US SECURITIES & EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-QSB

(X) Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended September 30, 2003.

( ) Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from to .

Commission File Number 0-24185

CENTRAL AMERICAN EQUITIES CORP.

Florida	65-0636168
(State or other jurisdiction of incorporated or organization)	(IRS Employer Identification Number)

Hotel Alta, Alto de las Palomas
Santa Ana, Costa Rica
Mailing Address: Interlink 964, PO Box 02-5635, Miami, FL 33102
(Address of Principal Executive Offices)

+011 (506) 282-4160
(Registrant's telephone number, including area code)

Securities registered under Section 12(b) of the Exchange Act:
None
Securities registered under Section 12(g) of the Exchange Act:

Class A Common Stock, $.001 Par Value

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding twelve (12) months (or for such shorter period that registrant was required to file such reports), and (2) has been subject to such filing requirements for the past ninety (90) days. YES ( ) NO (x).

Note: The Company has not yet filed first quarter 10-Q report required in 2004, nor the 10-KSB required for year 2003.

Number of shares outstanding on September 30, 2003 of each of the classes of common equity:

15,739,268 Shares Class A Common Stock, $.001 par value
(Number of shares outstanding of each of the Registrant's classes of common stock.)

1,000,000 Shares Class A Preferred Stock, $.001 par value
(Number of shares outstanding of each of the Registrant's classes of preferred stock.)

Note that the number of shares outstanding as of May 1, 2004 is as follows:

19,789,268 shares of Class A Common Stock, $001 par value and
1,000,000 shares of Class A Preferred Stock.

Transitional Small Business disclosure format (check one)
YES [X] NO [ ]

DOCUMENTS INCORPORATED BY REFERENCE

Annual Report on Form 10-KSB of Registrant for the year ended December 31, 1998, 1999, 2000, 2001, 2002

PART I: FINANCIAL INFORMATION

ITEM 1. FINANCIAL INFORMATION

Central American Equities Corp. (the “Company” or “CAE”) is a US hospitality company, based in Santa Ana, Costa Rica and incorporated in the State of Florida. The Company owns and operates hotels, restaurants, and real property in Costa Rica. All CAE activities are related to the Company’s hotels in Costa Rica, and, as such, are reported as one operating segment (per FASB Statement No. 131). Financial statements follow.

CENTRAL AMERICAN EQUITIES CORP. AND SUBSIDIARIES

Consolidated Balance Sheet

Assets

	September 30, 2003	December 31, 2002
Current assets		
Cash and cash equivalents	$92,328	$25,040
Account receivable	55,020	52,856
Account receivable from sale of asset	0	5,790
Inventory	24,874	20,314
Prepaid expenses	1,739	7,537
	173,961	111,537
Buildings and equipment,		
Net of depreciation	6,327,929	6,465,398
Other assets		
Other Assets	0	0
Total assets	6,501,890	6,576,935

Liability and Stockholders' Equity

Current liabilities		
Accounts payable	137,755	244,404
Accrued expenses	250,663	299,181
	388,418	543,585
Other liabilities		
Long term debt	414,240	481,677
Due to officers	382,469	138,700
	796,709	620,377
Stockholders' equity		
Common stock – $.001 par value; 20,000,000 authorized, 15,739,268 issued and outstanding	15,739	15,439
Preferred stock - $.001 par value; 1,000,000 shares authorized, 1,000,000 issued and outstanding	1,000	0
Additional paid-in capital	10,248,616	10,163,116
Accumulated other comprehensive Income	108,887	76,866
Retained deficit	(5,057,478)	(4,842,448)
	5,316,764	5,412,973
Total liabilities & stockholders' Equity	6,501,890	6,576,935

