As filed with the SEC on March 14, 2002

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB/A
Amendment No. 1 to Form 10-QSB

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended March 31, 2001 Commission File No. 0-24778

NATIONAL HEALTH & SAFETY CORPORATION
(Name of small business issuer in its charter)

Utah	**87-0505222**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3811 Bee Cave Road, Suite 210,
Austin, Texas 78746
(Address of principal executive offices)
Issuer's telephone no.: **(512) 328-0433**

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 [ ]

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant filed all documents and reports required to be filed Section 12, 13 or 15 (d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes [X] No [ ]

At March 31, 2001, a total of 236,850,021 shares of registrant's Common Stock were outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

The following unaudited financial statements for the period ended March 31, 2001 have been prepared by the Company.

NATIONAL HEALTH & SAFETY CORPORATION AND SUBSIDIARY
(A Development Stage Company)
CONSOLIDATED BALANCE SHEET

March 31, 2001
(Unaudited)

ASSETS

CURRENT ASSETS	
Cash	$60,047
Accounts receivable, net	15,245
Prepaid expenses	9,094
Total Current Assets	84,386
PROPERTY AND EQUIPMENT, NET	47,550
GOODWILL, NET	1,195,228
OTHER ASSETS	
POWERx brand acquisition costs	210,593
Software development	206,639
Less: accumulated amortization	(128,703)
	288,529
Restricted cash	14,212
Deposits	6,593
Total Other Assets, net	309,334
TOTAL ASSETS	$1,636,498

See accompanying notes to these financial statements.

NATIONAL HEALTH & SAFETY CORPORATION AND SUBSIDIARY
(A Development Stage Company)
CONSOLIDATED BALANCE SHEET

March 31, 2001
(Unaudited)

LIABILITIES AND STOCKHOLDERS' DEFICIENCY

CURRENT LIABILITIES	
Accounts payable and accrued expenses – post petition	$73,540
Pre-petition accruals	539,000
Accounts payable to affiliate	24,839
Notes payable to affiliate	36,000
Capital leases – current portion	8,927
Long term liabilities – current portion	2,857
Total Current Liabilities	685,163
CAPITAL LEASE PAYABLE	15,091
LONGTERM NOTE PAYABLE	17,143
Total Liabilities	717,397
STOCKHOLDERS' DEFICIENCY	
Preferred Stock; Series A; $.001 par value; 4,000,000 shares authorized 1,869,784 shares issued and outstanding	1,928
Preferred Stock; Series B; $.001 par value; 600,000 shares authorized 600,000 shares issued and outstanding	600
Common Stock; $.001 par value; 500,000,000 shares authorized 236,850,021 shares issued and outstanding	236,850
Additional paid-in capital	5,108,168
Accumulated deficit	(1,571,120)
Deficit accumulated during the development stage	(2,857,325)
Total Stockholders' Equity	919,101
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$1,636,498

See accompanying notes to these financial statements.

NATIONAL HEALTH & SAFETY CORPORATION AND SUBSIDIARY
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months Ended March 31, 2001	For the Three Months Ended March 31, 2000	From the Inception of the Development Stage on January 1, 1999 Through March 31, 2001
REVENUE			
Sales – operations	$12,795	$3,504	$93,363
Royalty revenue	0	0	514
Total Revenue	12,795	3,504	93,877
COST OF SALES	2,913	185	44,143
GROSS PROFIT	9,882	3,319	49,734
EXPENSES			
General and administrative	358,416	45,282	3,061,551
Depreciation and amortization	45,640	0	47,718
Total Expenses	404,056	45,282	3,109,269
Loss from operations	(394,174)	(41,963)	(3,059,535)
OTHER INCOME (EXPENSE)			
Gain on sale of assets	0	0	142,697
Subsidiary loss incurred prior to		0	0
acquisition	169,525	0	169,525
Anti-dilution expense	(182,778)	0	(182,778)
Cancellation of Common Stock	0	83,035	83,035
Bad debt expense	0	0	(4,472)
Other		0	11,673
Interest expense	(907)	(4,572)	(36,508)
Total Other Income (Expense)	(14,160)	78,463	183,172
NET INCOME before Income Taxes	$(408,334)	$36,500	$(2,876,363)
Income Taxes	0	0	0
NET INCOME (LOSS) before Extraordinary Gain	$(408,334)	$36,500	$(2,876,363)
Extraordinary Gain	19,038	0	19,038
NET INCOME	$(389,296)	$36,500	$(2,857,325)
BASIC NET INCOME (LOSS) PER SHARE Before Extraordinary Gain	$(0.002)	$0.001	
BASIC AND DILUTED NET INCOME PER SHARE Related to Extraordinary Gain	$0.000	$0.000	
BASIC AND DILUTED NET INCOME PER SHARE	$(0.002)	$0.001	
Weighted Average Shares Outstanding	193,327,591	58,803,716	

See accompanying notes to these financial statements.

NATIONAL HEALTH & SAFETY CORPORATION AND SUBSIDIARY
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Three Months Ended March 31, 2001	2000	From the Inception of the Development Stage on January 1, 1999 Through March 31, 2001
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	($389,296)	$36,500	($2,857,325)
Adjustments to reconcile net income (loss) to net cash (used) by operating activities:			
Depreciation and amortization	45,640	0	47,718
Expenses paid with preferred or common stock	182,778	0	824,583
Cancellation of stock	0	(83,035)	(83,035)
Subsidiary loss incurred prior to acquisition	(69,525)	0	(169,525)
Extraordinary gain as a result of forgiveness of administrative expenses	(19,038)	0	(19,038)
Gain on Sale of assets	0	0	(142,697)
Changes in operating assets and liabilities:			
(Increase) decrease in restricted cash	0	5,056	(14,212)
(Increase) decrease in accounts receivable	1,911	(158)	16,154
(Increase) decrease in royalties receivable	0	0	41,000
(Increase) decrease in deposits	0	0	9,298
(Increase) decrease in prepaid expenses	(9,094)	0	(9,094)
Increase (decrease) in accounts payable & accrued expense	(237,687)	5,214	913,138
Increase (decrease) in accounts & notes payable affiliate	50,558	0	50,558
Net Cash (Used) by Operating Activities	(543,753)	(36,423)	(1,392,477)
CASH FLOWS FROM INVESTMENTS ACTIVITIES			
Proceeds from sale of assets	0	30,000	30,000
Net Cash Provided by Investing Activities	0	30,000	30,000
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments on capital leases payable	(2,036)	0	(2,036)
Proceeds from note receivable	0	0	120,000
Proceeds from loans payable, stockholder	0	0	48,000
Proceeds from notes payable – related party	0	12,000	503,663
Cash acquired on acquisition of subsidiary	0	0	4,361
Repayment of loans payable	0	0	(57,000)
Proceeds from issuance of common stock	600,000	0	802,200
Net Cash Provided by Financing Activities	597,964	12,000	1,419,188

See accompanying notes to these financial statements.

