's Year 2000 compliance efforts were immaterial with no additional costs anticipated.

LIQUIDITY AND CAPITAL RESOURCES

During 1999, the Company satisfied its working capital needs principally with funds obtained from a line of credit and certain financing transactions entered into during the year. The net decrease in cash of approximately $25,000 is primarily comprised of the following:

- - Net cash used in operating activities totaled approximately $8,346,000, primarily due to the net loss incurred in 1999, an increase in inventory of approximately $5.6 million, a decrease in accounts receivable of approximately $2.4 million, along with changes in current assets and liabilities.

- - Net cash used in investing activities totaled approximately $944,000 primarily due to purchases of fixtures and equipment for the expanded manufacturing capabilities and establishment of the Phoenix product production line.

- - Cash generated from financing activities totaled approximately $9,315,000 during 1999 primarily from approximately $5.3 million in net proceeds on the sale of company stock, approximately $2.7 million in increased borrowing against the Company's available line of credit, and $ 1 million in additional financing.

For the two years ending January 1, 2000, the Company has incurred a net loss of approximately $8.1 million and net income of approximately $237,000, respectively. The Company has a cash balance of approximately $34,000 and an accumulated deficit of approximately $9.8 million as of January 1, 2000. These factors, among other things, may indicate that the Company will be unable to continue as a going concern for a reasonable period of time.

Management is pursuing various options in order to provide necessary financing. As discussed in Note 9 to the consolidated financial statements, management's plans to resolve near term cash flow issues include the following transactions:

- Negotiating a new $15 million line of credit with additional cash availability;

- A private placement equity financing to provide approximately $3-5 million in cash flow, less offering costs; and

- Projected improvement of operating results.

Management believes that if it can finalize the financing alternatives that it is pursuing together with its projected improvement in operating results for 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 these sources will be available to the Company on acceptable terms or when necessary.

INFLATION

Inflation rates appear to be relatively stable after several years of low to moderate increases. Inflation will result in the escalation of costs as well as increasing operating expenses for the Company. The Company anticipates the ability to offset most if not all of these increases through its cost reduction program and/or price increases, provided that inflation rates do not accelerate dramatically.

FOREIGN RISK FACTORS

The primary risk to foreign sales is the state of the economy in the Company's overseas markets. This evidences itself both in the willingness of the marketplace to purchase the product and in the exchange rates for transactions which ultimately impacts the final price of the product of the Company in the dealer's country. Other risks include the relative strength of individual dealerships in their respective countries, marketing expertise of the dealer network, transportation delays associated with shipping products from Phoenix, and individual country regulatory requirements. The Company believes it has taken the necessary steps and signed up strong dealers in the countries where it is currently represented to mitigate the above risks, except for those related to country economics.

ITEM 7. FINANCIAL STATEMENTS

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of
Titan Motorcycle Co. of America

In our opinion, the accompanying consolidated balance sheet, statement of operations, stockholders' equity and cash flows present fairly, in all material respects the financial position of Titan Motorcycle Co. of America and its subsidiary at January 1, 2000 and the results of their operations and cash flows for each of the two years then ended in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States which require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 9 to the consolidated financial statements, the Company has suffered recurring losses from operations and has an accumulated deficit that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 9. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ PricewaterhouseCoopers LLP
- ------------------------------
PricewaterhouseCoopers, LLP

Phoenix, Arizona
April 14, 2000

TITAN MOTORCYCLE CO. OF AMERICA
CONSOLIDATED BALANCE SHEET
AS OF JANUARY 1, 2000

	JANUARY 1, 2000
ASSETS	
CURRENT ASSETS:	
Cash	$ 33,700
Accounts receivable, net of allowance of $247,000	1,228,311
Accounts receivable - related party	999,252
Inventories	17,451,996
Prepaid expenses	351,483
Total current assets	20,064,742
Property and equipment, net	2,013,905
Other assets	17,317
Trademarks, net	85,481
TOTAL ASSETS	$ 22,181,445
LIABILITIES, REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT	
Current Liabilities:	
Bank overdraft	$ 305,538
Accounts payable	3,891,287
Accrued expenses	2,158,985
Note payable - line of credit	9,779,731
Current portion of notes payable	627,825
Total current liabilities	16,763,366
Note payable - related party	2,199,980
Mortgage note payable	370,407
Other long term liabilities	76,782
TOTAL LIABILITIES	19,410,535
Redeemable preferred stock	
Cummulative preferred stock, 3,973 shares outstanding, $.001 par value, including accrued dividends	3,536,739
Stockholders' Equity	
Common stock, par value $.001; 100,000,000 shares authorized and 17,160,980 shares issued and outstanding	17,162
Additional paid-in capital	9,098,252
Unearned compensation	(31,475)
Accumulated deficit	(9,849,768)
TOTAL STOCKHOLDERS' DEFICIT	(765,829)
TOTAL LIABILITIES, PREFERRED STOCK AND STOCKHOLDERS' DEFICIT	$ 22,181,445

The accompanying footnotes are an integral part of the financial statements.

TITAN MOTORCYCLE CO. OF AMERICA
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED JANUARY 1, 2000 AND JANUARY 2, 1999

	JANUARY 1, 2000	JANUARY 2, 1999
Sales, net	$ 26,939,692	$ 27,913,025
Cost of goods sold	27,278,623	23,719,621
Gross profit (loss)	(338,931)	4,193,404
Operating expenses:		
Selling, general and administrative	6,419,134	3,184,696
Research and development	465,905	301,184
Total operating expenses	6,885,039	3,485,880
Income (loss) from operations	(7,223,970)	707,524
Other income (expense):		
Other income (expense)	97,216	(31,883)
Interest expense	(933,528)	(476,765)
Total other income (expense)	(836,312)	(508,648)
Income (loss) before income taxes and cumulative effect of change in accounting principle	(8,060,282)	198,876
Income taxes	--	--
Income (loss) before cumulative effect of change in accounting principle	(8,060,282)	198,876
Cumulative effect of change in accounting principle (Note 1)	--	38,603
Net income (loss)	$ (8,060,282)	$ 237,479
Income (loss) per common share - basic and diluted:		
Income (loss) before cumulative effect of change in accounting principle	$ (.47)	$ .01
Cumulative effect of change in accounting principle	--	--
Net income (loss) per common share	$ (.47)	$ .01
Weighted average number of common shares and equivalents		
Basic	17,092,068	16,416,823
Diluted	17,092,068	16,746,218

The accompanying footnotes are an integral part of the financial statements.

TITAN MOTORCYCLE CO. OF AMERICA
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED JANUARY 1, 2000 AND JANUARY 2, 1999

	COMMON STOCK SHARES	AMOUNT	ADDITIONAL PAID-IN CAPITAL	UNEARNED COMPENSATION
BALANCE, DECEMBER 31, 1997	16,210,666	$ 16,211	$ 6,480,769	
Issuance of common stock for cash at $3.00 per share	166,667	167	499,833	
Issuance of common stock for advertising services at $4.17 per share	60,000	60	249,940	
Issuance of stock options			41,875	(41,875)
Amortization of unearned compensation				3,134
Net income				
BALANCE, JANUARY 2, 1999	16,437,333	$ 16,438	$ 7,272,417	$ (38,741)
Issuance of common stock for cash at $2.25 per share	700,000	700	1,349,250	
Issuance of common stock for services	23,647	24	82,976	
Issuance of warrants			463,307	
Preferred stock dividends			(69,698)	
Amortization of unearned compensation				7,266
Net loss				
BALANCE, JANUARY 1, 2000	17,160,980	$ 17,162	$ 9,098,252	$ (31,475)

	ACCUMULATED DEFICIT	TOTAL
BALANCE, DECEMBER 31, 1997	$ (2,026,965)	$ 4,470,015
Issuance of common stock for cash at $3.00 per share		500,000
Issuance of common stock for advertising services at $4.17 per share		250,000
Issuance of stock options		-
Amortization of unearned compensation		3,134
Net income	237,479	237,479
BALANCE, JANUARY 2, 1999	$ (1,789,486)	$ 5,460,628
Issuance of common stock for cash at $2.25 per share		1,349,950
Issuance of common stock for services		83,000
Issuance of warrants		463,307
Preferred stock dividends		(69,698)
Amortization of unearned compensation		7,266
Net loss	(8,060,282)	(8,060,282)
BALANCE, JANUARY 1, 2000	$ (9,849,768)	$ (765,829)

The accompanying footnotes are an integral part of the financial statements.

