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ss to technical support personnel. Software license updates and product support are generally priced as a percentage of the net new software license fees.

Many of the Company's software arrangements include consulting implementation services sold separately under consulting engagement contracts. Consulting revenue from these arrangements is generally accounted for separately from new software license revenue because the arrangements qualify as service transactions as defined in SOP No. 97-2. The more significant factors considered in determining whether the revenue should be accounted for separately include the nature of services (i.e. consideration of whether the services are essential to the functionality of the licensed product), degree of risk, availability of services from other vendors, timing of payments and impact of milestones or acceptance criteria on the realizability of the software license fee.

Revenue for consulting services is generally recognized as the services are performed. If there is a significant uncertainty about the project completion or receipt of payment for the consulting services, revenue is deferred until the uncertainty is sufficiently resolved. Contracts with fixed or not to exceed fees are recognized on a proportional performance basis.

If an arrangement does not qualify for separate accounting of the software license and consulting transactions, then new software license revenue is generally recognized together with the consulting services based on contract accounting using either the percentage-of-completion or completed-contract method. Contract accounting is applied to any arrangements: (1) that include milestones or customer specific acceptance criteria that may affect collection of the software license fees; (2) where services include significant modification or customization of the software; (3) where significant consulting services are provided for in the software license contract without additional charge or are substantially discounted; or (4) where the software license payment is tied to the performance of consulting services.

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**CONSULIER ENGINEERING, INC. AND SUBSIDIARIES
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED
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**NOTE 1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Revenue Recognition (Continued)

Advanced product services revenue is recognized over the term of the service contract, which is generally one year. Education revenue is recognized as the classes or other education offerings are delivered.

For arrangements with multiple elements, the Company allocates revenue to each element of a transaction based upon its fair value as determined by vendor specific objective evidence. Vendor specific objective evidence of fair value for all elements of an arrangement is based upon the normal pricing and discounting practices for those products and services when sold separately, and for software license updates and product support services, is additionally measured by the renewal rate offered to the customer.

The Company defers revenue for any undelivered elements, and recognizes revenue when the product is delivered or over the period in which the service is performed, in accordance with the revenue recognition policy for such element. If the Company cannot objectively determine the fair value of any undelivered element included in bundle software and service arrangements, the Company defers revenue until all elements are delivered and services have been performed, or until fair value can objectively be determined for any remaining undelivered elements. When the fair value of a delivered element has not been established, the residual method is used to record revenue if the fair value of all undelivered elements is determinable. Under the residual method, the fair value of the undelivered elements is deferred and the remaining portion of the arrangement fee is allocated to the delivered elements and is recognized as revenue.

Sales of the Company's soap products are recorded upon shipment of goods to customers.

Shipping and handling costs billed to customers are included in sales and recorded when goods are shipped to customers. Shipping costs of the Company are classified as a selling expense.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Income Taxes

The Company accounts for income taxes under the liability method. Under this method, deferred tax liabilities and assets are determined based on the difference between the consolidated financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

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**NOTE 1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Newly Issued Accounting Pronouncements

In July 2006, the FASB issued Financial Interpretation (FIN) No. 48, *Accounting for Uncertainty in Income Taxes*. FIN No. 48 clarifies the accounting for uncertain tax positions recognized in an entity's financial statements in accordance with SFAS No. 109, *Accounting for Income Taxes*. This interpretation is effective for fiscal years beginning after December 15, 2006. The Company will adopt FIN 48 as of January 1, 2007, as required. The Company is currently in the process of determining the effects that adoption of FIN 48 will have on its financial statements, but does not expect the impact upon adoption will be material.