NATIONAL HEALTH & SAFETY CORPORATION AND SUBSIDIARY
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS - Continued

	For the Three Months Ended March 31, 2001	For the Three Months Ended March 31, 2000	From the Inception of the Development Stage on January 1, 1999 Through March 31, 2001
INCREASE (DECREASE) IN CASH	$54,211	$5,577	$56,711
CASH, BEGINNING OF PERIOD	5,836	3,145	3,336
CASH, END OF PERIOD	$60,047	$8,722	$60,047
CASH PAID DURING THE PERIOD FOR:			
Interest	$907	$4,572	$17,504
Income taxes	0	0	0
NON – CASH FINANCING ACTIVITIES:	0	0	
Issuance of common stock in payment of debt	0	0	$215,000
Issuance of common stock for services	0	0	$221,805
Options issued below market value	0	0	$420,000
Issuance of Series A Preferred Stock in payment of debt	$1,869,802	0	$1,869,802
Issuance of Series B Preferred Stock on conversion	$600	0	$600
Issuance of Common Stock for NHLT Acquisition	$782,090	0	$782,090
MedSmart debt converted to common stock	$1,580,149	0	$1,580,149
Acquisition of Goodwill with NHLT purchase	$1,207,301	0	$1,207,301
Fair value adjustment to retained earnings upon acquisition	$1,936,149	0	$1,936,149
Issuance of Common Stock for Anti-dilution expense	$182,778	0	$182,778
Cancellation of Common Stock	0	($83,035)	($83,035)

See accompanying notes to these financial statements.

NATIONAL HEALTH & SAFETY CORPORATION AND SUBSIDIARY
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
March 31, 2001

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES AND BUSINESS OPERATIONS

a. Nature of Organization

The consolidated financial statements include, for the quarter ended March 31, 2001, the accounts of National Health & Safety Corporation ("NHLT") and its wholly owned subsidiary MedSmart HealthCare Network, Inc. ("MedSmart"), collectively, the "Company."

As is discussed in detail below, upon implementation of NHLT's Bankruptcy Plan on January 22, 2001, the shareholders of MedSmart acquired control of the NHLT. For accounting purposes this combination has been treated as a "reverse acquisition" in accordance with APB 16, with MedSmart treated for accounting purposes as the acquiring company. MedSmart acquired the 58,803,716 outstanding shares of common stock of NHLT at $.0133 per share for a total value of $782,090. This value was determined based on the simultaneous exchange by the shareholders of MedSmart of all the outstanding shares of MedSmart in consideration for the issuance of 130,000,000 NHLT common shares at an issuance price of $.0133 per share. This per share price is consistent with the per share price of $.0133 paid for the issuance of 45,000,000 common shares for cash consideration of $600,000 for the capital infusion required under the Plan. This valuation is also consistent with the total common stock and paid in capital of $1,795,208 which had been contributed in cash into MedSmart as of the date of implementation of the Plan.

Because the actual cost to acquire NHLT was greater than the book value of assets acquired by MedSmart, a provision for goodwill was recorded. When NHLT came out of bankruptcy, approximately $1,936,149 in claims were converted to equity due to the fact that no claim had been filed but bankruptcy amounts included all possible creditors with a possible claim. As such this amount was eliminated in order to reduce actual goodwill recorded on the acquisition by MedSmart. The computation of the provision for goodwill recorded on the acquisition of NHLT by MedSmart was as follows:

Net assets of NHLT acquired	$ 631,204
Less liabilities acquired	(2,992,564)
Extraordinary gain on debt relief	1,936,149
Adjusted net assets of NHLT acquired	(425,211)
Acquisition price for NHLT	(782,090)
Provision for goodwill	$ (1,207,301)

NHLT was incorporated on March 23, 1989. The Company's principal business activities consist of providing medical cost containment services to both institutional and consumer markets. The

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES AND BUSINESS OPERATIONS - Continued

Company performs on-going credit evaluations of its customers' financial condition and generally requires no collateral.

On March 22, 1993, NHLT entered into a merger with State Policeman Annual Magazine, Inc. ("State") whereby each share of NHLT's common and preferred stock was exchanged for one share, of State's common and preferred stock. State was organized under the laws of the State of Utah on May 14, 1983. Pursuant to the merger agreement, State amended its Articles of Incorporation to change its name to National Health & Safety Corporation. NHLT entered the development stage on January 1, 1999, per SFAS No. 7 because of the bankruptcy proceedings and the sale of NHLT's assets.

On July 1, 1999, NHLT filed a petition for relief under Chapter 11 of the federal bankruptcy laws in the United States Bankruptcy Court for the Eastern District of Pennsylvania, Case No. 99-18339. Under Chapter 11, certain claims against NHLT in existence prior to the filing of the petitions for relief under the federal bankruptcy laws were stayed while NHLT continued business operations as debtor-in-possession. The balance of claims which have, to date, not been settled are reported in the March 31, 2001 balance sheet as "pre-petition accruals" in the amount of $539,000. On August 21, 2000, NHLT filed the Fourth Amended Disclosure Statement with respect to the Fourth Amended Joint Plan of Reorganization (the "Plan") for its consideration by the NHLT's creditors and shareholders, and ultimate approval by the Bankruptcy Court.

On November 27, 2000, the Bankruptcy Court confirmed the Plan. The Plan was filed as an exhibit to NHLT's Form 8-K, dated November 28, 2000, that reported the confirmation. On January 22, 2001, the Plan was implemented, whereby the former shareholders of MedSmart exchanged all of their MedSmart stock for a majority of the outstanding common stock of NHLT. MedSmart became a wholly owned subsidiary of NHLT. This exchange, together with the contribution of $600,000 by a co-proponent of the Plan and other investors, implemented the Plan and resulted in a change of control of NHLT.

