

Edgar Filing: CONNECTIV CORP - Form 10QSB

CONNECTIV CORP
Form 10QSB
November 14, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

Quarterly Report Pursuant to Section 13 or 15(d)
Securities Exchange Act of 1934
For the Quarterly Period Ended September 30, 2003

-OR-

Transition Report Pursuant to Section 13 or 15(d)
of the Securities And Exchange Act of 1934
for the transaction period from _____ to _____

Commission File Number 333-70663

CONNECTIVCORP
(formerly known as Spinrocket.com, Inc.)

(Exact name of registrant as specified in its charter)

Delaware

06-1529524

(State or other jurisdiction of (I.R.S. Employer Identification Number)
incorporation or organization)

750 Lexington Avenue, 24th Floor, New York, New York 10022

(Address of principal executive offices, Zip Code)

(212) 750-5858

(Registrant'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 Securities Exchange Act of 1934 during the preceding 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 No

The number of outstanding shares of the registrant's common stock, par value \$.001 as of October 31 2003 is 16,281,902.

CONNECTIVCORP AND SUBSIDIARIES
FORM 10-QSB

Edgar Filing: CONNECTIV CORP - Form 10QSB

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2003
TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)
Consolidated Balance Sheet as of September 30, 2003.....
Consolidated Statements of Operations for the nine months
ended September 30, 2003 and 2002.....
Consolidated Statements of Operations for the three months
ended September 30, 2003 and 2002.....
Consolidated Statements of Cash Flows for the nine months
ended September 30, 2003 and 2002.....
Notes To Consolidated Financial Statements

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

Item 3. Controls and Procedures.....

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.....
Item 2. Changes in Securities and Use of Proceeds.....
Item 3. Defaults Upon Senior Securities.....
Item 4. Submission of Matters to a Vote of Security Holders.....
Item 5. Other Information.....
Item 6. Exhibits and Reports on Form 8-K.....
Signatures.....
Certifications.....

PART I -- FINANCIAL INFORMATION

ITEM 1 -- FINANCIAL STATEMENTS

ConnectivCorp
Consolidated Balance Sheet
(Unaudited)

September 30,
2003

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$	48,586
Prepaid expenses		2,199

Edgar Filing: CONNECTIV CORP - Form 10QSB

Total Assets	\$ 50,785
	=====
LIABILITIES AND STOCKHOLDERS' DEFICIT -----	
CURRENT LIABILITIES:	
Accounts payable and accrued expenses	\$ 613,937
Loans payable	150,000
Loans payable - officers	10,934

Total Current Liabilities	744,871

COMMITMENTS AND CONTINGENCIES	
STOCKHOLDERS' DEFICIT:	
Preferred Stock, \$.001 par value	
10,000,000 shares authorized, Series D , none issued	-
Common Stock, \$.001 per value	
40,000,000 shares authorized, 13,077,061 issued and outstanding	13,077
Additional paid in capital	19,796,628
Accumulated deficit	(20,513,791)

	(704,086)
Less: stock subscription receivable	(20,000)

Total Stockholders' Deficit	(724,086)

Total Liabilities and Stockholders' Deficit	\$ 50,785
	=====

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

ConnectivCorp
 Consolidated Statements of Operations
 For the Nine Month ended September 30,
 (Unaudited)

	2003	2002
	-----	-----
Revenues	\$ -	\$ 3,500

Edgar Filing: CONNECTIV CORP - Form 10QSB

General and administrative expenses	(569,259)	(759,929)
	-----	-----
Operating loss	(569,259)	(756,429)
Interest income	-	635
	-----	-----
Net loss	\$ (569,259)	\$ (755,794)
	=====	=====
Net loss per common share- basic and diluted	\$ (0.05)	\$ (0.09)
	=====	=====
Weighted average shares outstanding:		
basic and diluted	11,578,886	8,366,710
	=====	=====

The accompanying notes are an integral part of these consolidated statements. All share and per share amounts have been adjusted to reflect the 1 for 10 reverse stock split in March 2002.

4

ConnectivCorp
Consolidated Statements of Operations
For the Three Months Ended September 30,
(Unaudited)

	2003	2002
	-----	-----
Revenues	\$ -	\$ -
General and administrative expenses	(172,300)	(185,850)
	-----	-----
Operating loss	(172,300)	(185,850)
Interest income	-	103
	-----	-----
Net loss	\$ (172,300)	\$ (185,747)
	=====	=====
Net loss per common share- basic and diluted	\$ (0.01)	\$ (0.02)
	=====	=====
Weighted average shares outstanding:		
basic and diluted	12,571,626	10,618,487
	=====	=====

The accompanying notes are an integral part of these consolidated statements. All share and per share amounts have been adjusted to reflect the 1 for 10 reverse stock split in March 2002.