In September 2006, the FASB issued Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*. The standard provides guidance for using fair value to measure assets and liabilities. Under the standard, fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts. The standard clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability. In support of this principle, the standard establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. The Statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company is currently evaluating the Statement to determine what impact it will have on the Company.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities Including an amendment of FASB Statement No. 115*. SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. Unrealized gains and losses on items for which the fair value option has been elected will be recognized in earnings at each subsequent reporting date. SFAS No. 159 is effective for our Company January 1, 2008. The Company is evaluating the impact that the adoption of SFAS No. 159 will have on the consolidated financial statements.

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**CONSULIER ENGINEERING, INC. AND SUBSIDIARIES
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NOTE 2. DEFERRED IMPLEMENTATION COSTS

Deferred implementation costs as of June 30, 2007, totaled \$2,349,516 and represented equipment purchased for customers, payroll and payroll related expenses for customer contracts which have not met certain milestones, customer acceptance or go-live dates. Implementation costs are deferred and recognized ratably over the initial licensing term or upon reaching certain milestones, acceptance criteria or go-live dates depending on the applicable revenue stream. Deferred implementation costs are stated at the lower of cost or market.

NOTE 3. CONCENTRATION OF CREDIT RISK

The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. The Company places its cash with high credit quality financial institutions. Cash held by these financial institutions in excess of FDIC limits amounted to approximately \$145,000 at June 30, 2007.

The Company grants credit to customers, substantially all of whom are businesses located in the United States and Canada. The Company typically does not require collateral from customers. The Company monitors exposure to credit losses and maintains allowances for anticipated losses considered necessary in the circumstances.

Approximately 20% of the Company's software licensing fees were derived from one customer for the six months ended June 30, 2006. Approximately 42% of the Company's software licensing fees was derived from 3 customers for the six months ended June 30, 2007. Customer A, B and C represented approximately 21%, 11% and 10%, respectively, of total software licensing fees for the six months ended June 30, 2007.

NOTE 4. INVESTMENTS PARTNERSHIP AND LIMITED LIABILITY COMPANY

The Company's limited partnership and limited company interests consist of Consulier's investments in AVM, L.P. and BioSafe Systems, LLC, respectively.

AVM, L.P.

Consulier owned an approximate 7.5% limited partnership interest in AVM as of June 30, 2007 and 2006. Based on capital and earnings distributions provided in the partnership agreement, Consulier was allocated approximately 5.4% of AVM's earnings during the six months ended June 30, 2007 and 2006, respectively. Under the partnership agreement, Consulier may withdraw all or any portion of its capital account upon 30 days written notice. AVM's general partner may also expel Consulier from the partnership through payment of the balance of Consulier's capital account.

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NOTE 4. INVESTMENTS PARTNERSHIP AND LIMITED LIABILITY COMPANY (CONTINUED)
AVM, L.P. (Continued)

The following is a summary of the results of operations (unaudited) of AVM and the income allocated to the Company:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	(In Thousands)		(In Thousands)	
	(Unaudited)		(Unaudited)	
	2007	2006	2007	2006
Revenues	\$ 18,606	\$ 19,820	\$ 41,520	\$ 36,842
Cost and Expenses	10,901	9,818	22,420	19,116
Net Income	\$ 7,705	\$ 10,002	\$ 19,100	\$ 17,726
Consulier's Share of Earnings	\$ 406	\$ 538	\$ 1,035	\$ 951

Cost of the Company's interest in AVM, L.P. at June 30, 2007 was \$1,852,133.

BIOSAFE SYSTEMS, LLC

Consulier owns a 40% interest in BioSafe Systems, LLC (BioSafe). The following is a summary of the results of operations of BioSafe and the income allocated to Consulier:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	(In Thousands)		(In Thousands)	
	(Unaudited)		(Unaudited)	
	2007	2006	2007	2006
Revenues	\$ 2,360	\$ 1,928	\$ 4,049	\$ 3,316
Cost and Expenses	1,913	1,740	3,367	3,255
Net Income	\$ 447	\$ 188	\$ 682	\$ 61
Consulier's Share of Earnings	\$ 179	\$ 75	\$ 273	\$ 24

Net investment in BioSafe Systems, LLC at June 30, 2007 was \$1,131,706.

