U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

Quarterly Report under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2004

Commission file number 10039

eB2B COMMERCE, INC.

(Exact name of small business issuer as specified in its charter)

NEW JERSEY	22-2267658
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

665 BROADWAY
NEW YORK, NY 10012

(Address of Principal Executive Offices)

(212) 477-1700

(Issuer's telephone number, including area code)

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 [ ]

As of September 30, 2004, there were 8,467,461 shares of Common Stock, $0.0001 par value per share, of the registrant outstanding.

Transitional Small Business Disclosure format   Yes _____   No _X_

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
eB2B COMMERCE, INC.
CONSOLIDATED BALANCE SHEET
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

March 31, 2004
(Unaudited)

<TABLE>
<S> <C>

	March 31, 2004 (Unaudited)
ASSETS	
Current Assets	
Cash and cash equivalents	$ 214
Accounts receivable, net of allowance of $199	462
Deferred financing costs, net of accumulated amortization of $209	256
Total Current Assets	932
Property and equipment, net	11
Product development costs, net of accumulated amortization of $5,883	293
Intangibles assets, net of accumulated amortization of $3,015	67
Other assets	35
Total assets	$ 1,338
LIABILITIES AND STOCKHOLDERS' DEFICIT	
Current Liabilities	

Accounts payable	$ 742
Accrued expenses and other current liabilities	1,120
Current maturities of long-term debt	3,357
Deferred revenue	271
Current liabilities of discontinued operations	87
Total current liabilities	5,577
Long-term debt, less current maturities	-
Total liabilities	5,577
Commitments and contingencies	
Stockholders' Deficit	
Preferred stock, convertible Series A - $.0001 par value; 2,000 shares authorized; 7 shares issued and outstanding	-
Preferred stock, convertible Series B - $.0001 par value; 4,000,000 shares authorized; 1,983,674 shares issued and outstanding	-
Preferred stock, convertible Series C - $.0001 par value; 1,750,000 shares authorized; 524,506 shares issued and outstanding	-
Common stock - $.0001 par value; 200,000,000 shares authorized; 8,467,461 shares issued and outstanding	8
Additional paid-in capital	157,314
Accumulated deficit	(161,561)
Total stockholders' deficit	(4,239)
Total liabilities and stockholders' deficit	$ 1,338

</TABLE>

See accompanying notes to consolidated financial statements.

eB2B COMMERCE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

<TABLE>
<CAPTION>

	Three Months Ended March 31	
	2004	2003
<S>	<C>	<C>
Revenue	$ 833	$ 1,031
Costs and Expenses:		
Cost of revenue	176	300
Marketing and selling	34	125
Amortization of product development costs	60	128
Amortization of other intangibles	82	242
General and administrative	489	465
Total costs and expenses	841	1,260
Loss from continuing operations before interest and other expenses, net	(8)	(229)
Interest and other expenses, net	(171)	(163)
Loss from continuing operations	(179)	(392)
Loss from discontinued operations	-	(23)
Net Loss	$ (179)	$ (415)
Net loss per common and common equivalent share:		
Basic and Diluted:		

Loss per common share from continuing operations	$ (0.03)	$ (0.13)
Loss per common share from discontinued operations	-	(0.01)
Loss per common	$ (0.03)	$ (0.13)
Weighted average number of common shares outstanding:	6,495,984	3,128,439

</TABLE>

See accompanying notes to consolidated financial statements.

eB2B COMMERCE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(IN THOUSANDS)

<TABLE>
<CAPTION>

	For the Three Months Ended March 31	
	2004	2003
<S>	<C>	<C>
Cash flows from operating activities:		
Net loss from continuing operations	$ (179)	$ (392)
Adjustments to reconcile net loss from continuing operations to net cash provided by (used in) operating activities:		
Depreciation and amortization	145	412
Provision for doubtful accounts	4	-
Non-cash interest expense	170	106
Changes in operating assets and liabilities:		
Accounts receivable	121	194
Other current assets	9	29
Accounts payable	(99)	(197)
Accrued expenses and other liabilities	(3)	(22)
Deferred revenue	6	(240)
Net cash provided by (used in) operating activities	174	(110)
Cash flows from investing activities:		
Purchases of property and equipment	(5)	-
Product development expenditures	(88)	(91)
Net cash used in investing activities	(93)	(91)
Cash flows from financing activities:		
Payments on borrowings	(13)	(9)
Net cash used by financing activities	(13)	(9)
Net cash provided by (used in) continuing operations	68	(210)
Net cash used in discontinued operations	-	(23)
Net change in cash and cash equivalents	68	(233)
Cash and equivalents - beginning of period	146	461
Cash and equivalents - end of period	$ 214	$ 228
Supplemental disclosure of cash flow information		
Cash paid for interest	$ -	$ 2
Non-cash investing and financing activities:		
Remeasurement of settlement obligation	$ -	$ 4

