

Edgar Filing: YSEEK INC - Form 10QSB

YSEEK INC
Form 10QSB
May 15, 2003

The accompany notes are an integral part of the financial statements.
U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

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

For the quarterly period ended March 31, 2003

or

[] TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE EXCHANGE ACT OF 1934
For the transition period from to

Commission file number: 0-25097

ADVANCED 3-D ULTRASOUND SERVICES, INC. f/k/a/ YSEEK, 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, Florida
(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

The number of shares of the registrant's common stock, par value \$.0001 per
share, outstanding as of March 31, 2003, was 39,611,764.

Part I - Financial Information

Page

ADVANCED 3-D ULTRASOUND SERVICES, INC. (FORMERLY YSEEK, INC.)
BALANCE SHEET

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ASSETS

Current assets
Cash

Total Assets

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities
Accounts payable and accrued expenses

Commitments and contingencies

Stockholders' equity
Common stock; \$.0001 par value; 50,000,000 shares
authorized; 39,611,764 shares issued and outstanding
Paid in capital
Accumulated deficit
Total stockholders' equity

Total Liabilities and Stockholders' Equity

ADVANCED 3-D ULTRASOUND SERVICES, INC. (FORMERLY YSEEK, INC.)

STATEMENTS OF OPERATIONS

	Three Months 2003
	(unaudited)
Revenues	\$ -
Expenses	
Selling, general and administrative	67,889
Total expenses	----- 67,889
Other income (expense)	
Interest expense	-
Total other income (expense)	----- -
Loss from continuing operations	----- (67,889)
Discontinued operations	

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Loss from discontinued operations of internet business		-
Net loss		\$ (67,889)
Loss per common share		
From continuing operations		\$ -
Discontinued operations - loss from operations		-
Total loss per share		\$ -
Weighted average common shares outstanding		37,679,542

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ADVANCED 3-D ULTRASOUND SERVICES, INC. (FORMERLY YSEEK, INC.) STATEMENTS OF CASH FLOWS

		Three Months 2003 (unaudited)
Cash flows from operating activities		
Net loss	\$	(67,889)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock issued to consultants		15,000
Depreciation and amortization		-
Decrease in other receivables		-
Increase in accounts payable and accrued expenses		1,719
Total adjustments		16,719
Net cash used in operating activities		(51,170)
Cash flows from financing activities		
Payments on notes payable		-
Proceeds from issuance of loans payable		-
Net advances from a stockholder		-
Proceeds from sale of common stock		57,000
Net cash provided by financing activities		57,000
Net increase in cash		5,830
Cash, beginning of period		6,999
Cash, end of period	\$	12,829

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Supplemental disclosures of noncash investing and financing activities:

None

Supplemental disclosure of cash flow information:

The Company paid \$402 in interest for the three months ended March 31, 2002.

ADVANCED 3-D ULTRASOUND SERVICES, INC. (FORMERLY YSEEK, INC.)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2003

The information presented herein as of March 31, 2003, and for the three-months ended March 31, 2003 and 2002, is unaudited.

(1) Organization:

The Company changed its name from Yseek, Inc. to Advanced 3-D Ultrasound Service, Inc. on May 12, 2003.

(2) Basis of Presentation:

The accompanying financial statements of Advanced 3-D Ultrasound Services, Inc. (Formerly Yseek, 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 three-month period ended March 31, 2003, are not necessarily indicative of the results that may be expected for the year ending December 31, 2003. 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, 2002.

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.

(3) Loss on Impairment of Software License and Discontinued Operations:

Late in 2000, the Company launched an Internet search portal called Yseek.com based on a ten-year license it acquired in late 2000. During 2001 and 2002, the Company entered into several short-term revenue sharing agreements with internet host sites to generate traffic to the site and generate revenues. The Company's management with internet related experience resigned from the Company in September 2002.

In December 2002, current management determined they would dispose of their

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software license for an Internet search portal called Yseek.com due to the lack of revenues, experience of current management with internet businesses and due to the lack of funds available to generate sufficient revenues from the site. Management will attempt to sell the license however there is not an active market for such an asset, and no buyer is presently identified. As of December 31, 2002, the net book value of the license was \$517,754. The Company recognized a loss from impairment of \$517,754 in 2002. The Company discontinued internet operations in December 2002.

Amortization expense on software license, which is included in loss from discontinued operations, was \$16,350 for the three months ended March 31, 2002.

Summarized results of internet operations for the three months ended March 31, 2003 and 2002, are as follows:

		Three Ma
Net sales	\$	2003
Operating loss	\$	
Loss from discontinued operations	\$	

(4) Stock Transactions:

During the three months ended March 31, 2003, the Company sold 3,799,999 shares of common stock for cash of \$57,000.

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 will receive \$10,000 and 1,000,000 common shares. The Company recognized an expense of \$15,000 related to the shares issued which represents the market value of the shares.