Details of the implementation of the Plan and change in control of NHLT were included in a Form 8-K filed by NHLT on April 9, 2001, and have been supplemented by four subsequent amended filings of the Form 8-K.

Pursuant to and effective upon implementation of the Plan, on January 22, 2001, several changes in NHLT's corporate structure occurred. All previously outstanding shares of stock, warrants and other interests in NHLT (other than the Common Stock) were canceled, and NHLT authorized and issued the following new securities:

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES AND BUSINESS OPERATIONS - Continued

NHLT authorized the issuance of up to 500,000,000 common shares, par value $.001 and 50,000,000 shares of preferred stock, which may consist of one or more series. Cumulative voting of any shares of stock, whether common or preferred, is prohibited.

NHLT authorized the issuance of up to 4,000,000 shares of Series A Preferred Stock, par value $.001 per share, of which 1,869,784 shares have been issued. Each Series A share has a $1.00 liquidation preference and preference over Series B Preferred Stock, Common Stock and all other series of stock ranking junior to Series A. Each Series A share is convertible, at the option of the holder, into 5 shares of Common Stock at such times and in such amounts as stated in the Certificate of Designation. The holders of Series A stock are entitled to vote together with the holders of Series B and Common Stock and are entitled to one vote for each share of Common Stock which would be held by them if all of their shares of Series A were converted into shares of Common Stock.

NHLT authorized and issued 600,000 shares of Series B Preferred Stock, par value $.001 per share. The Series B shares were issued in exchange for 14,363 shares of old NHLT Preferred Stock which were cancelled upon Plan implementation. Each Series B share has a $1.00 liquidation preference that is inferior to Series A but in preference to Common Stock and all other series of stock ranking junior to Series B. Each Series B share is convertible at the option of the holder into five shares of Common Stock at such times and in such amounts as stated in the Certificate of Designation. The holders of Series B stock are entitled to vote together with the holders of Series A and Common Stock and are entitled to one vote for each share of Common Stock which would be held by them if all of their shares of Series B were converted into shares of Common Stock.

NHLT authorized Class A and Class B warrants, to be issued to each holder of the Series A and Series B Preferred Stock. There are 4,000,000 Class A warrants authorized; 2,528,066 Class A warrants issued and outstanding, that allow the holder to purchase, for the exercise price of $1.00, expiring two years from January 22, 2001, one share of Common Stock plus one Class B warrant. There are 4,000,000 Class B warrants authorized; entitling the holder to purchase, for an exercise price of $1.50, expiring three years from January 22, 2001, one share of Common Stock.

MedSmart, a Nevada corporation, was incorporated on May 12, 1999. Its principal business activities consist of the marketing and distribution of discount card medical benefit memberships through its distribution network. MedSmart membership cards are designed to be a complementary benefit to most individual standard health insurance plans and corporate health and leisure benefit packages.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES AND BUSINESS OPERATIONS - Continued

In October 1999, MedSmart acquired the rights to the POWERx brand name from NHLT which, at that time, was operated as debtor-in-possession under Chapter 11 of the Bankruptcy Code. The sale of the POWERx brand name by NHLT and acquisition by MedSmart was approved by the bankruptcy court in August 1999. When NHLT's Plan was confirmed and implemented, NHLT, through the combination with MedSmart, reacquired the rights to POWERx.

The Company is a development stage company as defined by SFAS No.7. As a development stage company, the Company devotes most of its activities to raising capital in order to fully implement the marketing and distribution plan as contemplated in NHLT's Plan.

b. Accounts Receivable

Accounts receivable are shown net of an allowance for doubtful accounts of $8,200. Bad debts are written off in the period in which they are deemed uncollectible. Any bad debts subsequently recovered are recorded as income in the financial statements in the period during which they are recovered.

c. Property and Equipment

Property and equipment are stated at cost. Depreciation is provided using accelerated and straight-line methods, over the estimated useful life of each class of asset as follows:

Computer Equipment	3 years
Furniture and Fixtures	5 years
Office Equipment	5 years
Leasehold Improvements	2-3 years

Expenditures for repairs, maintenance and minor renewals are charged against income as incurred and expenditures for major renewals and betterment are capitalized. The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts with any gain or loss on disposal reflected in income.

d. Intangible Assets

Intangible assets, which consist of the goodwill acquired on the acquisition of NHLT and POWERx brand rights and proprietary software, are periodically reviewed by management to evaluate the future economic benefits or potential impairments, which may affect their values.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES AND BUSINESS OPERATIONS - Continued

Goodwill is being amortized over 25 years, POWERx brand rights are being amortized over 5 years, and software development costs are being amortized over 3 years. If the projected undiscounted future cash flows related to the intangible assets are less than the recorded value, the intangible assets are written down to fair value.

e. Basic Loss per Share of Common Stock

Basic loss per common share has been calculated based on the weighted average number of shares of common stock outstanding during the period.

f. Cash Equivalents

The Company considers all highly liquid investments with maturity of three months or less to be cash equivalents.

g. Provision for Taxes

At December 31, 2000, NHLT had net operating loss carryforwards of approximately $10,950,000 that may be offset against future taxable income through 2018. These carryforwards may be subject to various limitations set by the Internal Revenue Service. No tax benefit has been reported in the financial statements, because the Company believes the carryforwards may expire unused. Accordingly, the potential tax benefits of the loss carryforwards are offset by a valuation allowance of the same amount.

h. 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.

i. Revenue Recognition

The Company has not yet established ongoing operations. A revenue recognition policy will be established when planned principal operations commence.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES AND BUSINESS OPERATIONS - Continued

j. Recent Accounting Pronouncements

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" which requires companies to record derivatives as assets or liabilities, measured at fair market-value. Gains or losses resulting from changes in the values of those derivatives would be accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. The key criterion for hedge accounting is that the hedging relationship must be highly effective in achieving offsetting changes in fair value or cash flows. SFAS No. 133 is effective for all fiscal quarters of fiscal years beginning after June 15, 1999. Management believes the adoption of this statement will have no material impact on the Company's financial statements.

k. Bankruptcy Accounting

Since the Chapter 11 bankruptcy filing, the Company has applied the provisions in Statement of Position (SOP) 90-7 "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code." SOP 90-7 does not change the application of accepted accounting principles in the preparation of statements.