</TABLE>

See accompanying notes to consolidated financial statements.

eB2B COMMERCE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1. ORGANIZATION AND LIQUIDITY PLANS

eB2B Commerce, Inc. (the "Company") utilizes proprietary software to provide a technology platform for buyers and suppliers to transfer business documents via the Internet and other methods to their small and medium-sized trading partners. These documents include, but are not limited to, purchase orders, purchase order acknowledgements, advanced shipping notices and invoices. The Company provides access via the Internet to its proprietary software, which is maintained on its hardware and on hosted hardware. The Company also offers professional services, which provide consulting expertise to the same client base, as well as to other businesses that prefer to operate or outsource the transaction management and document exchange of their business-to-business relationships. In addition, until it discontinued these operations as of September 30, 2002, the Company provided authorized technical education to its client base, and also designed and delivered custom computer and Internet-based training seminars.

Since its inception, the Company has experienced significant losses from continuing operations and negative cash flows from operations, which raises substantial doubt about its ability to continue as a going concern.

To ensure the success of the Company, and to address the accumulated deficit and negative cash flows from operations, management enacted a plan for the Company, which includes various cost cutting measures commenced in 2001. Management is currently prepared to take the following actions:

- Raise additional capital, for which there can be no assurance of obtaining, to fund the Company's internal growth, and to sustain the Company if positive cash flow from operations is not generated, or if there are unanticipated expenses.

- Continue to pursue negotiations with its remaining unsecured creditors.

- Investigate potential transactions involving the sale or merger of the Company.

On April 14, 2004 the Company filed an 8-K disclosing that the Company's Senior Secured Convertible Noteholders had declared the Company in default on its interest payments of approximately $432,000 and as a result were demanding acceleration of $3,200,000, the face value of the Senior Secured notes, plus accrued interest. As the Company had insufficient cash to satisfy the claims of its Noteholders, good faith negotiations ensued to resolve the issue to the benefit of the Company's shareholders. Due to the uncertainty that resulted from the declared default, the Company delayed the filing of its annual report for the year ended December 31, 2003 and its quarterly reports for March 31, 2004, June 30, 2004, and September 30, 2004.

On October 27, 2004, the Company filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the Bankruptcy Court of the Southern District of New York. Under the Plan of reorganization, and after the primary current business and certain net assets are exchanged in satisfaction of certain secured noteholder claims, a new Board of Directors will be constituted by a Plan sponsor. It is anticipated that the above-mentioned exchange of the primary current business to the secured Noteholders and certain of its net assets will result in continued business operations under a newly formed private company. Therefore, because the existing business is expected to continue operating as a newly formed private company, these financial statements do not include any adjustments that might be necessary should the business be unable to continue as a going concern.

The Securities and Exchange Commission has filed an objection to the Disclosure Statement and Plan with the Court, as has the United States Bankruptcy Trustee. The bases for the objections were that the Company had not disclosed fully the future business and plan of eB2B Commerce, and that under the plan the Company was in effect liquidating its assets and therefore was not able to seek a discharge in bankruptcy. The Company disagrees with this interpretation of the plan, in that under its plan, the Company sought to give all financially affected parties the maximum recovery possible while fully discharging its debt to the Senior Secured Noteholders. Without the Plan Sponsor and the sale of the corporate shell, it is likely that creditors and shareholders will receive little or no recovery under the plan. A hearing on the

Disclosure Statement will be held where it is anticipated that these objections will be raised. Because the outcome of the hearing is not known, these financial statements do not reflect any adjustments should the business be unable to continue under the plan described above.

NOTE 2. BASIS OF PRESENTATION

The accompanying quarterly financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

In the opinion of management, all material adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation have been included in the accompanying unaudited condensed consolidated financial statements. All significant intercompany balances and transactions have been eliminated in consolidation and certain other prior period balances have been reclassified to conform to the current period presentation. The accompanying unaudited condensed consolidated financial statements are not necessarily indicative of full year results.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations; however, management believes that the disclosures are adequate to make the information presented not misleading. This report should be read in conjunction with the audited consolidated financial statements and footnotes therein included in the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2003.

NOTE 3. DISCONTINUED OPERATIONS

In September 2002, the Company discontinued its Training and Educational Services business segment. The Company was unable to find a buyer for this business segment and determined that it was in the best interests of its shareholders to discontinue its operations rather than continue to fund its working capital needs and operating losses. Accordingly, the related results of operations and cash flows have been reflected as discontinued operations in the accompanying consolidated financial statements. For the three months ended March 31, 2004 and 2003, the Company's discontinued operations contributed net sales of $0 and $0, respectively. As of March 31, 2004, there were no assets relating to this segment, and its liabilities totaled $87,000.