TITAN MOTORCYCLE CO. OF AMERICA
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JANUARY 1, 2000 AND JANUARY 2, 1999

	JANUARY 1, 2000	JANUARY 2, 1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$(8,060,282)	$ 237,479
Adjustments to reconcile net (loss) to net cash used in operating activities:		
Depreciation and amortization	386,993	167,621
Cumulative effect of change in accounting principle	--	(38,603)
Stock compensation expense	7,266	3,134
Net changes in balance sheet accounts:		
Accounts receivable	2,422,799	(3,675,901)
Inventories	(5,613,994)	(5,314,639)
Other assets	410,571	18,908
Accounts payable	809,295	1,029,260
Accrued expenses	1,291,423	504,231
Net cash used in operating activities	(8,345,929)	(7,068,510)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(919,887)	(626,769)
Purchase of trademarks	(24,170)	(8,852)
Net cash used in investing activities	(944,057)	(635,621)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Bank overdraft	227,801	77,737
Issuance of common stock	1,349,950	500,000
Issuance of preferred stock and warrants	3,930,348	--
Proceeds from notes payable	1,000,000	--
Line of credit, net	2,807,189	7,049,324
Net cash provided by financing activities	9,315,288	7,627,061
Net increase (decrease) in cash	25,302	(77,070)
Cash and cash equivalents at beginning of year	8,398	85,468
Cash and cash equivalents at end of year	$ 33,700	$ 8,398
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for:		
Interest	$ 655,180	$ 251,593
Income taxes	$ --	$ --
Non-cash Investing and Financing Activities:		
Stock issued in exchange for services	$ 83,000	$ 250,000
Inventory in exchange for advertising	$ --	$ 112,305
Preferred stock dividends	69,698	--

The accompanying footnotes are an integral part of the financial statements.

TITAN MOTORCYCLE CO. OF AMERICA
CONSOLIDATED FINANCIAL STATEMENT FOOTNOTES
FOR THE YEARS ENDED JANUARY 1, 2000 AND JANUARY 2, 1999

1. ORGANIZATION DESCRIPTION OF BUSINESS

Titan Motorcycle Co. of America (the "Company" or "Titan") was incorporated in the State of Arizona on December 12, 1994 and merged with Mojave Financial Services, Inc. ("Mohave") on June 11, 1996. Mohave, the surviving legal entity, was incorporated in the State of Nevada on January 10, 1995. Subsequent to the merger, Mohave changed its name to Titan. On June 11, 1996, the shareholders of the Company authorized a reverse stock split of 1-for-10 and on February 17,1997, the shareholders of the Company authorized a forward stock split of 2-for-1. All references to shares of common stock have been retroactively restated for these splits.

The Company manufactures custom design motorcycles and sells them to authorized dealers or to the general public. The consolidated financial statements of the Company include all of the accounts and balances of its wholly owned German subsidiary, Titan Motorcycle GmbH. Intercompany transactions and balances are eliminated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiscal Year End

Effective January 1, 1998, the Company changed its fiscal year-end from December 31 to a 52-53 week fiscal year ending on the Saturday closest to December 31.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents. The Company maintains accounts at financial institutions located in Phoenix, Arizona. The accounts are insured by the Federal Deposit Insurance Corporation up to $100,000. The Company's balances occasionally exceed that amount.

Accounts Receivable

Accounts receivable potentially subjects the Company to credit risk. The Company extends credit to its customers based upon an evaluation of the customer's financial condition and credit history and generally does not require collateral. The Company has historically incurred minimal credit losses. Sales and accounts receivable to related parties represent a significant concentration as discussed in Note 8.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out method.

Property and Equipment

Property and equipment are stated at cost. Effective January 1, 1998, the Company changed its method of depreciation from an accelerated to the straight-line method. The Company believes the new method more appropriately reflects the economic benefit received from these assets. The cumulative effect of this change was a decrease to depreciation expense of $38,603. The effect of this change related to fiscal 1998 depreciation was a decrease of approximately $55,000.

Depreciation is provided on depreciable assets over an estimated useful life of 5 to 7 years, while leasehold improvements are amortized by the straight-line method over the shorter of estimated useful lives or the remaining lease term. When items are retired or disposed of, the cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the statement of operations.

The Company periodically assesses the recoverability of its property and equipment in accordance with Statement of Financial Accounting Standards No. 121 Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of ("SFAS 121").

Trademarks

Trademarks are stated at cost and amortized on a straight-line basis over a period of 40 years. The Company periodically assesses the recoverability of its trademarks in accordance with SFAS 121.

Revenue Recognition

The Company's revenue is derived primarily from the sale of custom-built motorcycles. Revenue is recognized upon shipment to the customer. Export sales totaled approximately $872,000 and $2,028,000 for the years ended January 1, 2000 and January 2, 1999, respectively.

Advertising Expense

The Company expenses advertising costs as incurred. Advertising expense for fiscal year 1999 and 1998 totaled approximately $920,000 and $344,656, respectively.

Non-monetary Transactions

The Company records non-monetary transactions based on the fair value of the goods and/or services exchanged.

Income Taxes

The Company accounts for income taxes under the liability method in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes."

Newly Issued Accounting Standards

Financial Accounting Standards No. 130, Reporting Comprehensive Income (SFAS 130) established standards for reporting and display of comprehensive income and its components. SFAS 130 requires a separate financial statement to report the components of comprehensive income for each period reported. The Company does not have any material components of other comprehensive income and therefore has not shown a separate statement.

In December 1999 the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101 (SAB 101). SAB 101 summarizes application of generally accepted accounting principles related to revenue recognition. The Company is currently evaluating the potential impact of this SAB.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. INVENTORIES

Inventories at January 1, 2000, consist of the following:

Raw materials and supplies	$10,607,330
Work-in-process	2,461,800
Finished goods	4,382,866
Total inventories	$17,451,996

4. PROPERTY AND EQUIPMENT

Property and equipment at January 1, 2000, consist of the following:

Land	$ 50,000
Building	393,226
Vehicles	246,522
Machinery and equipment	1,116,318
Displays	52,834
Leasehold improvements	784,580
Gross property and equipment	2,643,480
Less accumulated depreciation and amortization	629,575
Net property and equipment	$2,013,905

5. NOTES PAYABLE

Line of Credit

At January 1, 2000, the Company has an asset based line of credit, bearing interest at Prime plus .5% (8.25% at January 1, 2000) which is due monthly. The line of credit has a $10 million maximum capacity with an outstanding balance of approximately $9.8 million at January 1, 2000. The principal was due April 10, 2000. In April 2000, the Company obtained an extension for 90 days. (see Note 14). Borrowings under the asset-based line of credit are collateralized by a first priority security interest in substantially all of the Company's assets and are senior to all other borrowings. The unused line of credit bears interest at a rate of .25% per year due monthly. This financing agreement contains certain financial covenants and precludes capital expenditures in excess of $500,000 per year. During the year, the Company violated certain covenants related to this debt.

