

Edgar Filing: YSEEK INC - Form 10QSB

YSEEK INC
Form 10QSB
November 08, 2004

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 September 30, 2004

or

TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission file number: 0-25097

ADVANCED 3-D ULTRASOUND SERVICES, INC.
(Exact Name of Small Business Issuer in Its Charter)

Florida
(State or other jurisdiction of
incorporation or organization)

65-0783722
(I.R.S. Employer
Identification No.)

7732 N. Mobley Drive, Odessa, FL
(Address of principal executive offices)

33556
(Zip Code)

Registrant's telephone number, including area code: (813) 926-3298

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 by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court.

APPLICABLE ONLY TO CORPORATE ISSUERS

The number of shares of the registrant's common stock, par value \$.0001 per share, outstanding as of September 30, 2004, was 198,063.

Transitional Small Business Disclosure Format (Check one): No

Part I

Item 1- Financial Information

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ADVANCED 3-D ULTRASOUND SERVICES, INC.

FINANCIAL STATEMENTS

September 30, 2004

ADVANCED 3-D ULTRASOUND SERVICES, INC.
BALANCE SHEET

ASSETS

Current assets
Cash

Property and equipment, net

Total Assets

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities

Accounts payable and accrued expenses

Stockholders' equity

Common stock; \$.0001 par value; 50,000,000 shares authorized; 198,063 shares issued and outstanding

Paid-in capital

Accumulated deficit

Total stockholders' equity

Total Liabilities and Stockholders' Equity

The accompanying notes are an integral part
of these financial statements.

ADVANCED 3-D ULTRASOUND SERVICES, INC.
STATEMENTS OF OPERATIONS

	Three Months Ended 2004 (unaudited)	September 30, 2003 (unaudited)	Nine Mo 200 (unaud
Revenues	\$ -	\$ -	\$
Expenses			
Selling, general and administrative	244,605	34,009	
Total expenses	244,605	34,009	
Other income (expense)			
Interest expense	-	-	
Total other income (expense)	-	-	
Net loss	\$ (244,605)	\$ (34,009)	\$ (
Loss per common share	\$ (1.33)	\$ (0.31)	\$
Weighted average common shares outstanding	184,470	109,150	

The accompanying notes are an integral part
of these financial statements.

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ADVANCED 3-D ULTRASOUND SERVICES, INC.
STATEMENTS OF CASH FLOWS

	Nine Months E 2004 (unaudited)
Cash flows from operating activities	
Net loss	\$ (395,58
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation expense	28
Stock issued to consultants	175,50
(Increase) decrease in accounts payable and accrued expenses	(3,54
Total adjustments	----- 172,23
Net cash used in operating activities	----- (223,35
Cash flows from investing activities	
Purchase of equipment	(4,76
Cash flows from financing activities	
Proceeds from sale of common stock	230,00
Net increase (decrease) in cash	----- 1,89
Cash, beginning of period	
Cash, end of period	----- \$ 1,89 =====

Supplemental disclosures of noncash investing and financing activities:

The Company issued stock amounting to \$175,500 and \$15,000 to consultants for the nine months ended September 30, 2004 and 2003, respectively.

Supplemental disclosures of cash flow information:

The Company paid \$137 and \$9 in interest and \$0 in taxes for the nine months ended September 30, 2004 and 2003, respectively.

The accompanying notes are an integral part
of these financial statements.

The information presented herein as of September 30, 2004, and for the three and nine-months ended September 30, 2004 and 2003, is unaudited.

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(1) Basis of Presentation:

The accompanying financial statements of Advanced 3-D Ultrasound Services, Inc. (the Company) have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and item 310(b) of Regulation S-B. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal required adjustments) considered necessary for a fair presentation have been included.

Operating results for the nine-month period ended September 30, 2004, are not necessarily indicative of the results that may be expected for the year ending December 31, 2004. For further information, refer to the financial statements and footnotes included in the Company's annual report of Form 10-KSB for the year ended December 31, 2003.

Net loss per common share is computed in accordance with the requirements of Statement of Financial Accounting Standards No. 128 (SFAS 128). SFAS 128 requires net loss per share information to be computed using a simple weighted average of common shares outstanding during the periods presented. In computing diluted loss per share, warrants exercisable into common shares were excluded because the effect is antidilutive.

(2) Stock Transactions:

During the nine months ended September 30, 2004, the Company sold 46,000 shares of common stock for cash of \$230,000. During the nine months ended September 30, 2003, the Company sold 21,050 shares of common stock for cash of \$126,300.

On February 1, 2003, the Company entered into a consulting agreement with an individual to investigate a potential business opportunity for a period of ninety days. In exchange for services, the consultant received \$10,000 and 2,500 common shares. The Company recognized an expense of \$15,000 related to the shares issued which represents the market value of the shares.

In August 2004, the Company entered into consulting agreements with six different individuals to provide consulting services for one year in exchange for common stock. The consultants each received 5,850 common shares valued at \$29,250, totaling \$175,500.

(3) Going Concern:

As shown in the accompanying financial statements, the Company has incurred recurring losses from operations and at September 30, 2004, the Company's cash balance was \$1,893 and its current liabilities exceeded its current assets by \$28,504.

Management has taken several actions to ensure that the Company will continue as a going concern through September 30, 2005, including obtaining written commitments from certain officers of the Company to fund future operations as needed. In addition, the Company expects to continue to receive funds from the sale of its common stock. Management believes that these actions will enable the Company to continue as a going concern through September 30, 2005. There can be no assurance, however, that the Company will raise funds from the sale of its securities beyond those disclosed in these financial statements.