See Notes to Consolidated Financial Statements

CENTRAL AMERICAN EQUITIES CORP. AND SUBSIDIARIES

Consolidated Statement of Operations

	For the 3-month period ended September 30, 2002	For the 3-month period ended September 30, 2003	For the 9-month period ended September 30, 2002	For the 9-month period ended September 30, 2003
Revenues	$ 182,418	$ 236,461	751,314	765,589
Cost of Services	57,015	127,571	228,476	264, 431
Gross Profit	125,403	108,890	522,838	501,158
Operations				
General & Administrative	223,419	115,599	618,150	516,487
Depreciation	38,545	45,823	111,273	137,469
	261,964	161,422	729,423	653,956
Other Expense				
Interest Expense	13,680	14,473	57,505	62,231
Forgiveness of Debt	(49,660)	0	(49,660)	0
Loss on Foreign Exchange	513	0	581	0
	(35,467)	14,473	8,427	62,231
Income taxes	0	0	0	0
NET INCOME (Loss)	$ (101,094)	$ (67,006)	(215,013)	(215,030)
Weighted Average share of Common Stock Outstanding	14,739,268	15,739,268	14,739,268	15,739,268
Gain (Loss) per Common Share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)

See Notes to Consolidated Financial Statements

CENTRAL AMERICAN EQUITIES CORP. AND SUBSIDIARIES
Statements of Cash Flow
For the Nine Months Ended September 30,

	2002	2003
Cash flows from operating activities:	$ 11,649	$ (215,030)
Net Income		
Adjustments to reconcile net loss to net cash provided by operating activities:		
Unrealized Loss on Foreign Exchange	0	32,021
Depreciation and amortization	36,364	137,469
Decrease (increase) in:		
Accounts receivable	(4,316)	3,626
Inventory	1,219	(4,561)
Prepaid expense and other	2,472	5,798
(Increase) decrease in:		
Accounts payable	(18,000)	(106,649)
Accrued expenses	(6,052)	(48,518)
Net cash used in operating activities:	23,336	(195,844)
Cash flows from investing activities:		
Capital expenditures	0	0
Net cash used in investing activities	0	0
Cash flows from sale of equity:		
Cash flows from sale of equity	0	86,800
Net cash used from sale of equity	0	86,000
Cash flows from financing activities:		
Proceeds from loans	(9,000)	(67,437)
Proceeds from loans from officers	(1,000)	243,769
Net cash provided by financing activities:	(10,000)	176,332
Net increase (decrease) in cash	13,336	67,288
Cash – beginning of period	28,495	25,040
Cash – end of period	41,831	92,328

Supplemental Disclosures of cash flow information:

Interest	43,825	62,231
Income Taxes	0	0

See Notes to Consolidated Financial Statements

Note 1 Summary of Accounting Policies

Nature of Business
Central American Equities Corp. and Subsidiaries (the "Company") was incorporated under the laws of the State of Florida on January 23, 1996. The Company is in the business of owning and operating hotels and real property in Costa Rica.

In December of 1996, the Company entered into an agreement for the exchange of common stock (“Exchange Agreement”) with Cal Tico, L.P., Ecolodge Partners, L.P. and Marine Lodge Partners, L.P. (Partnership). Pursuant to the exchange agreement, the company issued 7,756,885 and 3,099,392 shares of common stock to limited partners and the general partners, respectively, of the partnerships. In exchange for the shares, the partnership transferred all of their interests (i.e. 100% of the outstanding common stock) in the following Costa Rican corporations: Hoteleria Cal Tico, S.A.; Bandirma, S.A.; Sociedad Protectora De La Fuana y Flora Marintima De Mal Pais, S.F.; Ecoprojecto San Luis, S.A. and Confluencia, S.A.

Cal Tico, L.P. was a California limited partnership that was formed in July 1992 to raise $2 million to purchase the land and construct Hotel Alta. Cal Tico, L.P. owns 100% of the stock in Hoteleria Cal Tico, S.A., a Costa Rican corporation. Hoteleria Cal Tico, S.A, owns the land and buildings at Hotel Alta.

Ecolodge Partners, L.P. was formed in July 1993 to raise a total of $1.3 million in a private placement offering to purchase the land and construct the Ecolodge San Luis and Biological Station. Ecolodge Partners was a California limited partnership that owned all of the stock in Ecoproyecto San Luis, S.A. and Confluencia San Luis, S.A., the two Costa Rican companies that own the Ecolodge land and buildings.

Marine Lodge Partners L.P. was formed in March 1995 to raise $1 million for the purchase and renovation of the Sunset Reef. MarineLodge Partners was a California limited partnership. Marine Lodge Partners owned 100% of the stock in Bandirma, S.A. Bandirma owns: a) 90% of the Sociedad Protectora De La Fauna y Flora Maritima de Mal Pais S.A., a Costa Rican corporation which owns the land and buildings at Sunset Reef, and b) 100% of Muxia, S.A. which owns 100% of the land and buildings at Playa Carmen.