NOTE 4. ACCOUNTING FOR STOCK BASED COMPENSATION

Effective January 1, 2003, the Company adopted the fair value recognition provisions of Statement of Financial Accounting Standards ("FAS") No. 123, "Accounting for Stock-Based Compensation", prospectively to all employee awards granted, modified, or settled after January 1, 2003. Prior to 2003, the Company accounted for stock-based employee compensation under the recognition and measurement provisions of APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations. No stock-based compensation cost is reflected in the three months ended March 31, 2004 as no awards were granted during the period. Stock-based compensation cost of approximately $31,000 is reflected in the accompanying Statement of Operations for the three months ended March 31, 2003, as a result of the grant, on March 17, 2003, of an aggregate of 766,000 stock options to the Company's employees. The following table illustrates the effect on net income (loss) and income (loss) per share as if the fair value based method had been applied to all outstanding and unvested awards in each period.

<TABLE>
<CAPTION>

	Three Months Ended March 31,	
	2004	2003
<S>	<C>	<C>
Loss from continuing operations, as reported	$ (179)	$ (392)
Add: Stock-base compensation expense included in reported net loss	-	31
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards	-	(31)

Pro forma loss from continuing operations, net of tax	$ (179)	$ (392)
Income (loss) from discontinued operations, as reported	$ -	$ (23)
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards	-	-
Pro forma income (loss) from discontinued operations, net of tax	$ -	$ (23)
Net loss, as reported	$ (179)	$ (415)
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards	-	-
Pro forma net loss	$ (179)	$ (415)
Income (loss) per share:		
Income (loss) from continuing operations - as reported	$ (0.03)	$ (0.12)
Income (loss) from continuing operations - pro forma	$ (0.03)	$ (0.12)
Income (loss) from discontinued operations - as reported	$ -	$ (0.01)
Income (loss) from discontinued operations - pro forma	$ -	$ (0.01)
Net income (loss) - as reported	$ (0.03)	$ (0.13)
Net income (loss) - pro forma	$ (0.03)	$ (0.13)
Weighted average number of common shares outstanding	6,495,984	3,128,439

</TABLE>

NOTE 5. NET INCOME (LOSS) PER COMMON SHARE

Basic net loss per common share is computed by dividing net loss by the weighted-average number of common shares outstanding during the period. Diluted earnings per share is computed using the weighted-average number of common and dilutive common-equivalent shares outstanding during the period. Dilutive common-equivalent shares consist of shares that would be issued upon the exercise of stock options and warrants (computed using the treasury stock method).

Options and warrants to purchase 20,389,362 shares of common stock, and preferred shares or long term debt convertible into 55,652,507 shares of common stock for the three months ended March 31, 2004 were not included in diluted earnings per share as their effect would be anti-dilutive. Options and warrants to purchase 26,229,826 shares of common stock, and preferred shares or long term debt convertible into 50,437,000 shares of common stock for the three months ended March 31, 2003, respectively were not included in diluted loss per share because they would have been antidilutive.

NOTE 6. ADDITIONAL PAID-IN CAPITAL

During December 2001, the Company renegotiated a potential $1,200,000 liability with a creditor relating to the licensing of software. The Company had previously issued 145,986 shares of common stock to this party for amounts then owing. The Company had agreed that in the event this party received gross proceeds less than the amount originally owed, the Company would reimburse this party for the shortfall. In December 2001, this agreement was amended whereby the creditor agreed to be issued up to 266,667 shares of the Company's common stock to offset any deficiency, and to the extent this amount is insufficient, the creditor would be paid one-half the remaining balance in cash no earlier than April 2003, with the other half forgiven.

At March 31, 2003, the Company remeasured its potential liability under the agreement. As a result of the remeasurement, the Company reduced its liability by $4,000 and increased additional paid-in capital as of March 31, 2003.

NOTE 7 - SUBSEQUENT EVENT

On April 14, 2004 the Company's Senior Secured Convertible Noteholders had declared the Company in default on its interest payments of approximately $432,000 and as a result were demanding acceleration payment of the $3,200,000 Senior Secured notes, plus accrued interest. As the Company had insufficient cash to satisfy the claims of its Noteholders, good faith negotiations ensued to resolve the issue to the benefit of the Company's shareholders.

The Company had also received notice from the legal representative of one of the Bac-Tech principals to accelerate payment of $300,000 on a Promissory Note related to the January 2002 acquisition of Bac-Tech, which is secured by the Intellectual Property related to the acquisition. As of December 31, 2003, the Company had an obligation to pay the aforementioned party $100,000 on January 1, 2004, which it was unable to pay. This claim was settled and mutual releases signed in August 2004. Under the terms of the settlement, a one-time discounted payment of $60,000 satisfied the Promissory Note in full.

On October 27, 2004, the Company filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the Bankruptcy Court of the Southern District of New York. The Company simultaneously filed a Plan of reorganization with the Court, to effect an agreement, subject to consideration and approval by the Court, to settle its claims with its Senior Secured Convertible Noteholders, as well as to provide some recovery to its unsecured creditors and shareholders.