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NOTE 5. TREASURY STOCK

Treasury stock consists of 116,621 shares of the Company's common stock, shown at cost. During April 2007, the Company adopted a plan to repurchase up to 50,000 shares of its common stock on the open market at a price not to exceed \$3.75 per share excluding transaction costs. During the quarter ended, June 30, 2007, the Company repurchased 11,685 shares of its common stock for \$44,462, representing the market value of the Company's common shares on the date of purchase and broker commissions.

NOTE 6. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net income (loss) available to stockholders by the weighted average number of common shares outstanding during each period. Diluted earnings per share is computed using the weighted average number of common and dilutive potential common shares outstanding during the period. Dilutive potential common shares consist of shares issuable upon the exercise of stock awards (calculated using the treasury stock method) warrants, convertible debt and convertible preferred stock during the period they were outstanding.

Basic and diluted earnings per share for the three and six months ended June 30, 2007 and 2006 were calculated as follows:

As of June 30, 2007 and 2006, the Company did not have any dilutive outstanding common stock instruments to be included in its diluted earnings per share computation.

	Three Months Ended June 30		Six Months Ended June 30,	
	2007	2006	2007	2006
BASIC AND DILUTED EARNINGS PER SHARE COMPUTATION:				
NUMERATOR:				
Net Income (Loss)	\$ 196,799	\$ (56,015)	\$ 572,317	\$ (2,727,424)
DENOMINATOR:				
Common Shares - Actual number of common shares outstanding	5,314,363	5,243,105	5,316,628	5,243,105
Earnings (Loss) per share weighted average shares outstanding	\$.04	\$ (.01)	\$.11	\$ (.52)

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NOTE 7. SEGMENT INFORMATION

Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company has four reportable segments: distribution of household and tool products, ownership of limited liability entities, medical software activities, and corporate. The household and tool products manufacturing segment is engaged in sales of the Captain Cra-Z soap product line and tool and ladder related products. The investments segment maintains investment interests in a limited partnership and a limited liability company (which are together called Limited Liability Companies in the following tables). The corporate segment is engaged in management of the business and finance activities. Segment information as of and for the three and six months ended June 30, 2007 and 2006 are as follows:

	Three Months Ended June 30, 2007				
	Distribution Activities	Income (Loss) Derived From Ownership of Limited Liability Companies	Corporate Activities	Medical Software Activities	Total
Revenue (b)	\$ 4,513	\$	\$	\$ 397,592	\$ 402,105
Operating (Loss)	(11,968)		(187,647)	(1,764,873)	(1,964,488)
Other Income (Loss)		585,113	29,691	(77,708)	537,096
Minority Interest				1,796,387	1,796,387
Income Tax Benefit (Provision)	4,069	(257,014)	53,705	27,044	(172,196)
Net Income (Loss) (a)	(7,899)	328,099	(104,251)	(19,150)	196,799
Total Assets	\$ 57,231	\$ 2,983,839	\$ 2,801,725	\$ 4,581,110	\$ 10,423,905

	Three Months Ended June 30, 2006				
	Distribution Activities	Income (Loss) Derived From Ownership of Limited Liability Companies	Corporate Activities	Medical Software Activities	Total
Revenue (b)	\$ 5,937	\$	\$	\$ 391,606	\$ 397,543
Operating (Loss)	(22,081)		(171,074)	(2,356,447)	(2,549,602)
Other Income (Loss)		613,036	(696)	(132,909)	479,431
Minority Interest				2,025,000	2,025,000
Income Tax Benefit (Provision)		(10,844)			(10,844)
Net Income (Loss) (a)	(22,081)	602,192	(171,770)	(464,356)	(56,015)
Total Assets	\$ 65,228	\$ 2,607,929	\$ 3,885,674	\$ 4,690,211	\$ 11,249,042

(a)

All interest expense incurred by the Company was allocated to the Corporate Activities Segment.