Basis of Consolidation
The consolidated financial statements include the consolidated accounts of Central American Equities Corp. and its subsidiaries. Hoteleria Cal Tico, S.A., Bandirma, S.A., Sociedad Protectora De La Fuana y Flora Marintima De Mal Pais, S.F., Ecoprojecto San Luis, S.A. and Confluencia, S.A. are held 100% by the Company. All intercompany transactions and accounts have been eliminated in consolidation.

Cash and Cash Equivalents
For purposes of the statement of cash flows all certificates of deposits with maturities of 90 days or less, were deemed to be cash equivalents.

Property and Equipment
Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed provided using the straight-line method over the estimated useful lives of five for equipment, seven years for furniture and fixtures and forty years for buildings and improvements.

Repairs and maintenance costs are expensed as incurred while additions and betterments are capitalized. The cost and related accumulated depreciation of assets sold or retired are eliminated from the accounts and any gain or losses are reflected in earnings.

Estimates
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 disclosures 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.

Adoption of Statement of Accounting Standard No. 123
In 1997, the Company adopted Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123"). SFAS 123 encourages, but does not require companies to record at fair value compensation cost for stock-based compensation plans. The Company has chosen to account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" and related interpretations. Accordingly, compensation cost for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of the grant over the amount an employee must pay to acquire the stock. The difference between the fair value method of SFAS-123 and APB 25 is immaterial.

Adoption of Statement of Accounting Standard No. 128
In February 1997, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 128, "Earnings per Share" (SFAS 128). SFAS 128 changes the standards for computing and presenting earnings per share (EPS) and supersedes Accounting Principles Board Opinion No. 15, "Earnings per Share." SFAS 128 replaces the presentation of primary EPS with a presentation of basic EPS. It also requires dual presentation of basic and diluted EPS on the face of the income statement for all entities with complex capital structures and requires a reconciliation of the numerator and denominator of the basic EPS computation to the numerator and denominator of the diluted EPS computation. SFAS 128 is effective for financial statements issued for periods ending after December 15, 1997, including interim periods. This Statement requires restatement of all prior period EPS data presented.

As it relates to the Company, the principal differences between the provisions of SFAS 128 and previous authoritative pronouncements are the exclusion of common stock equivalents in the determination of Basic Earnings Per Share and the market price at which common stock equivalents are calculated in the determination of Diluted Earnings Per Share.

Basic earnings per common share is computed using the weighted average number of shares of common stock outstanding for the period. Diluted earnings per common share is computed using the weighted average number of shares of common stock and dilutive common equivalent shares related to stock options and warrants outstanding during the period.

The adoption of SFAS 128 had no effect on previously reported loss per share amounts for the year ended December 31, 1997. For the years ended December 31, 1999 and 1998, primary loss per share was the same as basic loss per share and fully diluted loss per share was the same as diluted loss per share. A net loss was reported in 1998 and 1997, and accordingly, in those years the denominator was equal to the weighted average outstanding shares with no consideration for outstanding options and warrants to purchase shares of the Company's common stock, because to do so would have been anti-dilutive. Stock options for the purchase of 357,500 shares at December 31, 1998 were not included in loss per share calculations, because to do so would have been anti-dilutive.

Revenue Recognition
The Company records revenue at the point of service and maintains its corporate records for both financial statement and tax return purposes on the accrual method of accounting.

Foreign Exchange
Assets and liabilities of the Company, which are denominated in foreign currencies, are translated at exchange rates prevailing at the balance sheet date. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at average rates throughout the year. The unrealized translation gains and loses are accumulated in a separate component of stockholders' equity Translation exchange gains and losses are reflected in net earnings.

Fair Value of Financial Instruments
The carrying amount of the Company's financial instruments, which principally include cash, note receivable, accounts payable and accrued expenses, approximates fair value due to the relatively short maturity of such instruments.

The fair value of the Company's debt instruments is based on the amount of future cash flows associated with each instrument discounted using the Company's borrowing rate. At December 31, 2002 and 2001, respectively, the carrying value of all financial instruments was not materially different from fair value.