Notes Payable - Unsecured

At January 1, 2000, the Company was obligated under an unsecured note payable for $2,799,980. The current portion of the obligation at January 1, 2000 was $600,00. Approximately $1.8 million and $1.0 million bears interest at 8% and 12%, respectively. Payments of principal and interest were scheduled to begin on January 1, 2000 with the balance to be paid off evenly over three years, or as jointly agreed by the parties. The note and any accrued interest may be converted to common stock, upon mutual agreement by both parties, at any time after January 1, 2000. Accrued interest on the notes at January 1, 2000, approximated $553,000. In April 2000, the Company agreed to issue 724,638 shares of restricted common stock in payment of all accrued interest and principal then due ($600,000) as of January 1, 2000. (See Note 14)

Mortgage Note Payable

In September 1999, the Company obtained a loan totaling approximately $400,000 for the purchase of real property in Germany. The loan is collateralized by real property, with payments of principle and interest (amortized over twenty-five years) of $2,300 due monthly. As of January 1, 2000, the outstanding balance of the loan was approximately $398,000.

6. INCOME TAXES

The income tax rate on earnings (loss) before cumulative effect of change in accounting principle differed from the Federal statutory rate as follows:

	1999	1998
Federal income tax rate	34.0%	34.0%
State income tax rate, net of federal benefit	6.0%	6.0%
Non-deductible expenses	.-- %	7.6%
Effect of valuation allowance	<40.0%>	<47.6%>
Effective income tax rate	0%	0%

The income tax effects of loss carryforwards, tax credit carryforwards and temporary differences between financial and tax reporting give rise to the deferred income assets and liabilities. Management believes it more likely than not that the Company will not realize its tax assets, and as such, a full valuation allowance is recorded. Deferred income tax assets (liabilities) at January 1, 2000, consist of the following:

Current:	
Allowance for bad debts and sales returns	$ 99,800
Inventories	283,000
	$ 382,800
Long-term	
Property and equipment	$ (109,000)
Net operating loss carryforwards	3,175,000
Other	406,000
	$ 3,854,800
Valuation Allowance	(3,854,800)
Net deferred tax asset	--

As of January 1, 2000, the Company has federal and state net operating loss carryforwards of approximately $8.4 and $5.8 million, respectively. The federal net operating loss carryforwards expire in 2019, while the state net operating loss carryforwards expire in 2004.

7. SHAREHOLDER'S EQUITY

Common Stock

In February 1999, the Company sold 700,000 shares of its common stock for $2.25 per share. In connection with this transaction, the Company received proceeds, net of related offering costs, of $1,349,250. Additionally, in March 1999, the Company issued 23,647 shares of common stock in a non-cash exchange for marketing services.

Series A Redeemable Preferred Stock

In September 1999, the Company sold 4,000 shares of Series A redeemable, convertible preferred stock for $4 million. The preferred shares receive mandatory dividends at 6% annually, payable quarterly. The Company can elect to pay the dividends in cash, or issue additional shares of Series A preferred stock at $1,000 per share. The preferred stock is non-voting, and has dividend and liquidation preference. Beginning in October 1999, each preferred share is convertible into common shares for $2.6812 per share. The conversion price resets periodically after 12 months at the lower of 90% of the average market price for the 10 day period preceding the reset date or 130% of the previous conversion price. The Company received net proceeds of approximately $3.8 million.

The preferred stock contains conditions for redemption which are not solely within the control of the issuer. As a result, these shares have been classified as mandatorily redeemable.

Warrants

During September 1999, in connection with the issuance of the Series A Preferred Shares, the Company issued warrants to purchase 372,967 shares of the Company's common stock at a purchase price of $3.21744 per share. A portion of the proceeds from the sale of the Series A Preferred Shares has been allocated to the warrants based upon fair value calculated using the Black Sholes Model. These warrants expire on September 17, 2004.

8. RELATED PARTY TRANSACTIONS AND BALANCES

The Company has transactions in the normal course of business with affiliated dealerships that are partially owned by majority shareholders of the Company. In 1999 and 1998, sales to these affiliated dealerships were approximately $5,117,000 and $6,261,000, respectively. At January 1, 2000, accounts receivable from these affiliated dealerships were approximately $999,000.

9. COMMITMENTS AND CONTINGENCIES

Going Concern

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

For the two years ended January 1, 2000, the Company has incurred a net loss of approximately $8.1 million and net income of approximately $237,000, respectively. The Company has a cash balance of approximately $34,000 and an accumulated deficit of approximately $9.8 million as of January 1, 2000. In addition, amounts owed under the Company's line of credit are due and payable in July 2000. These factors, among others, may indicate that the Company will be unable to continue as a going concern for a reasonable period of time.

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's plans to resolve near term cash flow issues include the following:

- Negotiating a new $15 million line of credit to obtain additional cash availability;

- A private placement equity financing to provide approximately $3 - 5 million in cash flow, less offering costs; and

- Projected improvement of operating results.

Management believes that if it can finalize the financing alternatives that it is pursuing, together with its planned improvement in operating results for 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 the Company will generate sufficient cash flow, attain profitability, or that additional financing will be available to the Company on acceptable terms or when necessary.

Operating Lease Commitments

The Company leases its office, certain vehicles, and manufacturing and warehouse space. Total rent expense for 1999 and 1998 was approximately $725,000 and $387,000, respectively. Future minimum lease payments required under the operating lease agreements are as follows:

2000	$ 835,845
2001	$ 842,401
2002	$ 730,261
2003	$ 690,330
2004 and thereafter	$ 174,405

The Company provides a limited warranty on its motorcycles. The warranty period is thirty-six or forty-eight months, depending on model. The Company bears the costs of warranty work for the first six months. The remaining warranty period is covered by a warranty insurance policy that is purchased, by the Company, from an insurance carrier.

The majority of the Company's customers finance their purchases from the Company using a third party wholesale financing company. The Company and wholesale financing companies have entered into an agreement whereby, if one of the Company's dealers defaults on its obligation to the finance company, the finance company repossesses the motorcycle, and if the motorcycle is in "like-new" condition, then the Company is obligated to repurchase the motorcycle. To date, the Company has experienced only de minimus repurchases under this agreement

Supplier Concentration

Certain parts are critical in order to keep the Company production lines running without serious delay. Although management has alternative suppliers for parts identified as critical, there can be no assurance that the parts will be available at the time and price required. Any prolonged delay in receipt of critical parts could have a material adverse impact on the Company's financial positions and results of operations.

10. EMPLOYEE BENEFIT PLAN

On January 1, 1999, the Company established a 401(k) Profit Sharing Plan for all employees of the Company that have completed six months of service and are 21 years of age. The Company provides a discretionary match of the employee contributions. In fiscal 1999, the Company matched 20% of eligible employee contributions up to 6% of eligible wages in 1999 with the issuance of Company common stock.

11. STOCK OPTIONS AND AWARDS

The Company has adopted the disclosure only provision of Statement of Financial Accounting Standards No. 123, Accounting for Stock Based Compensation (SFAS 123) and follows Accounting Principle Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25) in accounting for options issued to employees. During 1999, the Company recognized $7,266 in compensation costs related to stock option grants.

The Titan Motorcycle Co. of America Stock Option and Incentive Plan (the "Plan"), provides for the grant of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, dividend equivalents and performance shares.