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

PLAN OF OPERATION

During the first eight months of 2002, the Company's board of directors and officers were affiliated with companies and individuals with substantial experience in the Internet industry. Prior to 2002, strategic alliances and consulting agreements had allowed the Company to acquire management and marketing expertise with these individuals and companies. In September 2002 these officers and directors elected new officers and directors and then resigned. The new officers and directors have been involved with the company since its inception, except for the period from April 2001 to September 2002.

In late 2000, the Company acquired a ten-year software license for the use of a keyword biddable search engine and related domain names. The Company entered into two traffic promotion agreements whereby each promoter provided hits to the Company web site. The Company issued stock in exchange for these agreements enabling the Company to move forward on its plans without the use of any funds. The stock issued under the traffic promotion agreements was returned in September 2002. New management elected in September 2002 has decided not to pursue an Internet related business and therefore recognized an impairment loss for the unamortized value of the search engine in the fourth quarter of 2002. Management will attempt to sell the remaining term of the license however there

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is no ready market and the ultimate proceeds, if any, cannot be determined.

The Company's plans include acquiring or developing profitable business ventures. The Company is currently actively exploring several possible acquisitions however there are no pending letters of intent, active negotiations or other plans. 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 these services, the consultant will receive \$10,000 and 1,000,000 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 companies decision to pursue this business venture, the Company changed its name to Advanced 3-D Ultrasound Services, Inc. effective May 12, 2003.

The Companies plans to acquire or develop a profitable business venture will require additional funds. 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 the first quarter of 2003, the Company received an additional \$72,000 from sales of common stock. This funding was used to fund administrative costs and to fund the consulting agreement noted in the preceding paragraph. The Company plans to fund the operations of the company through additional sales of common stock. Acquisitions will be funded through a combination of cash, stock and debt. The Company has adopted a subscription agreement to raise \$300,000 of which \$200,000 will be used for fetal photography development and \$100,000 used for working capital. The Company also believes that in the current marketplace they are an attractive merger partner due to their public company status.

As of March 31, 2003 the Company had cash available of approximately \$12,800. However, the Company's operations are currently minimal and the cash outflows have been substantially reduced. Additionally the Company's officers and board members have agreed to fund the Company's operations if necessary.

In October 2002 the Company entered into employment agreements with its vice president and treasurer. The employment agreements are for the period October 1, 2002 through September 30, 2003. Compensation under both agreements will be 4,500,000 common shares valued at \$.01 per share. Bonuses can be paid at the discretion of the Board.

Part II.

Item. 2. Changes in Securities

From January 1, 2003 to March 31, 2003, Registrant sold a total of 3,700,000.00 common shares for a cash purchase price of \$.015 per share as follows:

Name	Number Common Shares Purchased	Date
James C. Ottogalli	200,000	02-21-03
Richard T. Fisher	1,000,000	03-11-03
Paul Welch	500,000	01-10-03
James C. Ottogalli.	200,000	02-14-03
William Kapner	500,000	01-27-03
Leonard Root	100,000	01-23-03
Denno Family Limited Partnership	1,000,000	02-03-03

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Douglas B. Odell

200,000

01-01-03

All sales were made pursuant to Section 4(2) of the 1933 Act. The proceeds of the sale of these securities (\$55,500.00) were used to provide operating capital.

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 will receive \$10,000 and 1,000,000 common shares.

Item 4. Submission of Matters to a Vote of Security Holders.

Effective May 12, 2003, the Company's shareholders voted (1) to change the Company's name to Advanced 3-D Ultrasound Services, Inc., (2) to elect David Weintraub, Rachel Steele, Glen Ostrowski and Tanya Ostrowski to serve as the Company's Board of Directors until the next annual meeting of shareholders and (3) to designate Semago & Company, P.A. to audit the Company's books and accounts for the year ending December 31, 2003. The shareholder vote occurred at an adjournment of the annual meeting of shareholders on May 2, 2003. The shareholder's meeting was adjourned until a quorum could be obtained.

Item 6. Exhibits and Reports on Form 8-K

Exhibits

Exhibit	Description	Number
(2)	Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession.....	None
(4)	Instruments defining the rights of holders, including Indentures	None
(10)	Material contracts	None
(11)	Statement re: computation of per share earnings.....	Note 2 to Financial Statements
(15)	Letter re: Unaudited Interim Financial Information.....	None
(18)	Letter on change in accounting principles.....	None
(19)	Report Furnished to Security Holders	None
(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:

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Report on Form 8-K filed September 11, 2002, reporting Item 1 and Item 6.

Amended Report on Form 8-K filed September 25, 2002, amending the Report on Form 8-K filed September 11, 2002.

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.

YSEEK, INC.

Dated: May 14, 2003

By: /s/ David Weintraub

David Weintraub
Chief Executive Officer
Chief Financial Officer