Income Taxes

The Company has net operating loss carryovers of approximately $4.8 million as of December 31, 2002, expiring in the years 2012 through 2022. However, based upon present Internal Revenue regulations governing the utilization of net operating loss carryovers where the corporation has issued substantial additional stock, most of this loss carryover may not be available to the Company.

The Company adopted Statement of Financial Accounting Standards (SFAS) No. 109, Accounting for Income Taxes, effective July 1993. SFAS No.109 requires the establishment of a deferred tax asset for all deductible temporary differences and operating loss carryforwards. Because of the uncertainties discussed in Note 2, however, any deferred tax asset established for utilization of the Company's tax loss carryforwards would correspondingly require a valuation allowance of the same amount pursuant to SFAS No. 109. Accordingly, no deferred tax asset is reflected in these financial statements.

Recent Accounting Pronouncements

In November 2002, the FASB issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, including Indirect Guarantees of Indebtedness of Others" ("Interpretation No. 45"). Interpretation No. 45 elaborates on the existing disclosure requirements for most guarantees, including loan guarantees such as standby letters of credit. It also clarifies that at the time a company issues a guarantee, the company must recognize an initial liability for the fair market value of the obligations it assumes under that guarantee and must disclose that information in its interim and annual financial statements. The initial recognition and measurement provisions of Interpretation No. 45 apply on a prospective basis to guarantees issued or modified after December 31, 2002. Interpretation No. 45 did not have an effect on the financial statements.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities" ("Interpretation No. 46"), that clarifies the application of Accounting Research Bulletin No. 51, "Consolidated Financial Statements," to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. Interpretation No. 46 is applicable immediately for variable interest entities created after January 31, 2003. For variable interest entities created prior to January 31, 2003, the provisions of Interpretation No. 46 are applicable no later than July 1, 2003. Interpretation No. 46 did not have an effect on the financial statements.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation -- Transition and Disclosure, an amendment of FASB Statement No. 123" ("SFAS 148"). This Statement amends SFAS 123 to provide alternative methods of transition for a voluntary change to the fair value method of accounting for stock-based employee compensation. In addition, SFAS 148 amends the disclosure requirements of SFAS 123 to require prominent disclosures in both annual and interim financial statements. Certain of the disclosure modifications are required for fiscal years ending after December 15, 2002 and are included in the notes to these consolidated financial statements.

Statement of Financial Accounting Standards SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities", SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity", were recently issued. SFAS No, 149, and 150 have no current applicability to the Company or their effect on the financial statements would not have been significant.

Note 2 Federal Income Tax

At December 31, 2002 and 2001 deferred taxes consisted of the following:

	2003	2002
Deferred tax assets,		
Net operating loss carry-forward	$ 1,564,000	$ 1,430,700
Less valuation allowance	(1,564,000)	(1,430,700)
Net deferred taxes	$ -0-	$ -0-

The valuation allowance offsets the net deferred tax asset for which there is no assurance of recovery. The change in the valuation allowance for the years ended December 31, 2002 and 2001 totaled $133,300 and $242,200, respectively. The net operating loss carry- forward expires in year 2022. The valuation allowance will be evaluated at the end of each year, considering positive and negative evidence about whether the deferred tax asset will be realized.

At that time, the allowance will either be increased or reduced; reduction could result in the complete elimination of the allowance if positive evidence indicates that the value of the deferred tax assets is no longer impaired and the allowance is no longer required.

Note 3 Going Concern

The Company incurred a net loss of approximately $392,000 during the year ended December 31, 2002 that raised substantial doubt about the entity's ability to continue as a going concern.

The Company has received additional financing through the sale of a non-performing asset, continues to control expenses, and evaluates the ongoing performance of the Company’s assets. The ability of the Company to continue as a going concern is dependent on the success of application and techniques. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Note 4 Property and Equipment

As of September 30, 2003 plant and equipment consisted of the following:

Land	$ 840,075
Buildings	6,042,617
Machinery and equipment	116,036
Furniture and fixtures	286,635
Computer equipment	73,693
	7,359,056
Less accumulated depreciation	1,031,084
	$6,327,972

Depreciation expense in the amount of $166,377 and $45,823 has been recorded for the year ended December 31, 2002 and the quarter ended September 30, 2003, respectively.