A summary of the Company's stock option activity and related information is as follows:

	1999		1998	
	Shares Under Option	Weighted Average Exercise Price	Shares Under Option	Weighted Average Exercise Price
Beginning balance outstanding	925,000	$2.69	422,000	$2.50
Granted	545,000	$2.78	618,000	$2.91
Exercised	--		--	
Cancelled	250,000	$3.64	115,000	$3.17
Ending balance outstanding	1,220,000	$2.71	925,000	$2.69
Exercisable at end of year	585,773	$2.61	280,667	$2.54
Shares available for future grants	4,780,000		5,075,000	

The following table summarizes additional information about the Company's stock options outstanding as of January 1, 2000:

	Options Outstanding			Options Exercisable	
	Shares Under Option	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Shares Under Option	Weighted Average Exercise Price
Range of exercise price:					
$1.50 - $2.00	50,000	$1.80	9.79 years	50,000	$1.80
$2.01 - $2.50	584,000	$2.34	8.11 years	328,190	$2.48
$2.51 - $3.00.	468,000	$2.96	8.36 years	204,283	$3.00
$3.01 - $3.50	15,000	$3.27	9.87 years	--	--
$3.51 - $4.00	103,000	$4.00	9.09 years	3,300	$4.00
	1,220,000	$2.71	8.38 years	585,773	$2.61

Pro forma information regarding net income and earnings per share is required by SFAS No. 123, and has been determined as if the Company had accounted for its stock option plan under the fair value based method of that Statement. The fair value for these options was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions, risk free interest rate of 5.84%, no common dividend, volatility factor of 55%, and an expected average life of the option of five years.

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the vesting period of the options. The pro forma information for 1999 and 1998 follows:

	1999	1998
Net income (loss)	$(8,060,282)	$237,479
Pro forma compensation expense	381,156	320,098
Pro forma net income (loss)	$(8,441,438)	$(82,619)

Had the Company elected to adopt the recognition provisions of SFAS No. 123, net loss and net income per share would have been reduced by $.02 and $.01 for 1999 and 1998, respectively.

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the carrying amounts and estimated fair values of the Company's financial instruments at January 1, 2000. The fair value of the financial instruments is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidated sale.

	Carrying Value	Fair Value
Liabilities		
Line of credit	$9,779,731	$9,779,331
Mortgage note	$ 339,232	$ 339,232
Unsecured note payable	$2,779,980	$2,448,960

The interest rate on the line of credit is variable, and therefore, the carrying value approximates fair value. The fair value of the unsecured notes payable and mortgage note was calculated using a discounted cash flow approach. It was assumed that the conversion feature would not be exercised. The discount rate was 12%.

13. 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:

BASIC EPS	FISCAL 99			FISCAL 98		
Income(loss) before cumulative effect of change in accounting principle, net of tax	$(8,060,282)	17,092,068	$(0.47)	$198,876	16,416,823	$0.01
Income applicable to cumulative effect of change in accounting principle	--	--	$ --	38,603	--	$ --
Net income (loss) available to common shareholders	$(8,060,282)	17,092,068	$(0.47)	$237,479	--	$0.01
EFFECTS OF DILUTIVE SECURITIES						
Common stock options	--	--	$ --	--	306,471	$ -
DILUTED EPS						
Net income (loss) available to common shareholders	$(8,060,282)	17,092,068	$(0.47)	$237,479	16,723,294	$0.01

The dilutive effect of stock options is not included in the 1999 calculation of diluted earnings per share as its inclusion would be anti-dilutive.

14. SUBSEQUENT EVENTS

Series B Convertible Preferred Stock

In March 2000, Titan sold to two thousand shares of newly authorized Series B Convertible Preferred Stock. Gross proceeds for the private placement transaction totaled $2,000,000 with net proceeds of approximately $1,800,000.

Series B Convertible Preferred Stock is convertible into a maximum of 3,436,000 shares of the Company's common stock. For the first year after issuance, the Series B Convertible Preferred Stock is convertible at a fixed conversion price of $1.75. Thereafter, the conversion price is adjusted every six months to the lesser of:

- the prior conversion price, or

- the average market price for the ten days prior to the adjustment date.

Additionally, with the preferred shares, the Company issued warrants for the purchase of 250,000 shares of the Company's common stock. Titan also issued warrants for the purchase of an additional 12,500 shares of common stock to a third party as partial compensation for their assistance in placing the Series B Convertible Preferred Stock. The exercise price of these warrants is $2.00 per share, with an expiration date of March 9, 2005.

Issuance of common stock

Subsequent to is fiscal year ending January 1, 2000, Titan made three separate private placements to three non-U.S. investors as defined in Regulation S promulgated by the Securities and Exchange Commission. Pursuant to these transactions, Titan has agreed to issue 543,480 shares of its restricted common stock for the aggregate sum of $750,000.

In April 2000, the Company agreed to issue 724,638 shares of restricted common stock in payment of the required annual installment payment of all accrued interest and principle due as of January 1, 2000 on notes payable with a private lender. The total amount of principle and interest paid with the issuance of the preferred shares totaled approximately $1,050,000.

Amended and Restated Loan and Security Agreement

In April 2000, the Company signed an agreement which extends the line of credit due on April 10, 2000 for an additional three-months. The extension agreement contains certain additional restrictive covenants and fees. In addition, the maximum borrowing amount has been reduced to $9 million with further reductions of $250,000 every two weeks beginning May 1, 2000. The borrowing base has also been reduced as defined in the agreement.

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

ITEM 8. CHANGES AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES.

Effective December 28, 1998, the registrant dismissed Jones, Jensen & Company (herein referred to as the "former accountants") as the independent accountants who are engaged to audit the registrant's financial statements. This decision to change accountants was not based upon any disagreement with the former accountants.

The former accountants' report on the financial statements of the registrant for either of the past two years has not contained an adverse opinion or a disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope, or accounting principles.

During the registrant's two most recent fiscal years, and any subsequent interim period preceding the dismissal of the former accountants, there have been no disagreements with the former accountants on any matter of accounting principles or practices, or financial statement disclosure, which disagreements, if not resolved to the satisfaction of the former accountants, would have caused them to make references to the subject matter of the disagreements in connection with their report.

Further, during the registrant's two most recent fiscal years, and any subsequent interim period preceding the dismissal of the former accountants, the former accountants have not advised the registrant (a) that the internal controls necessary for the registrant to develop reliable financial statements do not exist; (b) that information has come to the accountants' attention that has led them to no longer be able to rely on management's representations, or that has made them unwilling to be associated with the financial statements prepared by management; (c) or the need to expand significantly the scope of their audit; (d) that information has come to the former accountants' attention that, if further investigated, may materially impact the fairness or reliability of either a previously issued audit report or the underlying financial statements issued or to be issued covering the fiscal period subsequent to the date of the most recent financial statements covered by an audit report (including information that may prevent them from rendering an unqualified audit report on those financial statements), or cause them to be unwilling to rely on management's representations or be associated with the registrant's financial statements; or (e) that information has come to the former accountants' attention that they have concluded materially impacts the fairness or reliability of either, (i) a previously issued audit report or the underlying financial statements, or (ii) the financial statements issued or to be issued covering the fiscal periods subsequent to the date of the most recent financial statements covered by an audit report (including information that, unless resolved to the former accountants' satisfaction, would prevent them from rendering an unqualified audit report on those financial statements).

The registrant engaged as its new independent accountants, the firm of PricewaterhouseCoopers LLP. The effective date of the engagement of PricewaterhouseCoopers LLP was December 22, 1998.

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT.

Each director and executive officer of Titan had a single failure to file a Form 4 report in fiscal year 1999, which is defined as a known failure to file. The change in stock ownership necessitating the Form 4 filings occurred as a consequence of the grant of common stock options in October, 1999. In December, 1999, an individual director acquired 1,200 shares of Titan common stock in a market transaction and failed to file a Form 4 report regarding the transaction.