On November 1, 2004, the Court entered an order approving Interim Debtor-In-Possession financing in an amount not to exceed $120,000. Enable Corporation, a Florida corporation, is providing the Company with up to $300,000 in Debtor-In-Possession financing. The Court approved the financing in final form on November 22, 2004, and the Company now has full access to the $300,000 in Debtor-In-Possession loan facility.

On December 8, 2004, the Securities and Exchange Commission filed an objection to the Disclosure Statement and Plan with the Court, as did the United States Trustee on November 19, 2004. The bases for the objections were that the Company had not disclosed fully the future business and plan of eB2B Commerce, and that under our plan the Company was in effect liquidating its assets and therefore was not able to seek a discharge in bankruptcy. The Company disagrees with this interpretation of the plan, in that under its plan, the Company sought to give all financially affected parties the maximum recovery possible while fully discharging its debt to the Senior Secured Noteholders. Without the Plan

Sponsor and the sale of the corporate shell, it is likely that creditors and shareholders will receive little or no recovery under the plan.

Under the Company's Plan of reorganization under Chapter 11 of the U.S. Bankruptcy Code, it is anticipated that any outstanding options and warrants agreements, as well as any employment agreements with the Company's officers, will be terminated.

On December 15, 2004, the Court approved the Company's revised Disclosure Statement and set a confirmation hearing date of January 26, 2005 regarding the Company's Plan. The Company anticipates meeting with the SEC and U.S. Trustee to try and resolve their objections prior to the hearing.

Investors may secure a copy of the Disclosure Statement in the bankruptcy case at the Bankruptcy Court's Internet site at www.nysb.uscourts.gov, Chapter 11 Case Number 04-16926(CB).

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

Forward Looking Statements

Certain of the statements contained herein should be considered "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, which reflect the current views of eB2B Commerce, Inc. (the "Company") with respect to current events and financial performance. You can identify these statements by forward-looking words such as "may," "will," "expect," "intend," "anticipate," "believe," "estimate," "plan," "could," "should," and "continue" or similar words. These forward-looking statements may also use different phrases. Such forward-looking statements are and will be, as the case may be, subject to many risks, uncertainties and factors relating to the Company's operations and business environment which may cause the actual results of the Company to be materially different from any future results, express or implied, by such forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, the following: the ability of the Company to continue as a going concern; the ability of the Company to obtain and maintain any necessary financing for operations and other purposes, whether debtor-in-possession financing or other financing; the Company's ability to obtain court approval with respect to motions in the Chapter 11 proceeding prosecuted by it from time to time; the ability of the Company to develop, prosecute, confirm and consummate one or more plans of reorganization with respect to the Chapter 11 proceedings; risks associated with third parties seeking and obtaining court approval to terminate or shorten the exclusivity period for the Company to propose and confirm one or more plans of reorganization, for the appointment of a Chapter 11 trustee or to convert the cases to Chapter 7 cases; the ability of the Company to obtain and maintain normal terms with vendors and service providers; the Company's ability to maintain contracts that are critical to its operations; the potential adverse impact of the Chapter 11 proceedings on the Company's liquidity or results of operations; the ability of the Company to operate pursuant to the terms of its financing facilities (particularly the financial covenants); the ability of the Company to fund and execute its reorganization plan during the Chapter 11 proceedings and in the context of a plan of reorganization and thereafter; the ability of the Company to attract, motivate and/or retain key executives and associates; the ability of the Company to attract and retain customers; the ability of the Company to maintain satisfactory labor relations; economic conditions; labor costs; financing availability and costs; insurance costs; competitive pressures on pricing and on demand; and other risks and uncertainties listed from time to time in the Company's reports to the SEC. There may be other factors not identified above of

which the Company is not currently aware that may affect matters discussed in the forward-looking statements, and may also cause actual results to differ materially from those discussed. The Company assumes no obligation to update such estimates to reflect actual results, changes in assumptions or changes in other factors affecting such estimates other than as required by law. Similarly, these and other factors, including the terms of any reorganization plan ultimately confirmed, can affect the value of the Company's various pre-petition liabilities, common stock and/or other equity securities. Accordingly, the Company urges that the appropriate caution be exercised with respect to existing and future investments in any of these liabilities and/or securities.

Forward-looking statements are only estimates or predictions and cannot be relied upon. We can give you no assurance that future results will be achieved. Actual events or results may differ materially as a result of risks facing us or actual results differing from the assumptions underlying such statements. These risks and assumptions could cause actual results to vary materially from the future results indicated, expressed or implied in the forward-looking statements included in this Form 10-QSB. We disclaim any obligation to update information contained in any forward-looking statement.