Note 5 Notes Payable

On September 30, 2003, the Company had $365,940 outstanding against a $500,000 line of credit with Banco BCT, which bears interest at the prime rate plus 3%. Principal payments were to begin on January 10, 2000 in monthly installments of $38,462; however, payments were renegotiated. During 2001 and 2002, interest only was paid on the last day of each month. In February 2002, the Company restructured the loan. The new terms include a loan term of 70 months; an annual interest rate of prime plus 3.75%, and monthly principal payments that vary with the high and low occupancy periods of Hotel Alta. Monthly principal payments in year one will vary from $3,000 to $9,000. The funds advanced under this line of credit were utilized to supplement cash flow for operating expenses and construction costs. The note is collateralized by property of the Company.

Included in notes payable at June 30, 2003 is a note payable to shareholder, dated July 21, 2000, of $48,300. The note payable bears interest at 21% and is due July 22, 2002.

Note 6 Due to Officers

Notes payable as of September 30, 2003 are as follows:

Note payable to shareholder dated November 30, 2000 with interest at 5% with no set terms for prepayment	$130,200
Note payable to shareholder dated July 15, 2000 with interest at 5% with no set terms for prepayment	6,000
Note payable to shareholder dated September 15, 2003 with interest at 10% with no set terms for prepayment	40,000
Note payable to officer from September 15, 1999 with interest at 5% with no set terms for prepayment	206,269
Total Due to Officers	$382,469

Note 7 Commitments and Contingencies

The Company has a month-to-month lease for 1 acre of property. Minimum rentals in the year ending December 31, 2003 are $18,000

Note 8 Business Combination

On December 6, 1996 the Company entered into an agreement for the exchange of common stock ("Exchange Agreement") with Cal Tico, L.P., Ecolodge Partners, L.P. and Marine Lodge Partners, L.P. ("Partnership"). Pursuant to the exchange agreement, the Company issued 7,756,885 and 3,099,392 shares of common stock to the limited partners and the general partners, respectively, of the partnerships. In exchange for the shares, the partnership transferred all of their interests (i.e. 100% of the outstanding common stock) in the following Costa Rican corporations: Hotelera Cal Tico, S.A.; Bandirma, S.A.; Sociedad Protectora De La Fuana y Flora Marintima De Mal Pais, S.F.; Ecoprojecto San Luis, S.A. and Confluencia, S.A. The acquisition has been accounted for as a purchase transaction and, accordingly, the fair value of the Company's stock that was issued was allocated to assets and liabilities based on the estimated fair value as of the acquisition date.

Note 9 Subsequent Events

Included as a liability on the balance sheet is an accrued expenses in the amount of approximately $250,000 for non-payment of sales taxes for Hotel Alta. These amounts have grown over several years. This amount reflects the amount past due not including penalties or interest.

Penalties and interest were not included as the government had an amnesty program that forgave penalties and interest on all past taxes paid by April 30, 2003. The Company planned to have the cash available to pay past taxes by selling a beach property called Tropicana before April 30. Instead, through negotiations with the government the Company offered part of the property to the government in lieu of payment. Before April 30 the government accepted the property and began an appraisal to see how much of the past taxes it would cover. In August 2003, the government reversed course on the offer to accept the property. They demanded full payment of the back taxes including penalties and interest. As of the May 2004, the Company had paid down the tax liability by about $80,000, but was disputing the interest and penalties.

ITEM 2. MANAGEMENT DISCUSSION AND ANALYSIS

Central American Equities Corp. (the "Company" or "CAE") is a US hospitality company, based in Santa Ana, Costa Rica and incorporated in the State of Florida on January 23, 1996. The Company specializes in providing high-quality food and lodging in unique natural settings in Costa Rica. The Company is in the business of owning and operating hotels and restaurants and real property in Costa Rica.

As of September 30, 2003, CAE owned Hotel Alta in Santa Ana (a suburb of the capital city of San Jose), and Sunset Reef (on the Pacific Ocean in Mal Pais near the protected Cabo Blanco Reserve). CAE also owns and operates La Luz Restaurant (located in Hotel Alta), Restaurant Tropicana (on the beach at Playa Carmen near Sunset Reef), and ATP-Costa Rica (a full-service reservation, travel planning and in-bound tour operation based in Costa Rica).