However, it does require that the financial statements for periods including and subsequent to filing the Chapter 11 petition distinguish transactions and events that are directly associated with the reorganization from the ongoing operations of the business.

Unaudited Financial Statements

The accompanying unaudited financial statements include all adjustments which in the opinion of management are necessary for a fair presentation and in order to make the financial statements not misleading.

NOTE 2 RESTRICTED CASH

Pursuant to the bankruptcy proceedings, the Company has one cash account totaling $14,212 at March 31, 2001 which has been attached by creditors or allocated for certain debt payments. This cash is being presented as restricted cash because the Company does not have full access to this account.

NOTE 3 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. The Company has a working capital deficiency of $600,777 and an accumulated deficit of $4,428,445 as of March 31, 2001. Accordingly, its ability to continue as a going concern is dependent on obtaining capital and financing for its planned marketing and distribution of discount card memberships through the Company's benefits network. The Company plans to secure financing for its acquisition strategy through the sale of its equity or issuance of debt. However, there is no assurance that they will be successful in their efforts to raise capital or secure other financing. These factors among others may indicate that the Company will be unable to continue as a going concern for a reasonable period of time.

NOTE 4 PREFERRED STOCK

In 1992, the Company entered into a stock exchange agreement with certain shareholders, whereby such stockholders agreed to exchange certain of their shares of the pre-split common stock of the Company and certain other rights for 14,363 authorized shares of a new class of redeemable preferred stock. The stock was redeemable at $41.78 per share (aggregate - $600,086), payable as follows:

Upon closing of private placement issues	$50,011
Upon closing of secondary public offering	50,011
One year after closing of a secondary public offering	150,074
Two years after closing of a secondary public offering	174,975
Three years after closing of a secondary public offering	175,015

When NHLT's Plan was implemented on January 22, 2001, each share of preferred stock was exchanged in accordance with the Plan. Holders of the Company's 14,363 shares of Preferred Stock exchanged their shares for 600,000 shares of new Series B Preferred Stock, described below.

Upon implementation of the Plan, NHLT authorized issuance of up to 50,000,000 shares of Preferred Stock, of which the following series have been designated and issued:

- NHLT designated up to 4,000,000 shares of Series A Preferred Stock, par value $.001. NHLT has issued 1,869,784 Series A shares. Each Series A share carries a $1.00 liquidation preference and preference over Series B Preferred Stock, Common Stock and all other series of stock ranking junior to Series A. Each Series A share is convertible, at the option of the holder, into 5 shares of Common Stock at such times and in such

NOTE 4 PREFERRED STOCK - Continued

amounts as stated in the Certificate of Designation. The holders of Series A stock are entitled to vote together with the holders of Series B and Common Stock and are entitled to one vote for each share of Common Stock which would be held by them if all of their shares of Series A were converted into shares of Common Stock.

- NHLT designated and issued 600,000 shares of Series B Preferred Stock, par value $.001. The Series B shares carry a $1.00 liquidation preference that is inferior to Series A but is preferred to Common Stock and all other series of stock ranking junior to Series B. Each share of Series B is convertible at the option of the holder into five shares of Common Stock at such times and in such amounts as stated in the Certificate of Designation. The holders of Series B stock are entitled to vote together with the holders of Series A and Common Stock and are entitled to one vote for each share of Common Stock which would be held by them if all of their shares of Series B were converted into shares of Common Stock.

NOTE 5 OPTIONS AND WARRANTS

When NHLT's Plan was implemented on January 22, 2001, all outstanding options and warrants outstanding at that time were cancelled. As a part of the Plan, NHLT issued two new series of warrants.

Class A warrants were issued to each holder of Series A and Series B Preferred Stock in the ratio of one warrant for each share. There are 4,000,000 Class A warrants authorized; 2,528,066 Class A warrants issued and outstanding, or process of issuance, that allow the holder to purchase, for the exercise price of $1.00, expiring two years from January 22, 2001, one share of Common Stock plus one Class B warrant. There are 4,000,000 Class B warrants authorized; entitling the holder to purchase, for an exercise price of $1.50, expiring three years from January 22, 2001, one share of Common Stock. Presently, no Class B warrants are outstanding.

The Company has no outstanding stock options.

NOTE 6 RELATED PARTY TRANSACTIONS

Under the Plan, the Company was advanced $255,750 by MedSmart, a related party. This amount was shown in the financial statements as post petition notes payable. No interest accrued on this note, and it was repaid once the Plan was implemented. Upon implementation of the Plan and the acquisition of MedSmart, an affiliate of MedSmart, presently an affiliate of the

NOTE 6 RELATED PARTY TRANSACTIONS - Continued

Company, was owed a total of $91,695. The balance of accounts payable to affiliate at March 31, 2001, was $24,839 and is due on demand. At the date of acquisition, MedSmart had an outstanding balance of $36,000 due affiliate remaining from notes payable not converted to equity as a part of the acquisition. This has been converted to a promissory note with all principal due twelve months from the date of implementation of the plan, January 22, 2001. The note bears interest at the rate of 9%, payable monthly in arrears.

NOTE 7 LONG TERM NOTES PAYABLE

As a part of the agreed settlement with one of the Company's pre-petition creditors, in addition to the issuance of Series A Preferred Stock and Warrants, the Company issued a seven year promissory note in the amount of $20,000 dated January 22, 2001. Payments of principal and interest are payable annually in arrears. The note bears interest at the rate of seven-year treasury bonds, presently 5.5%.

NOTE 8 PRO FORMA FINANCIAL INFORMATION

MedSmart was acquired by NHLT during the three month period ended March 31, 2001. Noted below are the ProForma results of Consolidated Net Income of the Company assuming MedSmart and NHLT had been combined at the beginning of the noted periods.