General

The following discussion and analysis should be read with the financial statements and accompanying notes, included elsewhere in this form 10-QSB. It is intended to assist the reader in understanding and evaluating our financial position.

On April 18, 2000, eB2B Commerce, Inc., a Delaware corporation, merged with DynamicWeb, which is a New Jersey corporation, which was the surviving legal entity. Following the merger, although the merged company maintained the corporate and legal identity of DynamicWeb, we changed our name from DynamicWeb Enterprises, Inc. to eB2B Commerce, Inc. and assumed the accounting history of the former eB2B Commerce, Inc. (i.e. the Delaware corporation).

Overview

We are a provider of business-to-business transaction management services designed to simplify trading partner integration, automation and collaboration.

We use proprietary software to provide services that enable more efficient trading to take place between business partners. Our technology platform allows business partners to electronically initiate, communicate, and respond to business documents, regardless of the differences in the partners' respective computer systems.

Through our service offerings and technology, we:

- receive business documents including, but are not limited to, purchase orders, purchase order acknowledgments, advanced shipping notices and invoices in any data format,

- ensure that the appropriate data has been sent,
- translate the document into any other format readable by the trading partner,
- transmit the documents correctly to the respective trading partner,
- acknowledge the flow of transactions to each partner,
- allow the partners to view and interact with other supply chain information,

- alert the partners to time-critical information.

We provide access to our services via the Internet and traditional communications methodologies. Our software is maintained on both on-site hardware and remotely hosted hardware.

We also provide professional services and consulting services to tailor our software to our customers' specific needs with regard to automating the customers' transactions with their suppliers, as well as to businesses that wish to build, operate or outsource the transaction management of their business-to-business trading partner relationships and infrastructure.

In some instances, we provide access to our software to third-party software vendors as resellers, who use our solutions to meet their customers' requirements in this area.

Impact of Critical Accounting Policies

The SEC issued Financial Reporting Release No. 60, "Cautionary Advice Regarding Disclosure About Critical Accounting Policies" ("FRR 60"), suggesting companies provide additional disclosure and commentary on those accounting policies considered most critical. FRR 60 considers an accounting policy to be critical if it is important to our financial condition and results, and requires significant judgment and estimates on the part of management in its application. Management believes the following represent our critical accounting policies as contemplated by FRR 60. For a summary of all of our significant accounting policies, including the critical accounting policies discussed below, see the Notes to the Financial Statements included in our Form 10-KSB for the year ended December 31, 2003.

Revenue Recognition

Revenue from transaction processing is recognized on a per transaction basis when a transaction occurs between a buyer and a supplier. The fee is based on the volume of transactions processed during a specific period, typically one month. Revenue from related implementation, if any, annual subscription and monthly hosting fees are recognized on a straight-line basis over the term of the contract with the customer. Deferred income includes amounts billed for implementation, annual subscription and hosting fees, which have not been earned. For related consulting arrangements on a time-and-materials basis, revenue is recognized as services are performed and costs are incurred in accordance with the terms of the contract. Revenues from related fixed-price consulting or large project arrangements are recognized using either the contract completion or percentage-of-completion method. The revenue recognized from fixed price consulting arrangements is based on the percentage-of-completion method if management can accurately allocate (i) the ongoing costs to undertake the project relative to the contracted price and projected margin; and (ii) the degree of completion at the end of the applicable accounting period. Otherwise, revenue is recognized upon customer acceptance of the completed project. Fixed-price consulting arrangements are mainly short-term in nature and we do not have a history of incurring losses on these types of contracts. If we were to incur a loss, a provision for the estimated loss on the uncompleted contract would be recognized in the period in which such loss becomes probable and estimable. Billings in excess of revenue recognized are included in deferred income.

Accounting for Business Combinations and Intangible Assets

The judgments made in determining the estimated fair value and expected useful lives assigned to each class of assets and liabilities acquired can significantly impact net income. For example, different classes of assets will have useful lives that differ--the useful life of a customer list may not be the same as the other intangible assets, such as patents, copyrights, or to other assets, such as software licenses. Consequently, to the extent a longer-lived asset (e.g., patents) is ascribed greater value than to a shorter-lived asset with a definitive life (e.g. customer lists and software licenses) there may be less amortization recorded in a given period. Furthermore, determining the fair value of certain assets and liabilities acquired is judgmental in nature and often involves the use of significant estimates and assumptions. One of the areas that requires more judgment in determining fair values and useful lives is intangible assets. While there were a number of different methods used in estimating the value of the intangibles acquired, there were two approaches primarily used: discounted cash flow and market multiple approaches. Some of the more significant estimates and assumptions inherent in the two approaches include: projected future cash flows (including timing); discount rate reflecting the risk inherent in the future cash flows; perpetual growth rate; determination of appropriate market comparables; and the determination of whether a premium or a discount should be applied to comparables. The value of our intangible assets is exposed to future adverse changes if our company experiences decline in operating results or experiences significant negative industry or economic trends or if future performance is below historical trends. We periodically review intangible assets for impairment using the guidance of applicable accounting literature.