The directors and executive officers of the Company are as follows:

NAME	AGE	POSITIONS HELD	PERIOD OF SERVICE
Francis S. Keery	57	Chairman of the Board and CEO	Since December 1994
Patrick Keery	31	President and Director	Since December 1994
Barbara S. Keery	56	Vice President, Secretary and Director	Since December 1994
Harry H. Birkenruth	67	Director	Since August 1998
H.B. Tony Turner	62	Director	Since August 1998
Robert P. Lobban	45	Chief Financial Officer	Since November 1997

The Board of Directors of the Company held four meetings in fiscal year 1999 and one meeting to date in fiscal year 2000. All directors were present at these meetings.

Each of the members of the Board of Directors of the Company serve for a one year term, or until their successors are elected. Mr. Birkenruth and Mr. Turner have accepted appointments to serve as the only members of the audit and compensation committees of Titan's Board of Directors. The standing audit and compensation committees were established in the latter half of the fiscal year 1998, and held no formal meetings in that year. These committees have met twice each in fiscal year 1999. The compensation committee has been charged with the responsibility of evaluating and establishing compensation for the management of the Company. The audit committee has been charged with the responsibility of communicating with the auditors of the Company, and evaluating the accounting controls, functions and systems of the Company. The audit committee also evaluated the corporate opportunities referred to below in the Related Transactions section of this Proxy Statement.

None of the directors, officers or 5% owners of the stock of the Company is involved in any significant legal proceedings adverse to the Company.

THE KEY MEMBERS OF TITAN'S MANAGEMENT TEAM ARE INTRODUCED BELOW.

FRANK (FRANCIS S.) KEERY - CHAIRMAN AND CEO

Frank Keery, age 57, currently resides with his wife, Barbara Keery, in Phoenix, Arizona.

Mr. Frank Keery received a B.S. degree in Electrical Engineering from the University of Detroit in 1966 and an MBA degree from Western New England University in 1969.

Subsequent to completion of his formal education, Mr. Frank Keery has held various management and administrative positions. For 17 years Mr. Keery worked with Rogers Corporation, an AMEX listed corporation, involved in the manufacture and marketing of specialty materials, components and systems to the automotive and electronics markets internationally. In this capacity he served variously as an executive in charge of new division startups, manufacturing management, operation "turnarounds", and international sales from approximately 1969 to 1986. Most of these assignments carried full profit and loss responsibilities of independent units.

From 1986 to 1994, Mr. Frank Keery was primarily employed in multiple positions as an outside and in-house business consultant. In 1989 to 1991 he was the CEO for Swanson Manufacturing, Inc.

For the three-year period ending in August 1994, Frank Keery was CEO of the Company Store, a privately held mail order company with annual sales of approximately Eighty Million Dollars ($80,000,000).

From August 1994 to the present, Mr. Keery has been chairman of Paragon Custom Cycles, which later became Titan Motorcycle of America. In this capacity he has used his management and marketing experience as the chairman of the board and CEO.

PATRICK KEERY - PRESIDENT/DIRECTOR

Patrick Keery, age 31, resides in Scottsdale, Arizona. He is the son of Frank and Barbara Keery, who also serve as directors of the Company.

Mr. Keery has been President of Titan since inception, and owned and operated its predecessor entity, Paragon Custom Cycles. Mr. Patrick Keery brings unique skills in the assembly, design and engineering of custom built motorcycles.

Mr. Patrick Keery is a 1992 graduate of Arizona State University where he obtained a B.S. degree in finance.

Since 1993, Mr. Keery operated and was the owner and manager of Paragon Custom Cycles doing custom design, assembly and rebuilding of essentially large displacement motorcycles until he became the President of the reorganized Company in December of 1995.

During the period of 1992 to 1993, Mr. Patrick Keery worked as a financial analyst for the George S. May International Co., a consulting firm specializing in providing services to small to medium capital companies.

Mr. Keery is heavily involved in developing the Company's dealer network and overseeing the sales and marketing efforts. He continues to play a lead role in motorcycle styling and product development.

BARBARA KEERY - VICE PRESIDENT/SECRETARY/DIRECTOR

Barbara Keery, age 57, currently resides with her husband, Frank Keery, in Phoenix, Arizona.

Barbara S. Keery received her Masters Degree in Business Education from the University of Connecticut in 1970 and her Bachelors Degree in Business Education from the State University of New York at Albany. From 1964 through 1969 she taught high school administration business courses in South Windsor, Connecticut and Oak Park, Michigan. As a licensed real estate agent, she served on the chairman's board of Russ Lyon Realty and was a member of the Scottsdale Million Dollar Club in 1987 and 1988.

From its inception in 1996, Mrs. Keery has served as the corporate secretary and Vice-President for the Company. In 1997, a new product line was created for exclusive Titan clothing and accessories which is administered by Mrs. Keery.

HARRY H. BIRKENRUTH - DIRECTOR

Harry H. Birkenruth, age 68, resides with his wife in Storrs, Connecticut.

Mr. Birkenruth graduated with high honors from the City College of New York in 1953. In 1957 he graduated with distinction from the Harvard Graduate School of Business Administration. In 1960 Mr. Birkenruth joined Rogers Corporation and became its Chief Financial Officer in 1967 and served as its Senior Vice President Polymer Products in 1986. Rogers Corporation is engaged in the sale of materials and components to the electronics and automotive industries with its principal place of business in Rogers, Connecticut.

Beginning in 1990, Mr. Birkenruth served as Executive Vice President of Rogers Corporation and in April 1992 became its President and Chief Executive Officer until March 31, 1997, when he became Chairman of the Board of Directors of the company. On June 30, 1998, Mr. Birkenruth retired as Chairman of Rogers Corporation and continues to serve as a director and consultant to the company.

For the past two years, Mr. Birkenruth has also served as the Vice Chairman of the Board of Directors of Instrument Manufacturing Company, a company specializing in electrical cable diagnostic instruments.

Mr. Birkenruth has previously served as a member of the Executive Committee and Board of Directors of the Connecticut Business and Industry Association; a member of the Board of Overseers of the University of Connecticut's School of Business; as a Trustee of the Connecticut Policy and Economic Counsel; and has served several terms as a member of the Board of Trustees and as an incorporator of the Windham Community Memorial Hospital.

H. B. TONY TURNER - DIRECTOR

Tony Turner, age 63, resides in Paradise Valley, Arizona.

Mr. Turner graduated in 1958 with a Bachelors degree from Duke University. In 1962 he graduated from the Harvard Graduate School of Business Administration.

Subsequent to his graduation from graduate school, Mr. Turner has engaged in a broad variety of work experiences including as Chairman, President and CEO of Ardshield, Inc., a leveraged buy-out and investment banking firm (1980-1992); Executive Vice President and Director of Investment Banking for Shearson Haden Stone (1978-1980); Vice President in the leveraged buy-out department of Oppenheimer & Co. (1976-1978); Vice President Finance and Chief Administrative Officer of N-REN Corp., a privately held fertilizer company; Assistant Secretary for Administration of the U.S. Department of Commerce (1973-1975); First Vice President and Director of Mitchum, Jones & Templeton, a regional investment banking company (1967-1973); Treasurer and Director of Corporate Planning of Star-Kist Foods, Inc., a subsidiary of H.J. Heinz (1964-1967); and Controller of a financial corporation of Arizona where he served as the Chief Accounting Officer of a financial holding company.

ROBERT P. LOBBAN - CHIEF FINANCIAL OFFICER

Mr. Robert P. Lobban, age 45, currently resides in Gilbert, Arizona with his wife Susan.

Mr. Lobban holds a Masters of Business Administration Degree (M.B.A.) from Harvard Graduate School of Business which he obtained in 1981. Mr. Lobban earlier obtained a B.S. degree in Industrial Engineering from Northeastern University in 1977. He graduated first in his class and was a Magna Cum Laude graduate.