The first year of full operation of the Company's hotels was 1998. All Company owned facilities, except for Restaurant Tropicana, were opened and operating by the beginning of 1998. Beginning in late 2001, Tropicana Restaurant was operated by the Company (in past years it had been rented on a monthly basis). On June 30, 2003, the Company had approximately 60 full-time, part-time and contract employees.

The following is management's discussion and analysis of significant factors which have affected the Company's financial position and operations during the three month period ended September 30, 2003.

Results of Operations

Comparison of Operations for the 3-Month Periods Ended September 30, 2003 and 2002

As has been reported over the last 12 to 15 months, the Company has continued to be challenged by diminished travel demand brought on by the terrorist attacks of September 11 and the increased supply of hotel rooms and restaurants. During the three month period ended September 30, 2003, occupancy at Hotel Alta increased by about 27% from the same period in 2002; occupancy at Sunset Reef remained about the same. In comparing the same periods, Company revenues increased by about 29% to about $236,500 from about $182,400.

During the three-month period September 30, 2003, total operational expenses (cost of services and general and administrative costs) were about $243,000. This represents a decline of approximately $37,000 or more than 13% from the same period in 2002.

During the three-month period ended September 30, 2003 the Company lost approximately $7,000 before depreciation of about $46,000 and interest costs of about $14,500. The net loss, including depreciation and interest, was about $67,000.

Note that during September 2004 a debt due to the CEO of the Company ($206,269 related to past salary) was shifted from Accounts Payable to Debt due to officers.

Liquidity and Capital Resources

During the first nine months of 2003, the Company recorded negative net cash flow. In 2002, Company operations also resulted in losses. The Company has limited, albeit improving, cash liquidity and capital resources. The Company plans to hold sufficient cash from the sale of assets in reserve to protect against cash flow needs during the remainder of 2003.

PART II: OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Actions in Costa Rican Labor Court

At this time there are actions against Central American Equities in the Costa Rican Labor Court that have been brought by former employees who had been dismissed by the Company due to poor performance or insubordination. These employees dispute the reason for their dismissal and, as such, claim they are entitled to additional monetary compensation. The Company considers these actions to be routine litigation that is incidental to the business (as defined under Reg. §228.103). It is anticipated that any contingent liability stemming from these claims would be immaterial to the Company. See Item 5 for potential litigation subsequent to the due date for this filing.

Potential Legal Proceeding and Liability September 30, 2003

As of September 2003, Hotel Alta owed Tributacion (the Costa Rican taxing authority) approximately $210,000 in unpaid sales taxes. These taxes have been listed on the balance sheet as an accrued expense. The Costa Rica government offered to all companies in Costa Rica amnesty from interest and penalties for back taxes paid by April 30, 2003. Prior to April 30, 2003, CAE, unable to pay these taxes in cash, proposed that the debt be resolved with the exchange of property worth an equivalent value (part of the parcel in Playa Carmen where Restaurante Tropicana is located). At the time, Tributacion appeared to accept the offer. However, in August 2003, Tributacion declined to accept the offer.

As of May 2004 the Company had filed an administrative complaint against Tributacion to obtain its full rights under the amnesty law. If this action is unsuccessful the Company may bring suit against the Costa Rican sales tax authority for not accepting the offer of property in exchange for an outstanding tax liability. The refusal of the offer denied the opportunity for the Company to successfully meet the tax amnesty deadline. Believing it has been denied due process and equal treatment under Costa Rican law, management currently would pursue the case vigorously if a negotiated or administrative settlement is not achieved. It is difficult to evaluate the likelihood of an unfavorable outcome of such a case but we estimate it to be at or below 50%. If an unfavorable outcome results, the Company could be liable for interest and penalties of approximately $150,000. The tax liability as of September 30, 2003 (less potential interest and penalties) has been accounted for in the financial statements of this filing.

ITEM 2. CHANGES IN SECURITIES

During the third and fourth quarter of 2003, the Company raised cash by selling securities that were not registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws. The sale of the securities was intended to be exempt from registration under the Securities Act, by virtue of Section 4(2) of Regulation D.