	Three Months Ended March 31, 2001	Three Months Ended March 31, 2000
Revenue	$12,795	$16,003
Income(Loss)from continuing operations	$(404,056)	$(279,141)
Net Income (Loss) before Extraordinary Items	$(408,334)	$(229,666)
Extraordinary Items	$19,038	$0
Net Income (Loss)	$(389,296)	$(229,666)
Basic Net Income (Loss) per Share	$(0.002)	$(0.001)
Fully Diluted Net Income (Loss) per Share	$(0.002)	$(0.001)

NATIONAL HEALTH & SAFETY CORPORATION AND SUBSIDIARY
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
March 31, 2001

NOTE 9 SUBSEQUENT EVENTS

In May 2001 the Company entered into an agreement with New Benefits, Inc. ("New Benefits") to provide the back office capability to facilitate a high volume implementation of the Company's medical benefits discount program. This contract affiliation provides MedSmart with the capability to sell and distribute a large volume of membership discount cards quickly and efficiently, enabling prompt fulfillment of the Company's contracts. Under terms of the agreement, MedSmart will outsource certain administrative functions to New Benefits, including enrollment and processing of new members, fulfillment of membership kits, renewal notification and member support through live representatives. The Company intends to concentrate its efforts and resources on marketing and business development efforts in the future.

On May 1, 2001 the Company approved a consulting agreement and retained First Advisors, Inc. ("First Advisors") of Austin, Texas, to provide business consultation services. Under terms of the agreement, First Advisors will assist and advise MedSmart with the specific goal of facilitating a high volume implementation of its medical discount program. In addition, First Advisors will assist the Company in attracting additional investment capital. First Advisors is a company controlled by Gary J. Davis, the Chief Executive Officer of the Company and an affiliate of the Company. The consulting agreement was approved by a majority of the disinterested Directors of the Company.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following information should be read in conjunction with the Company's Consolidated Financial Statements and notes thereto appearing elsewhere in this Form 10-QSB.

In January 2001, we implemented our confirmed Plan of Reorganization under Chapter 11 of the U.S. Bankruptcy Code. The Plan is attached to the Company's report on Form 8-K dated November 28, 2000. The implementation of the Plan is described in the Company's report on Form 8-K dated January 22, 2001, which was filed with the SEC on February 9, 2001, and on four amendments to the 8-K.

Subsequent to implementing the Plan, we have changed the focus of our marketing efforts. Historically, we have marketed directly to consumers and to employer groups. In the future we expect to concentrate our marketing efforts on developing relationships with strategic distribution partners with established distribution networks. These may include marketing companies and development of a larger network of independent brokers. We expect to implement these relationships on a basis where the distribution partners will bear their own cost of marketing in return for a share of gross revenue from membership sales. Because we do not intend to market directly to consumers in the future, we anticipate that we will realize only nominal revenues until we can implement initiatives with strategic distribution partners. During the second quarter of 2001, we executed an agreement with DM Benefit Group, LLC, a marketing company that markets and distributes benefit programs to the credit union industry. We also began the process of reorganizing our independent broker network on a regional basis and recruiting brokers within these regions to market the New Benefits discount network.

In May 2001, we entered an agreement with New Benefits, Inc., under which we will outsource most back office functions including enrollment and processing of new members, fulfillment of membership kits, renewal notification and member support. Under this agreement, we will market the New Benefits medical discount network under a new brand name – Health VIP – to replace the POWERx brand. Under terms of the agreement, New Benefits receives a share of gross revenue generated from the sale of each membership card and, in return, bears its own cost of providing the back office services to enroll, maintain, service and renew each member. In the future we intend to concentrate our efforts and resources on marketing and business development, with support services outsourced to New Benefits, rather than funded and maintained internally. We intend to phase out our existing brand, POWERx.

Also in May 2001, we entered a consulting agreement with First Advisors, Inc., of Austin, Texas to provide business consultation services. First Advisors is wholly owned by Gary J. Davis, our chief executive officer. First Advisors will assist and advise MedSmart with the goal of facilitating a high volume implementation of its medical benefits discount program. In addition, First Advisors will assist us in refining our marketing and sales plans and establishing strategic relationships with prospective suppliers, customers and distribution partners. The consulting agreement with First Advisors was approved by a majority of our disinterested directors. Mr. Davis is being compensated through our arrange with First Advisors.

When the Plan was implemented in January 2001, we received a cash infusion of $600,000 from the sale of our common stock, for payment of administrative claims associated with the Chapter 11 proceeding and for use as operating capital. This amount has proved inadequate to fund our operations. To continue operations, we will require additional debt or equity funding to enable it to properly deploy our discount membership program.

Results of Operations

The following table set forth the percentage relationship to sales of principal items contained in the Company's Statements of Operations for the three months periods ended March 31, 2001 and 2000. It should be noted that percentages discussed throughout this analysis are stated on an approximate basis.

	Three Months Ended March 31, 2001	Three Months Ended March 31, 2000
Sales	100%	100%
Cost of Sales	23%	5%
Gross Profit	77%	95%
Operating Expenses	(3,158)%	1,292%
Income (loss) from operations	(3,081)%	(1,197)%
Other income (expenses)	(111)%	2,239%
Net income (loss)	(3,043)%	1,042%

Results of Operations for the Three Months Ended March 31, 2001, as Compared to the Three Months Ended March 31, 2000

Total revenue of $12,795 for the three months ended March 31, 2001 ("first quarter of 2001") represents a 265% increase from total revenue of $3,504 for the three months ended March 31, 2000 ("first quarter of 2000"). This increase is primarily attributed to the increase in POWER_{X} sales in first quarter 2001 effected by MedSmart as a result of the POWERx sale to MedSmart in October 1999. For the most part, the Company had no other operating business during first quarter 2001 and concentrated its efforts on completing and implementing the Plan. Subsequent to implementing the Plan, the Company has changed the focus of its marketing efforts. Historically, the Company has marketed directly to consumers and to employer groups. In the future the Company expects to concentrate its marketing efforts on developing relationships with strategic distribution partners with established distribution networks. The Company expects to implement these relationships on a basis where the distribution partners will bear their own cost of marketing in return for a share of gross revenue from membership sales. Because the Company does not intend to market directly to consumers in the future, it is anticipated that the Company will realize only nominal revenues until such time as it can implement initiatives with strategic distribution partners.

Cost of sales (as a percentage of total revenue) increased from 5% for first quarter 2000 to 23% in first quarter 2001. This increase in 2001 occurred because first quarter 2000 royalty income, unlike sales benefit memberships, had no cost of sales associated with it.