RESULTS OF OPERATIONS
THREE MONTHS ENDED MARCH 31, 2004

Total revenue for the first quarter ended March 31, 2004 was $833,000, compared to $1,031,000 for the same period in 2003, a decrease of $198,000, or 19%. Compared to revenue of $946,000 for the fourth quarter of 2003, total revenue decreased by $113,000, or 12%. The decrease in overall and sequential revenue was attributable to the anticipated contraction of the Company's professional services consulting business, and other non-core legacy lines of business, as well as timing of completion and revenue recognition of several large projects.

In the three-month periods ended March 31, 2004 and 2003, one customer accounted for approximately 22% and 23% of our total revenue, respectively. No other customer accounted for 10% or more of our total revenue for the respective periods.

Cost of revenue consists primarily of salaries and benefits for employees providing technical support as well as salaries of personnel and consultants providing consulting services to clients. Total cost of revenue for the three-month periods ended March 31, 2004 and 2003 amounted to $176,000 and $300,000, respectively, a decrease of $124,000 or 41% percent. The decrease was a result of fewer professional services hours used during the quarter.

Marketing and selling expenses consist primarily of employee salaries, benefits and commissions, and the costs of promotional materials, trade shows and other sales and marketing programs. Marketing and selling expenses decreased by $91,000, or 73%, to $34,000 for the three months ended March 31, 2004, from the $125,000 for the three months ended March 31, 2003, due to a reduction in headcount and a decrease in travel and related expenses, since the Company was focused on generating revenue from existing customers.

Product development expenses mainly represent amortization of capitalized software development costs and related costs associated with the development of our intellectual property and technology infrastructure necessary to capture and process transactions. Product development expenses were approximately $60,000 and $128,000 for the three-month periods ended March 31, 2004 and 2003, respectively. The decrease of $68,000, or 53%, was primarily attributable to a stabilized technology platform in 2003, resulting in less development expense capitalized in prior periods and subsequent reduction in amortization in 2004. We capitalize qualifying computer software costs incurred during the application development stage. Accordingly, we anticipate that product development expenses will fluctuate from quarter to quarter as various milestones in the development are reached and future versions of our software are implemented.

General and administrative expenses consist primarily of employee salaries and related expenses for executives, administrative and finance personnel, as well as other consulting, legal and professional fees and, to a lesser extent, facility and communication costs. During the three-month periods ended March 31, 2004 and 2003, total general and administrative expenses amounted to $489,000 and $465,000, respectively, an increase of $24,000, or 5%. The increase is mainly attributable to (i) a benefit of approximately $99,000 in the three month period ended in March 31, 2003 not found in the same period in 2004 due to the settlement of various liabilities with a healthcare provider and various investor relations vendors and, (ii) offset by a decrease in salary and wages and related costs of approximately $70,000 in the three months period ended March 31, 2004, due to headcount reduction taken by the Company in prior periods.

Amortization of other intangibles are non-cash charges associated with the DynamicWeb, and Bac-Tech business combination. Amortization expense was $82,000 and $242,000 for the three-month periods ended March 31, 2004 and 2003, respectively. The decrease of $160,000 is due to the completion of amortization of the DynamicWeb intangibles.

Interest and other expenses, net amounted to an expense of $171,000 for the three-month period ended March 31, 2004 compared to $163,000 for the same three-month period in 2003. The higher interest expense for the first quarter 2004 is a result of additional non-cash interest expense from the $300,000 Senior Secured Note held in escrow and drawn on April 30, 2003.

Net loss in the first quarter of 2004 was $179,000, or $(0.03) per share, compared to a net loss of $415,000, or ($0.14) per share, for the same period last year, representing an improvement of $236,000.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2004, our principal source of liquidity was approximately $214,000 of cash and cash equivalents. As of March 31, 2004, we had a negative working capital position of $4,645,000.

The report of our independent auditors on our financial statements as of and for the year ended December 31, 2003 contains an unqualified report with an explanatory paragraph which states that our recurring losses from operations and negative cash flows from operations in addition to our bankruptcy filing under Chapter 11 raise substantial doubt about our ability to continue as a going concern.

Currently, we are dependent on our month-to-month collection activity as well as our best efforts in anticipating expenses in order to continue operations. Any unexpected shortfall in collections or unanticipated major expense could cause us to scale back our operations or cause us to suspend or cease operations.

On April 14, 2004 our Senior Secured Convertible Noteholders gave the Company notice that as a result of its default on interest due, the Noteholders demanded acceleration of their entire Senior Secured Convertible Debt in the aggregate amount of $3,200,000. The Company was unable to satisfy the claims of its Noteholders due to its cash position.