- (b) There was no intersegment revenue during the period.

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NOTE 7. SEGMENT INFORMATION (CONTINUED)

	Six Months Ended June 30, 2007				
		Income (Loss) Derived From Ownership of Limited Liability Companies	Corporate Activities	Medical Software Activities	Total
	Distribution Activities				
Revenue (b)	\$ 8,516	\$	\$	\$ 764,953	\$ 773,469
Operating (Loss)	(24,001)		(332,042)	(3,813,796)	(4,169,839)
Other Income (Loss)		1,308,196	58,933	(162,845)	1,204,284
Minority Interest				3,933,393	3,933,393
Income Tax Benefit (Provision)	8,160	(534,613)	92,857	38,075	(395,521)
Net Income (Loss) (a)	(15,841)	773,583	(180,252)	(5,173)	572,317
Total Assets	\$ 57,231	\$ 2,983,839	\$ 2,801,725	\$ 4,581,110	\$ 10,423,905

	Six Months Ended June 30, 2006				
		Income (Loss) Derived From Ownership of Limited Liability Companies	Corporate Activities	Medical Software Activities	Total
	Distribution Activities				
Revenue (b)	\$ 15,499	\$	\$	\$ 851,210	\$ 866,709
Operating (Loss)	(24,416)		(898,630)	(4,537,300)	(5,460,346)
Other Income (Loss)		975,490	(2,270)	(254,454)	718,766
Minority Interest				2,025,000	2,025,000
Income Tax Benefit (Provision)		(10,844)			(10,844)
Net Income (Loss) (a)	(24,416)	964,646	(900,900)	(2,766,754)	(2,727,424)
Total Assets	\$ 65,228	\$ 2,607,929	\$ 3,885,674	\$ 4,690,211	\$ 11,249,042

(a) All interest expense incurred by the Company was allocated to the Corporate Activities Segment.

(b)

There was no intersegment revenue during the period.

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NOTE 8. INCOME TAXES

Provisions (benefit) for federal and state income tax in the interim condensed consolidated statements of operations consist of the following:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	2006	2007	2006
Current:				
Federal	\$	\$	\$	\$
State		10,844		10,844
		10,844		10,844
Deferred:				
Federal	158,607		360,389	
State	13,589		35,132	
	172,196		395,521	
Total income tax provision	\$ 172,196	\$ 10,844	\$ 395,521	\$ 10,844

Applicable income taxes (benefit) for financial reporting purposes differ from the amount computed by applying the statutory federal income tax rate as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	2006	2006	2006
Tax provision (benefit) at statutory rate	\$ 142,527	\$	\$ 338,743	\$
State income tax expense (benefit) net of federal tax effect	13,394	10,844	35,132	10,844
Other	16,275		21,646	
Income tax provision	\$ 172,196	\$ 10,844	\$ 395,521	\$ 10,844

As of June 30, 2007, the Company had Federal and state tax loss carry-forwards totaling approximately \$417,000 and \$6,300,000, respectively, available to reduce future years' income through 2023.

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NOTE 8. INCOME TAXES (CONTINUED)

The approximate tax effects of temporary differences that give rise to deferred tax assets (liabilities) as of June 30, 2007, are as follows:

Depreciation and Amortization	\$ 386,266
Allowance for doubtful accounts	30,543
Tax loss carry forward	370,433
Accrued Wages	11,289
 Total Net Deferred Tax Asset	 \$ 798,531

Deferred tax assets and liabilities are reflected on the balance sheet as of June 30, 2007 as follows:

Net Short-Term Deferred Tax Assets	\$ 41,832
Net Long-Term Deferred Tax Assets	756,699
 Net Deferred Tax Assets	 \$ 798,531

NOTE 9: COMMITMENTS AND CONTINGENCIES

From time to time, the Company is involved in lawsuits and claims in the ordinary course of business. Management does not believe the outcome of any litigation against the Company would have a material adverse effect on the Company's financial position or results of operations.