Operating expenses for first quarter 2001 increased 792% when compared with the same period for 2000. The 2001 number is consolidated and includes the operating costs of MedSmart, while the first quarter 2000 are not consolidated and only include the costs for NHLT. During the three months ended March 31, 2000, NHLT had no operations or employees other than the Chief Financial Officer. The low level of expense in first quarter 2000 was attributed to the substantial elimination of operations for the Company upon sale of POWERx to MedSmart in 1999, because of the bankruptcy, and the Chief Financial Officer being the only employee of NHLT during that period. The Company shared offices with MedSmart and had no rent expense in 2000 due to the reduction of personnel, and the elimination of marketing and advertising expenses due to discontinuing sales activities

Interest Expense declined by 80% in first quarter 2001 vs. first quarter 2000 principally due to the forgiveness of debt that occurred as part of the implementation of the Plan.

Other expense during first quarter 2001 was $14,160 versus Other net income of $78,463 in first quarter 2000, a net change of $(92,623) in Other income (expense) from period to period. Other expense recorded in the first quarter of 2001 includes a non-cash charge of $182,778 resulting from the issuance of a comparable amount of common stock to satisfy certain anti-dilution provisions to certain shareholders that were included in the Plan. In addition, at the time of the Plan implementation and the acquisition of NHLT on January 22, 2001, NHLT had recorded an operating loss through January 22, 2001 of $169,525. Since this amount was incurred prior to acquisition, in the consolidated financial statements it is a direct entry to equity and reduces the overall consolidated loss attributed to NHLT and included in loss from operations for first half 2001. Accordingly, $169,525 is recorded in other income as "Subsidiary loss incurred prior to acquisition." During the first quarter 2000, the Company recorded $83,035 in other income from the cancellation of common stock, while the Company had no cancellations of common stock in the first quarter of 2001.

Net income before extraordinary items declined from first quarter 2000 net income of $36,500 to a loss of $408,334 for first quarter 2001. During both periods the Company recorded minimal revenue and the expenses for first quarter 2000 include only those of NHLT after it had sold the POWERx network to MedSmart and, therefore, MedSmart was incurring the majority of POWERx operating expenses. As earlier noted, the operating expenses from MedSmart are consolidated into the results for first quarter 2001.

Under terms of the Plan approved by the Court, upon implementation, all creditors who had properly filed proofs of claim were issued equity units in settlement of their debts. At January 1, 2000 the Company carried on its books a total liability in pre-petition accruals of $4,344,951, representing all potential liabilities it had recorded prior to its bankruptcy filing. Upon implementation of the Plan the Company issued Series A Equity Units converting $1,969,802 in pre-petition accruals to equity. In addition the Company reserved $539,000 in contested claims, leaving these liabilities on its books in the pre-petition accruals liabilities account, until such time as the claims are resolved by the court. After giving effect to these adjustments, the Company had liabilities recorded on its books in the amount of $1,936,149 for which no debtor had filed a claim. Additionally, a $19,038 reduction in accounts payable resulted from a discount in legal administrative fees that the Company’s bankruptcy attorney agreed to as a part of the settlement under the Plan. As these liabilities are no longer owing and were not resolved through the issuance of equity when the Plan was implemented, in the first quarter of 2001 the Company reduced its pre-petition accrual liabilities account by $1,955,187, and recorded $1,936,149 as a fair value adjustment to equity during the acquisition by MedSmart and $19,038 as an extraordinary gain.

The Company realized a net loss of $389,296 for the first quarter of 2001 versus net income of $36,500 for the first quarter of 2000. The profit in the first quarter of 2000 was the result of income from the cancellation of common stock income. The loss in the first quarter of 2001 was due to the operations for MedSmart that were not consolidated for the first quarter of 2000.

Net Operating Losses

At December 31, 2000, the Company had accumulated approximately $10,950,000 of net operating loss carryforwards as of December 31, 2000, which may be offset against taxable income and income taxes in future years. The use of these losses to reduce future income taxes will depend on the generation of sufficient taxable income prior to the expiration of the net operating loss carryforwards. The carry-forwards expire in the year 2018. In the event of certain changes in control of the Company, one of which may be deemed to have occurred as a result of the acquisition of MedSmart, there will be an annual limitation on the amount of net operating loss carryforward which can be used. No tax benefit has been reported in the financial statements for the first quarter of 2001 because the Company believes the carryforward may expire unused. Accordingly, the potential tax benefits of the loss carryforward is offset by a valuation allowance of the same amount.

Liquidity and Capital Resources

Historically, the Company's working capital needs have been satisfied primarily through its financing activities including private loans and raising capital through the sale of securities. Working capital at March 31,2001 was a negative $600,777 compared to a negative $4,642,731 at March 31, 2000. The reduction in working capital deficit is primarily related to events occurring as a result of implementation of the Plan. Pre-petition liabilities of $1,969,802 were discharged through the issuance of Series A Preferred Stock in settlement of debts. Pre-petition liabilities of $1,936,149 were recorded as a fair value adjustment to equity during the acquisition due to the fact that creditors had filed no bankruptcy claims or the amount accrued as a liability was in excess of the ultimate liability amount settled through the issuance of Series A Preferred Stock. Upon implementation of the plan, certain affiliates of the Company purchased 45,000,000 shares of newly issued common stock for total cash consideration of $600,000. Approximately $300,000 of these proceeds were utilized to pay administrative claims of the bankruptcy, thus reducing accounts payable and accrued expenses-post petition by an equal amount. At March 31, 2001 the balance of the pre-petition accruals liability account is $539,000. This amount represents bankruptcy claims where the Company and creditors disagree on the amount of liability and the amount of Series A Preferred Stock to be issued in settlement of the claims. Ultimately, upon agreement or by judgment of the bankruptcy court, the final claim amounts owing these creditors will be determined. Under terms of the Plan, the Company does not anticipate that settlement of these claims will require new working capital, but, instead, the entire amount of such claims will be settled through the issuance of Series A Preferred units and the utilization of the $14,212 balance of restricted cash recorded at March 31, 2001. Net cash used in operating activities was $543,753 in first quarter 2001 compared to $36,423 in first quarter 2000. This increase relates primarily to the fact that first quarter 2001 operations include the consolidated activities of both NHLT and MedSmart, whereas first quarter 2000 includes activities of only NHLT when it had one employee. This increase in net cash used in operations was funded through financing activities where the Company sold 45,000,000 shares of common stock for a total of $600,000 of cash.