The Company successfully sold 3,360,000 shares of Common Stock and 1 million shares of Class "A" convertible preferred stock. In total, the Company raised $178,200 net of costs from the sale of stock. The average price per share was $0.05. The shares were sold entirely to current Company stockholders.

The proceeds of these sales, less any deductions for transactional fees including, but not limited to, commissions, accounting fees, legal fees, and printing costs was used for debt reduction (including reduction of a tax liability) and working capital. The Company paid a director of the Company (Talley) $19,800 (10% of gross proceeds) in commission on the sale of the stock.

The Class "A" convertible preferred stock has the following provisions: a) the option to transfer the shares into common stock on a one-for-one basis, b) the same voting rights as common stock, and c) the same liquidation preferences as common stock.

During December 2003, the Company also exchanged 240,000 shares of Common Stock for $12,000 debt owed to a director (Rosenmiller). The debt was exchanged for shares at a price of $0.05 per share. Rosenmiller had originally loaned the Company $40,000 in September 2003.

The Company has also issued as compensation (subsequent to the due date of this report) additional shares of Common Stock to Michael Caggiano, the Company President and CEO. In the fourth quarter of 2003 the Company issued an additional 700,000 shares of Common Stock to Caggiano. Recognizing that significant past salary was due and payable, the board collateralized full compensation due with a company asset: the Playa Carmen (Tropicana) property in Mal Pais. In the first quarter of 2004 the Company granted 50,000 shares of Common Stock to an employee of the Company.

As of April 30, 2004 the Company had 19,789,268 shares of Common Stock issued and outstanding and one million shares of Preferred Stock issued and outstanding.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

The Company did not default upon any securities of any kind during the three-month period that ended on September 30, 2003.

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

The Company submitted no matter to a vote of its security holders during the three-month period ended September 30, 2003.

ITEM 5. OTHER INFORMATION

Changes in Registrant's Certifying Accountant

At a board of directors meeting held on August 28, 2003 of which a quorum was present, the Board of Directors of Central American Equities accepted the resignation of Pinkham and Pinkham as its Certified Accountant for the fiscal years ended December 31, 1999, December 31, 2000 and December 31, 2001.

During the previous three years, Pinkham and Pinkham was the principal accountant for Central American Equities Corp. At no time did Pinkham and Pinkham's financial statements contain an adverse opinion or disclaimer of opinion or was modified as to uncertainty, audit scope, or accounting principles. Nor were there any disagreements with Pinkham and Pinkham on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

On August 28, 2003, Central American Equities engaged Clyde Bailey, P.C. Certified Public Accountants as the principal accountant for the Company. Central American Equities has authorized Pinkham and Pinkham to respond fully to the inquiries of the successor accountant.

ITEM 6. EXHIBITS AND REPORTS

Exhibits and reports filed herewith: none.

VERIFICATION SIGNATURES

In accordance with Section 12 of the Securities and Exchange Act of 1934, the registrant caused this registration to be signed on its behalf by the undersigned, thereunto duly authorized.

CENTRAL AMERICAN EQUITIES CORP.

BY: Michael N. Caggiano, President/CEO

MICHAEL N. CAGGIANO, President/CEO

CENTRAL AMERICAN EQUITIES CORP.

BY: Richard Wm. Talley, Director

RICHARD WM. TALLEY, DIRECTOR

CENTRAL AMERICAN EQUITIES CORP.

BY: P. James Voloshin, Director

P. James Voloshin, DIRECTOR

SARBANES-OXLEY ACT SECTION 302 CERTIFICATIONS

I, Michael Caggiano, President and Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Central American Equities Corporation;

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

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

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures; and

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

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

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

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

/s/ Michael N. Caggiano

Michael N. Caggiano
President and Chief Executive Officer
May 7, 2004

SARBANES-OXLEY ACT SECTION 906 CERTIFICATIONS

I Michael N. Caggiano, President and Chief Executive Officer of Central American Equities Corporation, hereby certify that:

1. The annual report of the registrant on Form 10-Q for the quarter ended June 30, 2003 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the annual report fairly presents, in all material respects, the financial condition and results of operations of the registrant as of the dates and for the periods expressed in the quarterly report.

/s/ Michael N. Caggiano

Name: Michael N. Caggiano
Title: President and Chief Executive Officer
Date: May 7, 2004