During the period of his formal education, Mr. Lobban obtained considerable practical experience in working in full-time positions as an engineer, analyst and supervisor with such companies as Digital Equipment Corporation, Texas Instruments, New England Medical Center Hospitals and the Phillips Manufacturing Company. From 1981 through 1982, he worked as a Controller with the Fiberloys Division of the Rogers Corporation. From 1982 to 1984 he was the Controller for the Flexible Interconnections Division of Rogers Corporation in Chandler, Arizona and was promoted to Administrative Manager with that division from 1984 through 1987. From 1987 through 1988 he worked for Pacific Biosystems, Inc., a start-up company involved in the medical equipment industry as its Vice President and Chief Financial Officer.

In 1988, he joined Gemini Consulting as a Consultant and was promoted through several positions to the level of Principal. In these positions, Mr. Lobban was responsible for leading large teams in multi-million dollar projects to improve the financial performance of over 30 companies, most in the Fortune 500. Gemini Consulting of Morristown, New Jersey is an international business consulting firm. In 1995, he joined the George Group of Dallas, Texas as a Director and then Vice-President, where he was responsible for managing multiple client engagements in turnaround/major improvement situations.

During 1997 he became associated full-time with the Company and provides valuable service as its Chief Financial Officer supervising general accounting, finance, investor relations, information systems, and human resources as well as its procurement and materials management functions. He is also charged with leading the Company's cost reduction efforts.

ITEM 10. EXECUTIVE COMPENSATION.

The table set forth below contains information about the remuneration received and accrued during the last three fiscal years from the Company and its subsidiaries by the CEO of the Company. None of the employees of the Company have received salary and bonuses of $100,000 or more in any calendar year.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)	Securities Underlying Options or SARs (#)
Frank Keery	1999	92,158	-0-	4,850	50,000
Chairman/CEO	1998	75,577	1,442	7,907	75,000
	1997	61,154	1,154	6,942	0

In December 1996, the Board of Directors of the Company adopted the Titan Motorcycle Co. of America Stock Option and Incentive Plan (the "Plan"). Under the Plan, Incentive Stock Options ("ISOs"), Non-qualified Stock Options, Stock Appreciation Rights ("SARs"), Restricted Stock, Dividend Equivalents and Performance Shares may be awarded to key employees of Titan Motorcycle Co. of America and its subsidiaries.

A committee consisting of at least two Board members is authorized to administer the Plan and is authorized to select from among eligible employees those persons who will receive awards, to select the appropriate form of awards and to determine the terms and conditions of such awards. After taking into consideration the March 1997 two-for-one forward split of the stock of the Company, the aggregate number of shares of stock subject to awards under the Plan may not exceed 6,000,000.

The committee may make awards of ISOs, Non-qualified Stock Options, SARs, Restricted Stock, Dividend Equivalents and Performance Shares, or any combination of the foregoing, to officers and other key employees of the Company and its subsidiaries. For purposes of the Plan, the "key employees" are those employees who, in the opinion of the Committee, are mainly responsible for the continued growth, development and financial success of the Company. The committee is not required to make awards to every individual who is an officer or key employee, but it may not make any award to any individual who is not an officer or key employee.

An ISO is a stock option that satisfies certain technical requirements specified in Section 422 of the Internal Revenue Code (the "Code"). Under the Code, ISOs may only be granted to employees. In order for an option to qualify as an ISO, the price specified in the option must equal the fair market value of the stock at the date of the grant, and the option must lapse no later than 10 years from the date of the grant. As a general rule, the stock subject to ISOs which are first exercisable by an employee in any calendar year may not have a value of more than $100,000 as of the date of grant. Certain other requirements must also be met.

A Non-qualified Stock Option is any stock option other than an ISO. These options are referred to as "non-qualified" because they do not meet the requirements of, and are not eligible for the favorable tax treatment provided by Section 422 of the Code. Subject to applicable federal and state securities laws, non-qualified options can be subject to such terms and conditions as the committee determines in its discretion. Thus, for example, a Non-qualified Stock Option could be granted which has an exercise price which is less than the stock's fair market value on the date of grant.

A Stock Appreciation Right ("SAR") is the right granted to an employee to receive the appreciation in the value of a share of Company stock over a certain period of time. Under the Plan, the Company may pay that amount in cash or in Company stock or in a combination of both. SARs are often issued in conjunction with a grant of stock options to give the employee the cash necessary to exercise the option and/or pay the tax attributable to the exercise of the option (in the case of a Non-qualified Stock Option). Although SARs can be exercised independently of an option, in such cases, the underlying option lapses to the extent the SARs are exercised.

The Plan also authorizes the committee to award Restricted Stock to employees. Under the Restricted Stock feature of the Plan, the employee is granted a specified number of shares of the Company's stock. However, his ownership with respect to such stock is subject to certain restrictions, and if the employee violates any of the restrictions during the period specified by the Committee, he forfeits his stock. The committee may, in its discretion, impose any restrictions on an employee's Restricted Stock Award. It may not, however, require the employee to make any payment for the Restricted Stock.

The Plan authorizes the committee to grant dividend equivalents in connection with options. Dividend equivalents are rights to receive additional shares of Company stock at the time of exercise of the option to which such dividend equivalents apply. Dividend equivalents are always issued in connection with an option, however, they can be issued at the time the option is granted or after the option is granted.

Under the Plan, the committee may grant performance share units to an employee which are to be credited to a performance share account maintained for the employee. Each performance share unit is deemed to be the equivalent of one share of Company stock. An award of performance shares does not entitle an employee to any ownership, dividend, voting, or other rights of a shareholder until distribution is made in the form of shares of stock. No employee may receive as performance shares units more than 30 percent of the aggregate number of shares that can be awarded under the Plan.

As of March 31, 2000, the Company has granted ISOs and Non-qualified Stock Options for an aggregate of 1,285,000 shares of common stock. No grants have been made of any of the other categories of awards available under the Plan.

Stock options awarded in fiscal year 1999 to Directors and Officers under the Plan of the Company are as follows:

NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS/SARS GRANTED (#)	DATE AWARDED	% OF TOTAL OPTIONS/SARS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE OR BASE PRICE ($/SH)	EXPIRATION DATE
Frank Keery	50,000	10/15/99	9.3%	$2.125	10/15/09
Patrick Keery	30,000	10/15/99	5.6%	$2.125	10/15/09
Barbara Keery	15,000	10/15/99	2.8%	$2.125	10/15/09
Robert Lobban	30,000	10/15/99	5.6%	$2.125	10/15/09
Harry H. Birkenruth	25,000 10,000	10/13/99 10/15/99	4.6% 1.9%	$1.80 $2.125	10/13/09 10/15/09
H.B. Tony Turner	25,000 10,000	10/13/99 10/15/99	4.6% 1.9%	$1.80 $2.125	10/13/09 10/15/09

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

As of March 31, 2000, the Company had 17,181,187 shares of common stock outstanding. The chart below sets forth the ownership, or claimed ownership, of certain individuals and entities. This chart discloses those persons known by the Board of Directors to have, or to claim to have, beneficial ownership of more than 5% of the outstanding shares of the common stock of the Company as of March 15, 2000; of all directors and executive officers of the Company; and of the directors and officers of the Company as a group.

NAME AND ADDRESS OF BENEFICIAL OWNER	NUMBER OF SHARES BENEFICIALLY OWNED	PERCENT OF CLASS
Francis S. Keery 8973 N. 45th Street Phoenix, AZ 85028	3,374,772(2)	21.11%
Patrick Keery 8973 N. 45th Street Phoenix, AZ 85028	2,978,549(3)	17.19%
Barbara S. Keery 12460 N. 116th Street Scottsdale, AZ 85259	3,329,756(4)	19.36%
Harry H. Birkenruth 81 Ball Hill Road Storrs, CT 06268	35,000(5)	*(7)
H.B. Tony Turner 6116 East Yucca Road Paradise Valley, AZ 85253	36,200(5)	*(7)

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(2) Includes 225,000 shares underlying unexercised employee options.