Item 2. Management's Discussion and Analysis or Plan of Operation

PLAN OF OPERATION

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The Company's plans include developing a profitable business in 3-D fetal photography. On February 1, 2003, the Company entered into a consulting agreement with an individual to investigate this potential business opportunity for a period of ninety days. In exchange for these services, the consultant received \$10,000 and 2,500 common shares. Currently the Company is actively pursuing the business of 3-D fetal photography. 3-D fetal photography provides clear color photographs of an unborn child. The Company believes recent improvements make this technology practical and desired by parents. In response to the Company's decision to pursue this business venture, the Company received shareholder approval to pursue this venture and therefore changed its name to Advanced 3-D Ultrasound Services, Inc. at its shareholders meeting on May 2, 2003.

The Company is currently working on the plans for opening its first 3-D fetal photography center. The Company entered into a lease for its first center in May 2004. However, due to problems with the landlord improvements and the space, this lease was cancelled during the 3rd quarter of 2004. Additionally, the company has determined the specifications for the equipment it will need and has identified the sources of the equipment. Potential employees have been identified to operate the center. The Company has launched a web site to educate consumers on the opportunity for 3-D photographs of their baby. The website address is www.3dbabyphotos.com. The web site is in its early stages but it displays example images and answers questions about the service and provides general information about 3-D fetal photography. The Company entered into a lease for its corporate offices. The lease was an operating lease for six months and it commenced March 18, 2004. The total rent for the six months is \$3,600. This lease was also cancelled during August 2004. The company's officers are working out of home offices at this time. In August 2004 the Company entered into consulting agreements with six individuals. These individuals will provide consulting services in the areas of marketing, business planning and legal services for a period of one year. The consultants each received 5,850 shares of common stock in exchange for their services.

The Companies' plans to develop a profitable 3-D fetal photography business will require additional funds.

In 2002, the Company adopted a subscription agreement to raise \$300,000 of which \$200,000 was to be used for fetal photography development and \$100,000 for working capital. From September 2002 through December 2002, the Company received \$138,730 from sales of common stock, of which \$35,000 was from one of the new officers who is a major stockholder. This initial funding was used primarily to pay off debts and to fund minimal administrative costs. In 2003, the Company received \$164,300 from sales of common stock. This funding was used to fund administrative costs and to fund the consulting agreement noted in a preceding paragraph. The Company plans to fund its near-term operations through additional sales of common stock.

In January 2004, the Company issued a private placement memorandum to issue up to 1,000,000 common shares at \$5.00 per share to raise up to \$5,000,000 to develop and operate imaging centers to provide ultrasound pictures of fetuses. These centers will be for elective, non-diagnostic purposes and will be located in commercial office parks, malls and shopping centers. The funds raised will be used for development costs, equipment, salaries, marketing and future public offering costs.

In the first three quarters of 2004, the Company received \$230,000 from sales of common stock. Approximately 90% of this funding has been spent on development costs, salaries and other administrative costs.

Item 3. CONTROLS AND PROCEDURES

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(a) Evaluation of disclosure controls and procedures.

The Company's principal executive officer and principal financial officer, after evaluating the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rule 13a-14(c)) within 90 days prior to the filing of this report, has concluded that, based on such evaluation, the Company's disclosure controls and procedures were adequate and effective to ensure that material information relating to the Company was made known to them by others within those entities, particularly during the period in which this Quarterly Report on Form 10-QSB was being prepared.

(b) Changes in internal controls.

There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, nor were there any significant deficiencies or material weaknesses in the Company's internal controls. Accordingly, no corrective actions were required or undertaken.

Part II.

Item. 2. Changes in Securities

From June 30, 2004, to September 30, 2004, Registrant sold a total of 12,000 common shares for a cash purchase price of \$5.00 per share as follows:

Name	Number Common Shares Purchased	Date	Per Share Price
Evelyn Malone-Stephens and Connie Malone, JTWROS	2,000	07-01-04	\$5.00
Denno Family Limited Partnership	5,000	07-02-04	\$5.00
Richard T. Fisher	5,000	07-02-04	\$5.00

All sales were made pursuant to Section 4(2) of the 1933 Act. The proceeds of the sale of these securities \$60,000 were used to provide operating capital.

From June 30, 2004, to September 30, 2004, Registrant transferred a total of 35,100 common shares in exchange for consulting services as follows:

Name	Number Common Shares Purchased	Date	Per Share Price
Ray Cibischino	5,850	08-06-04	\$5.00
Catherine Roberts	5,850	08-06-04	\$5.00
Martin White	5,850	08-06-04	\$5.00
Mark Dolan	5,850	08-04-04	\$5.00
Alvin Ferer	5,850	08-06-04	\$5.00
Dan Witherspoon	5,850	08-06-04	\$5.00

Item 6. Exhibits and Reports on Form 8-K

Exhibits

Exhibit	Description	Number
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- (2) Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession.....None
 - (4) Instruments defining the rights of holders, including Indentures None
 - (10) Material contractsNone
 - (11) Statement re: computation of per share earnings..... Note 1 to Financial Statements
 - (15) Letter re: Unaudited Interim Financial Information.....None
 - (18) Letter on change in accounting principles.....None
 - (19) Report Furnished to Security HoldersNone
 - (22) Published report regarding matters submitted to vote.....None
 - (23) Consents of Experts and Counsel.....None
 - (24) Power of Attorney.....None
 - (99) Additional Exhibits.....None
 - 99.1 Certification of CEO and CFO.....*
 - 99.2 Section 1350 certification *
- * Filed herewith

(b) REPORTS ON FORM 8-K:
None

SIGNATURES

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

ADVANCED 3-D ULTRASOUND SERVICES, INC.

Dated: November 4, 2004

By: /s/ David Weintraub

David Weintraub
Chief Executive Officer
Chief Financial Officer