

Edgar Filing: YSEEK INC - Form 10QSB

YSEEK INC
Form 10QSB
May 07, 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 March 31, 2004

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.
(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.)

14502 N. Dale Mabry, Suite 200-1, Tampa, FL
(Address of principal executive offices)

33618
(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 April 29, 2004, was 132,963.

Part I - Financial Information

Advanced 3-D Ultrasound Services, Inc.
(Formerly Yseek, Inc.)

FINANCIAL STATEMENTS

ADVANCED 3-D ULTRASOUND SERVICES, INC.
BALANCE SHEET

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March 31, 2004

(unaudited)

ASSETS

Current assets

Cash	\$ 42,504
Deposits	200
Total current assets	<u>42,704</u>

Property and equipment, net 898

Total Assets \$ 43,602
=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities

Accounts payable and accrued expenses \$ 39,354

Commitments and contingencies

Stockholders' equity

Common stock; \$.0001 par value; 50,000,000 shares authorized; 132,963 shares issued and outstanding	13
Paid-in capital	8,642,810
Accumulated deficit	(8,638,575)
Total stockholders' equity	<u>4,248</u>

Total Liabilities and Stockholders' Equity \$ 43,602
=====

The accompanying notes are an integral part of these statements.

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

Three Months Ended

March 31,

2004	2003
<u>(unaudited)</u>	<u>(unaudited)</u>

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Revenues	\$ -	\$ -
Expenses		
Selling, general and administrative	41,675	67,889
Total expenses	<u>41,675</u>	<u>67,889</u>
Other income (expense)		
Interest expense	(134)	-
Total other income (expense)	<u>(134)</u>	<u>-</u>
Net loss	\$ (41,809)	\$ (67,889)
Loss per common share	\$ (0.34)	\$ (0.72)
Weighted average common		
shares outstanding	<u>122,552</u>	<u>94,199</u>

The accompanying notes are an integral part of these statements.

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

	Three Mo Mar
	<u>2004</u>
	(unaudited)
Cash flows from operating activities	
Net loss	\$ (41,809)
Adjustments to reconcile net loss to net cash used in operating activities:	
Stock issued to consultants	-
Increase in deposits	
Increase in accounts payable and accrued expenses	(200)

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	5,408
Total adjustments	<u>5,208</u>
	<u>(36,601)</u>
Net cash used in operating activities	
Cash flows from investing activities	
Purchase of equipment	(898)
Cash flows from financing activities	
Proceeds from sale of common stock	80,000
Net increase in cash	42,501
Cash, beginning of period	3
Cash, end of period	<u>\$ 42,504</u> =====

Supplemental disclosures of noncash investing and financing activities:

None

Supplemental disclosures of cash flow information:

The Company paid \$134 in interest and \$-0- in taxes for the three months ended March 31, 2004.

The accompanying notes are an integral part of these statements.

Advanced 3-D Ultrasound Services, Inc. (Formerly Yseek, Inc.)
 NOTES TO FINANCIAL STATEMENTS
 MARCH 31, 2004

Information presented herein as of March 31, 2004, and for the three-months ended March 31, 2004 and 2003, is unaudited. (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

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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, 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 three months ended March 31, 2004, the Company sold 16,000 shares of common stock for cash of \$80,000. During the three months ended March 31, 2003, the Company sold 9,500 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 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.

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

PLAN OF OPERATION

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 business model for a 3-D fetal photography center and a marketing plan for the first center. The Company is investigating potential leases for the first center, determined the design of such space and has negotiated with vendors to provide equipment. The Company is also pursuing trademark protection. The Company is currently working on a business and marketing plan. 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. Lastly, the Company has entered into a lease for its corporate offices. The lease is an operating lease for six months and it commenced March 18, 2004. The total rent for the six months is \$3,600.

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

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

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\$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 quarter of 2004, the Company received \$80,000 from sales of common stock. Approximately half of this funding has been used for administrative costs and the balance is in cash.

Item 3. CONTROLS AND PROCEDURES

(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 January 1, 2004 to March 31, 2004, Registrant sold a total of 16,000 common shares for a cash purchase price of \$5.00 per share as follows:

Name	Number Common Shares Purchased	Date	Per Share Price
Glenn M. Noble	2,000	01-30-04	\$5.00
Elmer R./Maria Oma Orozco	2,000	02-02-04	\$5.00
Douglas W. Kile	1,000	02-11-04	\$5.00
Timothy Minnehan	10,000	03-04-04	\$5.00
W.L. Blakely	1,000	03-08-04	\$5.00

All sales were made pursuant to Section 4(2) of the 1933 Act. The proceeds of

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the sale of these securities (\$80,000.00) were used to provide operating capital.

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 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 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:

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.
f/k/a YSEEK, INC.

Dated: April 29, 2004

By: /s/ David Weintraub

David Weintraub
Chief Executive Officer

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Chief Financial Officer