In order to effectuate a settlement with its Noteholders and after exhausting its external options for curing the default on its notes, the Company filed for bankruptcy protection under Chapter 11.

Prior to the filing, the Company had taken actions to cure its default, improve its cash position and fund any remaining operating losses including:

- Additional cost reduction measures, which had reduced annual salaries, benefits or other operating expenses by approximately $30,000 per month,
- Discussions aimed at securing additional capital, through commercial banking, investment banking, and receivables financing channels, which did not result in additional funds being available to the Company,
- Discussions with potential sale or merger partners of the Company, none of which resulted in a firm offer being made for the sale of the Company, its assets, or a potential merger.
- Discussions with secured and unsecured creditors regarding the Company's financial status.

The Company released an 8-K on April 14, 2004 disclosing that the Senior Secured Noteholders were accelerating their notes, and that negotiations would ensue. As a result of the negotiations, the Company's 10-KSB for calendar 2003, along with this and subsequent 10-QSB filings were delayed, pending resolution. An agreement was tentatively reached with the Noteholders that the Company would seek relief under Chapter 11 of the U.S. Bankruptcy Code. On October 27, 2004 the Company filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the Southern District of New York.

On November 1, 2004, the Court entered an order approving Interim Debtor-In-Possession financing in an amount not to exceed $120,000. Enable Corporation, a Florida corporation, is providing the Company with up to $300,000 in Debtor-In-Possession financing. The Court approved the financing in final form on November 22, 2004, and the Company now has full access to the $300,000 in Debtor-In-Possession loan facility.

On December 8, 2004, the Securities and Exchange Commission filed an objection to the Disclosure Statement and Plan with the Court, as did the United States Trustee on November 19, 2004. The bases for the objections were that the Company had not disclosed fully the future business and plan of eB2B Commerce, and that under our plan the Company was in effect liquidating its assets and therefore was not able to seek a discharge in bankruptcy. The Company disagrees with this interpretation of the plan, in that under its plan, the Company sought to give all financially affected parties the maximum recovery possible while fully discharging its debt to the Senior Secured Noteholders. Without the Plan Sponsor and the sale of the corporate shell, it is likely that creditors and shareholders will receive little or no recovery under the plan.

Under the Company's Plan of reorganization under Chapter 11 of the U.S. Bankruptcy Code, it is anticipated that any outstanding options and warrants agreements, as well as any employment agreements with the Company's officers, will be terminated.

On December 15, 2004, the Court approved the Company's revised Disclosure Statement and set a confirmation hearing date of January 26, 2005 regarding the Company's Plan. The Company anticipates meeting with the SEC and U.S. Trustee to try and resolve their objections prior to the hearing.

We generated $68,000 of cash from continuing operations for the three-months ended March 31, 2004, as compared to cash used in continuing operations for the same period in 2003 of $233,000.

Net cash provided by continuing operating activities totaled approximately $174,000 for the three-months ended March 31, 2004 as compared to $110,000 in cash used for the same period in 2003. Net cash provided by continuing operating activities for the three-month period resulted primarily from (i) $34,000 source of cash from operating assets and liabilities, (ii) the $179,000 net loss from continuing operations and (iii) an aggregate of $319,000 of non-cash charges consisting primarily of depreciation, amortization, provision for doubtful accounts and non-cash interest expense. Net cash used in operating activities for the three-months ended March 31, 2003, resulted primarily from (i) the $392,000 net loss from continuing operations and (ii) a $236,000 use of cash from operating assets and liabilities, offset by (iii) an aggregate of $518,000 of non-cash charges consisting primarily of depreciation, amortization, stock-based compensation expense, and non-cash interest expense.

Net cash used in investing activities totaled approximately $93,000, for the three months ended March 31, 2004, of which $88,000 was related to investments in product development and $5,000 to capital expenditures. Net cash used by investing activities for the same period in 2003 was approximately $91,000, of which the entire amount was related to product development.

Net cash used in financing activities for the quarter ended March 31, 2004 resulted from (i) payments of borrowings totaling $25,000. Net cash used in investing activities for the quarter ended March 31, 2003 resulted from (i) payments of borrowings totaling $9,000.

The Company has entered into various financing and commercial commitments. The Company's Senior Notes is carried on its financial statements net of discounts of $715,591 at March 31, 2004. Following is a summary of required cash obligations, all due in the current period since they have been called:

<TABLE>
<CAPTION>

	Year Ended March 31,				
	2004	2005	2006	2007	2008
<S>	<C>	<C>	<C>	<C>	<C>
Senior Notes	$4,037,500	$ -	$ -	$ -	$ -
Operating leases	582,346	-	-	-	-

Capital leases	78,202	-	-	-	-
	$4,698,048	$ -	$ -	$ -	$ -

</TABLE>

ITEM 3 - CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures.