The Company is a defendant in a lawsuit arising from a fall from a lifeguard stand manufactured by the Company prior to 2000 in a previous line of business. Judith Freshour and Joseph Freshour, her husband vs. Mosler Auto Care Center, Inc. and Consulier Engineering, Inc., Broward County, Florida, Circuit Court, Case No. 03-3156 CACE 25. This suit was filed in 2003 and the Company is insured against this claim.

On August 2, 2006, PCTS was made a defendant to a lawsuit filed by Hill-Rom Services, Inc. et al. vs. Versus Technology, et al., United States District Court, Middle District of North Carolina, Civil Action No. 1:03CV01227, as a successor in interest to Healthcare Information Technology, Inc., and as a customer of a vendor concerning the vendor's disputed patent ownership and unauthorized use of such patents. The plaintiffs also requested a determination that they did not violate their license agreement with PCTS's vendor. The amount of liability, if any, from this claim cannot be determined with certainty; however, management is of the opinion that the outcome of the claims will not have a material adverse impact on the consolidated financial position. Due to uncertainties in the settlement process, it is at least reasonably possible that management's estimate of the outcome may change within the next year.

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**NOTE 10. RELATED PARTY TRANSACTIONS
DUE FROM RELATED PARTIES**

Amounts due from related parties totaled \$200,000 and represent advances to certain members of management. These amounts are unsecured, non-interest bearing and due on demand. The Company has no intention of demanding \$200,000 due from these employees within one year as of June 30, 2007. Accordingly, the Company has classified \$200,000 as a non-current asset on the condensed interim consolidated balance sheet as of June 30, 2007.

NOTE PAYABLE RELATED PARTY

ST, LLC has unsecured promissory notes to the majority stockholder totaling \$3,405,062 as of June 30, 2007, the proceeds of which have been used to meet operating funding requirements. These promissory notes accrue interest at 10% per annum, compounding monthly. Interest only is payable annually on the anniversary date of each of the promissory notes. The promissory notes and any accrued interest are due on demand anytime after 10 years from the applicable date of the note. Accordingly, the total unpaid principal balance is included in long-term liabilities on the accompanying condensed interim consolidated balance sheet. The Company may not prepay the principal balance without prior consent of the majority stockholder. Accrued interest on this note totaled \$603,372, which is included in related party payable on the accompanying condensed interim consolidated balance sheet as of June 30, 2007.

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**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION
RESULTS OF OPERATIONS**

The following compares the results of operations for the three and six months ended June 30, 2007, with the comparable period in the prior year.

During the quarter ended June 30, 2007, revenue increased approximately \$6,000 from revenue for the quarter ended June 30, 2006 primarily related to the operations of ST, LLC. Although more sales orders occurred during the second quarter, they will not be recognized until the third and fourth quarters of 2007 or until the Company has reached its contractual obligations.

Operating loss for the six months ended June 30, 2007 was approximately \$4,170,000, or \$(.76) per share, compared to the operating loss of approximately \$5,460,000, or \$(1.00) per share, for the six months June 30, 2006, primarily due to a reduction in ST, LLC's operating expenses.

During the quarter ended June 30, 2007, other income (loss)/(expense) increased by approximately \$58,000 from the quarter ended June 30, 2006, primarily as a result of increased income from BioSafe and a reduction of interest expense which offset the reduced income from AVM.

The Company's income from its interest in BioSafe was approximately \$179,000 in the second quarter of 2007, compared to income of approximately \$75,000 for the quarter ended June 30, 2006. This represents the Company's 40% interest in BioSafe's net income of approximately \$447,000 in the second quarter of 2007, compared to income of approximately \$188,000 in the second quarter of 2006.