(3) Includes 150,000 shares underlying unexercised employee options.

(4) Includes 16,650 shares underlying unexercised employee options.

(5) Includes 35,000 shares underlying unexercised options.

NAME AND ADDRESS OF BENEFICIAL OWNER	NUMBER OF SHARES BENEFICIALLY OWNED	PERCENT OF CLASS
Robert P. Lobban 1326 E. Treasure Cove Dr. Gilbert, AZ 85234	37,000(6)	*(7)
Officers and Directors as a group (6 members)	10,090,077	57.09%

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Prior to the formation of Titan Motorcycle Co. of America, Patrick Keery and Frank Keery had been conducting the business of after-market customizations of Harley Davidson(TM) motorcycles in the Phoenix area. This dealership is owned by the President and the CEO of the Company, and an independent third party. The dealership sells the products of the Company under the standard dealership contract of the Company without any special concessions or contract provisions.

In early 1998, the CEO and the President of the Company joined with a third-party investor to purchase the Los Angeles, California and Las Vegas, Nevada dealerships of the Company. The third-party investor, is a principal of an investment banking firm that has assisted the Company in capital raising functions and has an outstanding unsecured loan with Titan of approximately $2.8 million. These three individuals have formed a limited liability company known as BPF, LLC. The Los Angeles and Las Vegas dealerships have required significant capital infusions, at a time when the Company was unable to invest in any of its dealerships.

During the second quarter of 1999, BPF, LLC purchased American Biker Houston of Houston, Texas. This purchase was made after independent directors of Titan voted to forego such purchase on behalf of the Company. American Biker was a Titan retail dealer and continues as a dealer for Titan under the new name of Titan of Houston.

These dealerships are continuing to sell the products of the Company (as well as other non-Titan products) under the standard dealership contract of the Company without any special concessions or contract provisions.

In its fiscal year 1999 ending January 1, 2000, the referenced Phoenix Titan dealership accounted for approximately 42% of total affiliated dealership sales. During the same period, the three dealerships now owned by BPF, LLC accounted for approximately 58% of the total.

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(6) Includes 30,000 shares underlying unexercised employee options.

(7) Represents less than one percent.

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K.

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	Audited year end financial statements for the years ended January 1, 2000 and January 2, 1999...	
3.1	Restated Articles of Incorporation of Titan (incorporated by reference from Form 10-SB (Film No. 98648988) filed by Titan with the Commission on June 16, 1998).	
3.2	By-Laws of Titan as amended and restated on September 10, 1999 (incorporated by reference to Exhibit 3 to the Company's Current Report on Form 8-K filed October 1, 1999).	
4.1	Specimen of Common Stock Certificate (incorporated by reference from Form 10-SB (Film No. 98648988) filed by Titan with the Commission on June 16, 1998).	
4.2	Certificate of Designations of the Series A Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed October 1, 1999).	
4.3	Warrant issued to Advantage Fund II Ltd., dated September 17, 1999 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed October 1, 1999).	
4.4	Warrant issued to Koch Investment Group Limited, dated September 17, 1999 (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed October 1, 1999).	
4.5	Warrant issued to Reedland Capital Partners, dated September 17, 1999 (incorporated by reference to Exhibit 4.4 to the Company's Form S-3 Registration Statement filed on October 15, 1999).	
4.6	Warrant issued to Mr. Richard Cohn, dated September 17, 1999 (incorporated by reference to Exhibit 4.5 to the Company's Form S-3 Registration Statement filed on October 15, 1999).	
4.7	Warrant issued to Intellect Capital Corp., dated September 17, 1999 (incorporated by reference to Exhibit 4.6 to the Company's Form S-3 Registration Statement filed on October 15, 1999).	

4.8 Registration Rights Agreement with Advantage Fund II Ltd., dated September 15, 1999 (incorporated by reference to Exhibit 4.5 to the Company's Current Report on Form 8-K filed October 1, 1999).

4.9 Registration Rights Agreement with Koch Investment Group Limited, dated September 15, 1999 (incorporated by reference to Exhibit 4.6 to the Company's Current Report on Form 8-K filed October 1, 1999).

4.10 Certificate of Designations of the Series B Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed March 24, 2000).

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10.6	1997 Stock Option and Incentive Plan of Titan (Incorporated by reference from Form 10-SB (Film No. 98648988) filed by Titan with the Commission on June 16, 1998).
11	Statement regarding computation of per share earnings ....
16	Letter on change in certifying accountant ....
23	Consent of PricewaterhouseCoopers LLP..
24	Powers of Attorney ....
27	Financial Data Schedule...

(b) REPORTS ON FORM 8-K

On October 1, 1999, the Company filed its current report on Form 8-K regarding its Series A Convertible Preferred Stock.

On March 24, 2000, the Company filed its current report on Form 8-K regarding its Series B Convertible Preferred Stock.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Titan Motorcycle Company of America

Date: April 17, 2000

By: /s/ Frank S. Kerry
Frank S. Keery
Chief Executive Officer

Date: April 17, 2000

By: /s/ Robert P. Lobban
Robert P. Lobban
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

/s/ Frank S. Keery Frank S. Keery, Chairman of the Board	April 17, 2000
/s/ Patrick Keery Patrick Keery, Director	April 17, 2000
/s/ Barbara Keery Barbara Keery, Director	April 17, 2000
Harry H. Birkenruth, Director	
/s/ Tony Turner H.B. Tony Turner, Director	April 17, 2000

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10.2 Subscription Agreement with Koch Investment Group Limited, dated as of September 15, 1999 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed October 1, 1999).

10.3 Modification and Partial Payment Agreement with Oxford International Management dated April 13, 2000.

10.4	Subscription Agreement with Advantage Fund II Ltd., dated as of March 7, 2000 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed March 24, 2000).
10.5	Subscription Agreement with Koch Investment Group Limited, dated as of March 7, 2000 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed March 24, 2000).
10.6	1997 Stock Option and Incentive Plan of Titan (Incorporated by reference from Form 10-SB (Film No. 98648988) filed by Titan with the Commission on June 16, 1998).
11	Statement regarding computation of per share earnings.....
16	Letter on change in certifying accountant.................
24	Powers of Attorney.......................................
27	Financial Data Schedule..................................

EXHIBIT 10.1

MODIFICATION AND PARTIAL PAYMENT AGREEMENT

This Agreement is made this 13th day of April, 2000, by and between Titan Motorcycle Co. of America, a Nevada corporation ("Titan"), and Oxford International Management ("Oxford").

1. WHEREAS, on or about December 9, 1996, Titan executed a promissory note (the "Note") payable to Oxford in the principal amount of $2,000,000 with interest accruing at the rate of Eight Percent (8%);

2. WHEREAS, the parties to this Agreement are parties to a December 16, 1997 Modification of Promissory Note Agreement relating to the Note;

3. WHEREAS, on the first day of January, 2000, the first of three annual principal payments under the Note fell due in the amount of $600,000 and an additional $449,591 dollars of accrued interest was also due on January 1, 2000; and

4. WHEREAS, the parties hereto agree to satisfy the January 1, 2000 principal payment and all interest accrued to such date.

NOW, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

Titan shall satisfy the January 1, 2000 principal payment and all interest accrued to January 1, 2000 on the Note, as modified by the December 16, 1997 Modification Agreement, by issuing to Oxford, a total of 724,638 shares (the "Shares") of restricted common stock. The Shares shall be issued pursuant to Regulation S as promulgated by the United States Securities & Exchange Commission.