The Company's ability to meet its working capital needs and continuation as a going concern during fiscal 2001 will depend primarily on its ability to obtain additional future financing and successful implementation of MedSmart's marketing, distribution and sale of POWERx cards and related products.

As of March 31, 2001, the Company had total assets of $1,636,498 and total stockholders' equity of $919,101, compared to March 31, 2000 at which time the Company had total assets of $169,200 and total stockholders' deficiency of $4,596,883. The increase in assets relates to assets acquired under the Plan including the acquisition of MedSmart and the cash proceeds received from the sale of common stock. Out of our total assets of $1,636,498, intangible assets consisting of goodwill and POWERx brand and software assets total $1,552,112. The reduction in stockholder's deficiency resulted primarily from the effects of the implementation of the Plan with the settlement of $1,969,802 of liabilities in exchange for Series A Preferred units, recording $1,936,149 as a fair value adjustment to equity during the acquisition by MedSmart and proceeds from the sale of new common stock for cash.

Inflation

In the opinion of management, inflation has not had a material effect on the operations of the Company.

Risk Factors and Cautionary Statements

Forward-looking statements in this report are made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. The Company wishes to advise readers that actual results may differ substantially from such forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by the statements, including, but not limited to, the following: the ability of the Company to continue as a viable concern post implementation of the Plan, the ability of the Company to obtain financing in order to implement its business plan and other risks detailed in the Company's periodic report filings with the Securities and Exchange Commission.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Except as otherwise set forth below, the Company is not a party to any new material pending legal proceedings and no such action by, or to the best of its knowledge, against the Company has been threatened.

On July 1, 1999, the Company voluntarily filed for reorganization under Chapter 11 of the United States Bankruptcy Code in the Untied States Bankruptcy Court of the Eastern District of Pennsylvania (file no. 99-18339). The Company filed the Fourth Amended Disclosure Statement With Respect to Fourth Amended Joint Plan of Reorganization, dated August 21, 2000, and it was confirmed by the Bankruptcy Court on November 27, 2000. The Plan was implemented on January 22, 2001.

In January 1999, a writ of execution for money judgment in the amount of $361,034 was entered against the Company in Bucks County, Pennsylvania, to collect a judgment against the Company from the Supreme Court of the State of New York, County of Nassau, in the case titled Schwartz, Berger and Berger vs. National Health and Safety Corporation (# 99000212). In the confirmed Plan, the judgment creditors were treated as unsecured creditors and are to receive Common Stock and Warrants in complete satisfaction of their claims. The judgment creditors have disputed the amount to be settled and action is presently pending before the United States Bankruptcy Court for the Eastern District of Pennsylvania.

On December 28, 2000, the Company, as plaintiff, filed suit in the United States Bankruptcy Court for the Eastern District of Pennsylvania, Bankruptcy No. 99-18339DWS, against Premium Holdings, Inc., HealthMed, Inc., World Trust Investment, the Beverly Century Trust, Mitchell J. Stein, Esq., Dennis J. Hawk, Rex Julian Beaber, Pan American Bank Corp, R. Dennis Bowers, Barton Peck, Esq.; Al Simon; and, Leonard, Dicker & Schreiber, LLP. Some or all of the above parties are creditors and claimants in the Company's bankruptcy filing. In its petition the Company alleges that in April 1998 it entered into a Stock Purchase Agreement (the "Stock Purchase Agreement") under which it was to sell Premium Holdings, Stein and Hawk an aggregate 18,000,000 shares of its common stock. Contemporaneously therewith, the Company purportedly entered into a financing agreement (the "Receivables Financing Agreement") with HealthMed, whereby HealthMed would provide up to $20 million in financing to the Company. A dispute arose among the parties with respect to the enforceability of the Stock Purchase Agreement and the Receivables Financing Agreement. Upon information and belief, HealthMed, Stein, Hawk, Premium Holdings, World Trust Investment, the Beverly Trust and Beaber are all affiliates of one another (collectively, the "Stein Group"). Under a September 1998 settlement agreement, the Company paid to the Stein Group $300,000. On July 1, 1999, the Company filed its Bankruptcy Case. The Company alleges that it made transfers of interest to, or for, the Stein Group for or on account of an antecedent debt owed by the Company before such transfers were made while the Company was insolvent within one year prior to its Bankruptcy filing. Such transfers were made while the Stein Group were insiders of the Company. Such transfers consisted of the execution and delivery of a Settlement Agreement; payment of $250,000 to HealthMed, inadvertent payment of $25,000 to Stein, and payment of $25,000 to a settlement escrow account. The Company seeks avoidance of such transfers pursuant to Bankruptcy Code section 547 and judgment for such amount against the Stein Group pursuant to Bankruptcy Code section 550. The Company seeks disallowance of all claims of the Stein Group against the Company in bankruptcy. The Company seeks judgment for the following: avoidance of the transfers, turnover of assets, money judgment against defendants for the amount of such avoided transfers or assets subject to turnover, disallowance of all claims of defendants against the Company, judgment declaring that such transfers are avoidable under Bankruptcy Code Section 547 pre and post judgment interest at the applicable statutory rates, reasonable attorney's fees and costs in prosecuting this complaint and collecting any judgment thereon.

Item 2. Changes in Securities and Use of Proceeds

The bankruptcy court confirmed the Company's Fourth Amended Joint Plan of Reorganization (the "Plan") on November 27, 2000. On January 22, 2001, the Plan was implemented, whereby the former shareholders of MedSmart HealthCare Network, Inc. ("MedSmart") exchanged all of their MedSmart stock for 130,000,000 shares of newly issued, unregistered Common Stock of the Company. This exchange, together with the contribution of $600,000 from new investors in return for the issuance of 45, 000,000 shares of newly issued, unregistered Common Stock of the Company, resulted in a change of control of the Company. The implementation of the Plan was reported on Form 8-K filed on February 9, 2001, as amended by Forms 8-KA filed on March 28, 2001 and April 3, 2001.