The Company's income from its interest in AVM was approximately \$406,000 in the second quarter of 2007, compared to income of approximately \$538,000 for the quarter ended June 30, 2006. This represents the Company's 5.4% interest in AVM's net income of approximately \$7,705,000 in the second quarter of 2007, compared to income of approximately \$10,002,000 in the second quarter of 2006.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION (CONTINUED)

Management continues to monitor these activities as they relate to budgeted amounts. See Liquidity and Capital Resources and Outlook, below. The Company maintains an open option to sell its interest in ST, LLC to the primary stockholder of the Company for its total investment as noted in the accompanying financial statements.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2007, Consulier's cash totaled approximately \$258,000 compared to approximately \$241,000 at December 31, 2006. Net cash used in operations was approximately \$3,750,000 for the six months ended June 30, 2007, compared to approximately \$2,380,000 of net cash used in the six months ended June 30, 2006. Net cash provided by investing activities totaling approximately \$604,000 was primarily due to the distribution of approximately \$1 million from AVM during the six months ended June 30, 2007. Net cash provided from financing activities totaling approximately \$3.2 million mainly came from the proceeds from the Company's minority interest in ST, LLC of approximately \$3.9 million.

Consulier can require its principal stockholder to purchase its interest in ST, LLC for cash equal to Consulier's capital account as of the closing date. Consulier has contributed to ST, LLC approximately \$15,000,000 since inception. As of June 30, 2007, Consulier's capital account balance was \$0. It is anticipated that the cash requirements for ST, LLC will decrease in the future as ST, LLC's sales increase.

The ability of Consulier to continue to generate cash flow in excess of its normal operating requirements depends almost entirely on the performance of its limited partnership interest in AVM as well as obtaining additional financing proceeds. Consulier cannot, with any degree of assurance, predict whether there will be a continuation of the net return experienced in the period from AVM limited partnership, nor the continued ability to obtain additional funding. However, Consulier does not expect that the rate of return will decline to the point where Consulier has negative cash flow. Furthermore, although AVM has given Consulier no indication of any intention on its part to redeem the partnership interest, there can be no assurance that AVM will not do so in the future.

The Company allowed its \$2,000,000 line of credit available from a bank to expire on May 15, 2007.

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**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION (CONTINUED)
OUTLOOK**

Based on AVM's operations over the past five years, management expects continued annualized returns in 2007 on its interest in AVM; however, there is no guarantee that the annualized return in the second quarter of 2007 will be maintained throughout fiscal 2007.

Consulier International, Inc. has been developing new retail and distribution outlets locally, nationally and internationally. There are several trade shows scheduled for marketing the Captain Cra-Z Hand and All Purpose Cleaner throughout 2007 and the internet web site continues to be a good lead generator with applications for distribution being received through the site from countries all over the world, although sales have decreased.

A 22% increase in the agriculture market accounted for BioSafe's strong quarterly performance. Investments in research and development, new product development and exploration of new market opportunities continue to remain a BioSafe priority.

In the second quarter, Patient Care Technology Systems (PCTS) continued to manage several active implementations of its automatic patient tracking and charting software which will be completed in the third and fourth quarters of 2007. Implementations at two sites were delayed because of delays in receiving locating hardware, used with the Company's software. PCTS announced a strategic partnership with Sonitor Technologies, a leading provider of ultrasound-based locating, further broadening the Company's range of real-time locating systems that integrate with its automatic tracking software.

Implementations of the Company's workflow automation software at Christiana Care Health System, Providence St. Vincent Medical Center and Albert Einstein Health System were featured in national healthcare IT publications during the quarter. The Company was an invited speaker on the role of Radio Frequency enabled workflow solutions at conferences in the United States and Canada.

PCTS currently supports 22 completed installations of its core product line of electronic tracking and documentation solutions with 13 implementations in progress. Including its non-core solutions, PCTS supports a total customer base of 63 hospitals, representing over 1.7 million annual patient encounters.