Upon the issuance and delivery of the Shares to Oxford, the next payment due under the Note, as modified, is the January 1, 2001 installment, together with interest accruing thereon. The final installment is to be paid on January 1, 2002, together with interest accruing thereon.

This Agreement is executed in reliance upon the transaction exemption afforded by Regulation S as promulgated by the United States Securities and Exchange Commission ("SEC"). Oxford warrants and represents as follows:

(a) Oxford is not a U.S. person as that term is defined under Regulation S.

(b) At the time this partial payment agreement was first agreed to, the Oxford representative negotiating this transaction was outside the United States and is outside of the United States as of the date of the execution and delivery of this Agreement.

(c) Oxford is purchasing the Shares for its own account and not on behalf of any U.S. person; the sale has not been pre-arranged with a purchaser in the United States; and all offers and resales of the securities shall only be made in compliance with the provisions of Regulation S.

(d) This transaction is made in compliance with all of the laws of the Country of the principal place of business of Oxford, and of any political subdivision thereof, and the customary practices and documentation of such jurisdictions.

(e) Oxford is not an entity organized under foreign law by a U.S. person, as defined in Regulation S Rule 902(o), for the purpose of investing in unregistered securities, unless Oxford was organized and is owned by accredited investors, as defined in Regulation D, Rule 501(a), who are not natural persons, estates or trusts.

(f) This transaction is not a purchase pursuant to a fiduciary account where a U.S. person, as defined in Regulation S Rule 902(o), has discretion to make investment decisions for the account.

(g) All offers and sales of the Shares by Oxford prior to the expiration of a one year distribution compliance period shall only be made pursuant to registration of securities under the Securities Act of 1933 (the "1933 Act"), or pursuant to an exemption from registration. All offers and sales after the expiration of the distribution compliance period shall be made only pursuant to such a registration or to an exemption from registration. The distribution compliance period referred to herein shall begin on the date of this Agreement.

(h) All offering documents received by Oxford include statements to the effect that (a) the Shares have not been registered under the 1933 Act and may not be offered or sold in the United States or to U.S. persons unless the Shares are registered under the Securities Act of 1933 or an exemption from the registration requirements is available; and (b) hedging transactions involving the shares may not be conducted unless in compliance with the 1933 Act, and Rule 144 promulgated thereunder.

(i) Oxford acknowledges that the purchase of the Shares involves a high degree of risk and further acknowledges that it can bear the economic risk of the purchase of the shares, including the total loss of its investment.

(j) Oxford understands that the Shares are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States Federal and State securities laws and that Titan is relying upon the truth and accuracy of the representations, warranties, agreements, acknowledgments and understandings of Oxford set forth herein in order to determine the applicability of such exemptions and the suitability of Oxford to acquire the shares.

The Shares, when issued, will bear a restrictive legend and the Company's transfer agent will be instructed that resales of the Shares into the United States may only be made by registration or appropriate exemption from registration after a one year distribution compliance period beginning on the date of this Agreement.

(a) The principal exemption from registration that may be available for the resale of the Shares into the markets of the United States is Rule 144, promulgated by the SEC under the Securities Act of 1933. Rule 144 provides, among other things, that a person holding restricted securities for a period of one year may sell every three months, in brokers' transactions, an amount equal to one percent of the Company's outstanding shares of common stock, or the average weekly reported volume of trading during the four calendar weeks preceding the filing of a notice of proposed sale, whichever is greater. Rule 144 also provides that, after holding such securities for a period of two years, a nonaffiliate of the Company may resell shares of stock freely, subject to no limitations or conditions.

b) Any resales of the Shares are to be made in compliance with Rule 905 of Regulation S. Rule 905 provides that, unless the Shares are sold pursuant to paragraph 4(a) above or other applicable exemption, Shares acquired from the issuer, a distributor, or any of their respective affiliates in a transaction subject to the conditions of Rule 901 or Rule 903 are deemed to be "restricted securities" as defined in Rule 144. Resales of any such restricted securities by the offshore purchaser must be made in accordance with Rule 144, the registration requirements of the 1933 Act or an exemption therefrom. Any "restricted securities," as defined in Rule 144 will continue to be deemed to be restricted securities, notwithstanding that they were acquired in a resale transaction made pursuant to Rule 901 or Rule 904 of Regulation S.

(c) Oxford agrees that the Shares will only be sold in accordance with the 1933 Act or Regulation S, and will require any purchaser of the Shares from Oxford to enter into a similar agreement. Oxford acknowledges that Titan and its transfer agent will refuse to register any transfer of the Shares unless made in accordance with the registration or exemptive provisions of the 1933 Act, or in accordance with Regulation S. Each distributor selling securities to a distributor, a dealer (as defined in section 2(a)(12) of the 1933 Act), or a person receiving a selling concession, fee or other remuneration, prior to a one-year distribution compliance period, shall send a confirmation or other notice to the purchaser stating that the purchaser is subject to the same restrictions on offers and sales that apply to a distributor.

TITAN MOTORCYCLE CO. OF AMERICA

By: /s/

Its: CEO

OXFORD INTERNATIONAL MANAGEMENT

By: /s/ Felisa Bajuilat

Its: Secretary, Director

EXHIBIT 11

Statement regarding Computation of Per Share Earnings

Common Stock outstanding as of January 2, 1999	16,437,333
Weighted average number of shares issued	654,735
Weighted average number of shares outstanding as of January 1, 2000	17,092,068

Exhibit 16

[JONES, JENSEN & COMPANY LLC LETTERHEAD]

April 17, 2000

Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549

Ladies and Gentleman:

We were previously the independent accountants for Titan Motorcycle Co. of America. On December 28, 1998, we were dismissed as the independent accountants of Titan Motorcycle Co. of America.

We have read Titan Motorcycle Co. of America's statements included under Item 4 of its 2000 Form 10-KSB dated April 17, 2000, and we agree with such statements.

Very truly yours,

/s/ Jones, Jensen & Company

Jones, Jensen & Company

Exhibit 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 of Titan Motorcycle Co. of America of our report dated April 14, 2000 relating to the financial statements and financial statement schedules, which appears in this Form 10-K.

PricewaterhouseCoopers LLP

/s/ PricewaterhouseCoopers LLP

Phoenix, Arizona
April 14, 2000

EXHIBIT 24

Power of Attorney of Director and/or Officer

The undersigned director of Titan Motorcycle Co. of America, does hereby make, constitute and appoint Frank S. Keery and Robert P. Lobban, and either of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director of said Corporation to an Annual Report on Form 10-K or other applicable form, and all amendments thereto, to be filed by said Corporation with the Securities and Exchange Commission, Washington, D.C., under the Securities Act of 1934, as amended, with all exhibits thereto and other supporting documents, granting unto said attorneys-in-fact, and either of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand this ___ day of March, 2000.

/s/ Tony Turner

H.B. Tony Turner

Power of Attorney of Director and/or Officer

The undersigned director of Titan Motorcycle Co. of America, does hereby make, constitute and appoint Frank S. Keery and Robert P. Lobban, and either of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director of said Corporation to an Annual Report on Form 10-K or other applicable form, and all amendments thereto, to be filed by said Corporation with the Securities and Exchange Commission, Washington, D.C., under the Securities Act of 1934, as amended, with all exhibits thereto and other supporting documents, granting unto said attorneys-in-fact, and either of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand this ___ day of March, 2000.

Harry H. Birkenruth

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U S DOLLARS

12-MOS
JAN-01-2000
JAN-03-1999
JAN-01-2000
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33,700
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2,474,563
0
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(765,829)
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933,526
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