Pursuant to and effective upon implementation of the Plan, January 22, 2001, the Company authorized and issued certain new classes of securities as follows:

The Company authorized the issuance of 500,000,000 common shares, par value $.001 and the issuance of 50,000,000 shares of preferred stock, which may consist of one or more series. Cumulative voting of any shares of stock, whether common or preferred, shall be prohibited.

Series A Preferred Stock, par value $.001 ("Series A"); 4,000,000 shares authorized; 1,869,802 shares have been issued, or in process of issuance; $1.00 liquidation preference and preference over Series B Preferred Stock, Common Stock and all other series of stock ranking junior to Series A. Each share of Series A is convertible, at the option of the holder, into 5 shares of Common Stock at such times and in such amounts as stated in the Certificate of Designation. The holders of Series A stock are entitled to vote together with the holders of Series B and Common Stock and are entitled to one vote for each share of Common Stock which would be held by them if all of their shares of Series A were converted into shares of Common Stock.

Series B Preferred Stock, par value $.001 ("Series B"); 600,000 shares authorized and issued; $1.00 liquidation preference that is inferior to Series A but is preferred to Common Stock and all other series of stock ranking junior to Series B. Each share of Series B is convertible at the option of the holder into five shares of Common Stock at such times and in such amounts as stated in the Certificate of Designation. The holders of Series B stock are entitled to vote together with the holders of Series A and Common Stock and are entitled to one vote for each share of Common Stock which would be held by them if all of their shares of Series B were converted into shares of Common Stock.

Class A warrants were issued to each holder of the Series A and Series B Preferred Stock and an additional 58,264 Class A warrants were issued to a pre-petition creditor as part of an agreed settlement. There are 4,000,000 Class A warrants authorized; and, 2,528,066 Class A warrants issued and outstanding, or process of issuance. Each Class A warrant allows the holder to purchase, for the exercise price of $1.00, expiring two years from January 22, 2001, one share of Common Stock plus one Class B warrant. There are 4,000,000 Class B warrants authorized; entitling the holder to purchase, for an exercise price of $1.50, expiring three years from January 22, 2001, one share of Common Stock. No Class B warrants are outstanding.

All shares of stock, warrants and other Interests in the Company other than the common stock of the Company was cancelled as of January 22, 2001.

The proceeds of $600,000 cash received by the Company in exchange for the issuance of 45,000,000 newly issued, unregistered shares of Common Stock were utilized by the Company for the payment of administrative costs incurred in the bankruptcy and for general working capital purposes of the Company.

Item 5. Other Information

On March 13, 2001, Greg Figaro resigned from the board of directors of the Company and its wholly owned subsidiary, MedSmart, In resigning from each board, Mr. Figaro expressed no disagreements with the Company or MedSmart on any matter relating to the Company's or MedSmart's operations, policies or practices. Mr. Figaro's former seat on the Company's board remains vacant. Mr. Figaro also resigned as chief financial officer of MedSmart on April 6, 2001.

Item 6. Exhibits and Reports on Form 8-K

Certain of the Exhibits in the following index are incorporated by reference.

2.1* Fourth Amended Joint Plan of Reorganization, In Re: National Health & Safety Corporation, Debtor, Case No. 99-18339-DWS, U.S. Bankruptcy Court, Eastern District of Pennsylvania, dated August 21, 2000, incorporated by reference to the Company's report on Form 8-K dated November 28, 2000.

2.2* Fourth Amended Disclosure Statement, In Re: National Health & Safety Corporation, Debtor, Case No. 99-18339-DWS, U.S. Bankruptcy Court, Eastern District of Pennsylvania, dated August 21, 2000.

2.3* Asset Purchase Agreement by and between MedSmart Healthcare Network, Inc., as Seller and National Health & Safety Corporation, as Purchaser, January 22, 2001.

2.4* Order confirming Fourth Amended Joint Plan of Reorganization, dated November 27, 2000.

3.1* Amended and Restated Articles of Incorporation, filed with the Utah Department of Commerce Division of Corporations and Commercial Code on January 22, 2001.

3.2* Bylaw Amendment, adopted on January 22, 2001.

4.1* Certificate of Designation for Series A Preferred Stock, filed with the Utah Department of Commerce Division of Corporations and Commercial Code on January 22, 2001.

4.2* Certificate of Designation for Series B Preferred Stock, filed with the Utah Department of Commerce Division of Corporations and Commercial Code on January 22, 2001.

4.3* Warrant Agreement, filed with the Utah Department of Commerce Division of Corporations and Commercial Code on January 22, 2001.

4.4* Class A Warrant Certificate, dated January 22, 2001.

4.5* Class B Warrant Certificate, dated January 22, 2001.

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* Previously filed as an exhibit to the Company's report on Form 8-K dated January 22, 2001 and incorporated by reference herein.

(b) Reports on Form 8-K

February 9, 2001, the Company filed an 8-K report dated January 22, 2001, reporting the implementation of the Plan of Reorganization, including the acquisition of MedSmart Healthcare Network, Inc. This report was amended on March 28, and April 4, 2001 to include historical financial statements for MedSmart and pro forma financial statements for the combined entities.

The Company filed another 8-K report dated February 8, 2001, reporting that it had terminated its former accountant and had retained Sprouse & Anderson, LLP (formerly known as Sprouse & Winn, LLP) as its independent auditors. The Company also reported the election of new directors to its board, as part of the implementation of its Plan of Reorganization.

March 6, 2001, the Company filed Form 8-KA, Amendment No. 1 to Form 8-K filed on February 8, 2001, including the letter of March 6, 2001 from the Company's former accountants.

May 7, 2001, the Company filed Form 8-K announcing the signing of an agreement with New Benefits, Inc. to provide enrollment and processing for new members, fulfillment of membership kits, renewal notification, and member support and other administrative services for the Company's medical benefits discounts program. A press release announcing the change in the Company's offices and operations was included as an exhibit to this Report.

Signatures

Pursuant to the requirements of Section 13 or 15(d) 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.

NATIONAL HEALTH & SAFETY CORPORATION

Date: March 1, 2002

Gary Davis
Gary Davis, President and
Chief Financial Officer

Date: March 1, 2002

Jimmy Nix, II
Jimmy Nix, II, Chief Financial Officer