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ITEM 3. CONTROLS AND PROCEDURES

Our management has conducted an evaluation of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) promulgated under the Securities and Exchange Act of 1934, as amended, as of the end of the fiscal quarter covered by this report. Based upon that evaluation, our management has concluded that our disclosure controls and procedures are effective for timely gathering, analyzing and disclosing the information we are required to disclose in the reports filed in the Securities Exchange Act of 1934, as amended. There have been no significant changes made in our internal controls or in other factors that could significantly affect our internal controls during the periods covered by this Report.

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PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is a defendant in a complaint arising from a fall from a lifeguard stand manufactured by the Company prior to 2000 in a previous line of business. Judith Freshour and Joseph Freshour, her husband vs. Mosler Auto Care Center, Inc. and Consulier Engineering, Inc., Broward County, Florida, Circuit Court, Case No. 03-3156 CACE 25. This suit was filed in 2003 and the Company is insured against this claim.

On August 1, 2006, a shareholder derivative lawsuit was filed by a number of shareholders of Patient Care Technology Systems, Inc., formerly ER Quick, Inc., which owns a 25% interest in PCTS. The suit, Richard Aranda, et al. vs. Geoffrey M. Hosta. Et al., San Diego County, CA, Superior Court, Case No. GIC867297 alleges that PCTS misappropriated unspecified assets of Patient Care Technology Systems, Inc. Although plaintiffs had named PCTS, LLC as a defendant in their initial pleadings on November 13, 2006, plaintiffs filed a second amended complaint which did not name PCTS, LLC as a defendant. PCTS, LLC did not settle with plaintiffs and it has not been a party to this lawsuit since November 13, 2006.

On August 2, 2006, PCTS was made a defendant to a lawsuit filed by Hill-Ron Services, Inc. et al. vs. Versus Technology, et al., United States District Court, Middle District of North Carolina, Civil Action No. 1:03CV01227, as a successor in interest to Healthcare Information Technology, Inc., and as a customer of a vendor concerning the vendor's disputed patent ownership and unauthorized use of such patents. The plaintiffs also requested a determination that they did not violate their license agreement with PCTS's vendor.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On July 17, 2006, The Company's majority shareholder purchased 166,204 shares of common stock by exchanging \$600,000 of The Company's indebtedness to the shareholder. The transaction was exempt from registration pursuant to Section 4(2) of The Securities Act of 1933.

In April 2007, the Company adopted a plan to repurchase up to 50,000 shares of its common stock on the open market at a price not to exceed \$3.75 per share. During the quarter ended, June 30, 2007, the Company repurchased 11,685 shares of its common stock.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

- (a) EXHIBITS REQUIRED BY ITEM 601 OF REGULATION S-B

None

- (b) CURRENT REPORTS ON FORM 8-K

None

- (c) 31.1 Certification of Chief Executive Officer Pursuant to Section 302 of Sarbanes-Oxley Act of 2002

- (d) 31.2 Certification of Chief Financial Officer Pursuant to Section 302 of Sarbanes-Oxley Act of 2002

- (e) 32.1 Certification of Chief Executive Officer Pursuant to Section 906 of Sarbanes-Oxley Act of 2002

- (f) 32.2 Certification of Chief Financial Officer Pursuant to Section 906 of Sarbanes-Oxley Act of 2002

The Company has attached Exhibits 31.1, 31.2, 32.1 and 32.2 to this filing to comply with the requirements of the Sarbanes-Oxley Act of 2002.

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SIGNATURES

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

CONSULIER ENGINEERING, INC.
(Registrant)

Date: August 14, 2007

By: /s/ Alan R Simon
Alan R. Simon, Esq.
Secretary and Treasurer (Principal
Financial and Accounting Officer)

Date: August 14, 2007

By: /s/ Warren B. Mosler
Warren B. Mosler
Chairman of the Board, President
& Chief Executive Officer (Principal
Executive Officer)