Our principal executive and financial officer has reviewed and evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934 (the "Exchange Act")), as of a date within ninety days before the filing of this quarterly report. Based on that evaluation, such officer has concluded that our current disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Commission's rules and forms.

Changes in internal controls.

There have not been any significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation. There were no significant deficiencies or material weakness in the internal controls, and therefore no corrective actions were taken.

PART II. OTHER INFORMATION

ITEM 3. DEFAULT ON SENIOR SECURITIES, CHAPTER 11 FILING, APPROVAL OF DEBTOR-IN-POSSESION FINANCING, SEC OBJECTION, CONFIRMATION HEARING

According to the terms of its January 2002 5-year, 7%, subordinated senior secured notes, the Company was obligated to begin making interest payments each quarter, in cash or registered shares of company stock, beginning March 2002. To date, the Company has paid no cash interest and because we do not have an effective registration statement covering the applicable shares, we are in default in the approximate amount of $238,000, representing interest payments for March, June, September, and December of 2002, as well as March, June, September, and December 2003, as well as March, June, and September of 2004. As of September 30, 2004, the total amount of indebtedness equals $2,262,500 plus unpaid interest of $435,532.

Because of the amount owing on the January 2002 notes, it is likely that we are in a cross-default position regarding our July 2002 notes, which limit the amount of indebtedness the Company may incur. The total amount of the July 2002 notes is $1,200,000. Similarly to the January 2002 notes, interest has not been paid in September or December 2002, March, June, September or December of 2003, as well as March, June, or September 2004. As of September 30, 2004, the total amount of indebtedness equals $1,200,000 plus unpaid interest of $159,762.

On April 14, 2004 the Investor Representative of the holders of both January and July 2002 notes informed the Company that a quorum of investors had authorized the Investor Representative to accelerate the notes according to their terms, and demand payment of the entire $3,200,000 of principal plus interest, or surrender the assets of the Company according to the terms of the agreement. In the ensuing period, negotiations were held to resolve the situation. A tentative agreement was reached in October 2004, providing that the Noteholders would extinguish their debt and interest in exchange for the operating assets of the Company under a Chapter 11 reorganization and Court approval of a Plan of reorganization. Such filing and Plan was made with the U.S. Bankruptcy Court in the Southern District of New York, Bankruptcy Case Number 04-16926(CB) on October 27, 2004.

On November 1, 2004, the Court entered an order approving Interim Debtor-In-Possession financing in an amount not to exceed $120,000. Enable Corporation, a Florida corporation that is providing the Company with up to $300,000 in Debtor-In-Possession financing, provided the financing. The Court approved the financing in final form on November 22, 2004, and the Company now has full access to the $300,000 in Debtor-In-Possession financing.

On December 8, 2004, the Securities and Exchange Commission filed an objection to the Disclosure Statement and Plan with the Court, as did the United States Trustee on November 19, 2004. The bases for the objections were that the Company had not disclosed fully the future business and plan of eB2B Commerce, and that under our plan the Company was in effect liquidating its assets and therefore was not able to seek a discharge in bankruptcy. The Company disagrees with this interpretation of the plan, in that under its plan, the Company sought to give all financially affected parties the maximum recovery possible while fully discharging its debt to the Senior Secured Noteholders. Without the Plan Sponsor and the sale of the corporate shell, it is likely that creditors and shareholders will receive little or no recovery under the plan.

Under the Company's Plan of reorganization under Chapter 11 of the U.S. Bankruptcy Code, it is anticipated that any outstanding options and warrants agreements, as well as any employment agreements with the Company's officers, will be terminated.

On December 15, 2004, the Court approved the Company's revised Disclosure Statement and set a confirmation hearing date of January 26, 2005 regarding the Company's Plan. The Company anticipates meeting with the SEC and U.S. Trustee to try and resolve their objections prior to the hearing.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

31. Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32. Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

The Company did not file any Form 8-K's during this period.

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

eB2B Commerce, Inc.
(Registrant)

December 29, 2004

By: /s/ Richard Cohan
Chief Executive Officer and President
(Principal financial officer)

EXHIBIT 31. CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 302 OF THE CERTIFICATION

I, Richard S. Cohan, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of eB2B Commerce, Inc.;

2. Based on my knowledge, this quarterly 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 periods covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report.

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a. Designed such disclosure controls and procedures 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 quarterly report is being prepared;

b. Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c. Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrants' other certifying officers and I have disclosed, based on our most recent evaluation, 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 in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not here were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: December 29, 2004

/s/ Richard S. Cohan

Richard S. Cohan
Chief Executive Officer and
President (Principal Executive and
Financial Officer)

EXHIBIT 32. CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of eB2B Commerce, Inc. (the "Company") on Form 10-QSB for the period ended March 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard S. Cohan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) of 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Richard S. Cohan

Richard S. Cohan
Chief Executive Officer and
President (Principal Executive and
Financial Officer)

Dated: December 29, 2004