Edgar Filing: CONNECTIV CORP - Form 10QSB

5

CONNECTIVCORP
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30,
(Unaudited)

	2003	2002
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (569,259)	\$ (755,794)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	-	153,872
Changes in assets and liabilities:		
Prepaid expenses	(2,199)	(1,889)
Accounts payable and accrued expenses	245,867	221,181
	-----	-----
Net cash used in operating activities	(325,591)	(382,630)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock	175,000	297,500
Proceeds from stock subscriptions receivable ..	20,000	-
Proceeds from loans payable	150,000	-
Proceeds from loans payable - officers	10,934	-
	-----	-----
Net cash provided by financing activities .	355,934	297,500
	-----	-----
NET CHANGE IN CASH AND CASH EQUIVALENTS	30,343	(85,130)
CASH AND CASH EQUIVALENTS, beginning of period .	18,243	89,861
	-----	-----
CASH AND CASH EQUIVALENTS, end of period	\$ 48,586	\$ 4,731
	=====	=====
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Stock issued in satisfaction of accounts payable	\$ -	\$ 42,292
	=====	=====
Stock issued in satisfaction of note payable ...	\$ 25,000	\$ -
	=====	=====

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

6

CONNECTIVCORP AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
September 30, 2003

Note 1 - Basis of Presentation

Edgar Filing: CONNECTIV CORP - Form 10QSB

As used in these financial statements, the term the "Company" refers to ConnectivCorp and its consolidated subsidiaries.

The accompanying unaudited consolidated financial statements of the Company have been prepared pursuant to the rules of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Form 10-KSB for the year ended December 31 2002. In the opinion of management, the accompanying consolidated financial statements reflect all adjustments, which are of a normal recurring nature, necessary for a fair presentation of the results for the periods presented.

The results of operations presented for the nine months and three months ended September 30, 2003, are not necessarily indicative of the results to be expected for the year ending December 31, 2003.

Recent Accounting Pronouncements

In January 2003, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 46, "Consolidation of Variable Interest Entities - an Interpretation of ARB No. 51" ("FIN 46"), which addresses consolidation of variable interest entities. FIN 46 expands the criteria for consideration in determining whether a variable interest entity should be consolidated by a business entity, and requires existing unconsolidated variable interest entities (which include, but are not limited to, Special Purpose Entities, or SPEs) to be consolidated by their primary beneficiaries if the entities do not effectively disperse risks among parties involved. This interpretation applies immediately to variable interest entities created after January 31, 2003, and to variable interest entities in which an enterprise obtains an interest after that date. It applies in the first fiscal year or interim period beginning after September 15, 2003, to variable interest entities in which an enterprise holds a variable interest that it acquired before February 1, 2003. The adoption of FIN 46 is not expected to have a material impact on the results of operations or financial position of the Company.

In May 2003, the FASB issued Statement of Financial Accounting Standard ("SFAS") No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." SFAS No. 149 amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS No. 133. SFAS No. 149 is effective for contracts entered into or modified after September 30, 2003 and for hedging relationships designated after September 30, 2003. The Company does not believe that the adoption of SFAS No. 149 will have a material impact on its consolidated financial statements.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." SFAS No. 150 establishes standards for how companies classify and measures certain financial instruments with characteristics of both liabilities and equity. It requires companies to classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). SFAS No. 150 is effective beginning with the second quarter of fiscal 2004; the Company does not believe the adoption of SFAS No. 150 will have a material impact on its consolidated financial statements.

Edgar Filing: CONNECTIV CORP - Form 10QSB

CONNECTIVCORP AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
 September 30, 2003

Note 2 - Net Loss Per Common Share

Basic net loss per common share ("Basic EPS") is computed by dividing net loss by the weighted average number of common shares outstanding. Diluted net income per common share ("Diluted EPS") is computed by dividing net income by the weighted average number of common shares and dilutive common share equivalents then outstanding.

Basic and Diluted EPS are the same for the three month and nine month periods ended September 30, 2003 and 2002, as Diluted EPS does not include the impact of stock options and warrants then outstanding, as the effect of their inclusion would be antidilutive.

The following table summarizes the equivalent number of common shares assuming the related options and warrants that were outstanding as of September 30, 2003 and 2002 had been converted. These were not included in the calculation of diluted loss per share, as such shares are antidilutive:

	2003	2002
	-----	-----
Stock options	-	-
Warrants	146,608	146,608
	-----	-----
Common Stock Equivalents	146,608	146,608
	=====	=====

Options to purchase 1,999 and 10,333 shares of common stock, and warrants to purchase 3,000 and 5,000 shares of common stock for the nine months ended September 30, 2003 and 2002, respectively, were not included in the above table because the exercise price of those options and warrants were greater than the average market price of the common shares. The options and warrants were still outstanding at the end of the period.

Note 3 - Loans Payable - Officers

During the nine months ended September 30, 2003, officers of the Company advanced \$34,434. The loans bear interest at 6%. Of the advances, \$8,500 was repaid and \$15,000 was offset against subscriptions receivable.

Note 4 - Stock subscriptions

During three months ended September 30, 2003, the Company received cash totaling \$175,000 in connection with subscriptions to purchase 1,750,000 shares of common stock of the Company at \$0.10 per share.

On July 21, 2003, a loan payable totaling \$25,000 was converted into 250,000 shares of common stock of the Company at \$0.10 per share.

Edgar Filing: CONNECTIV CORP - Form 10QSB

September 30, 2003

Note 5 - Accounting for Stock Based Compensation

Effective January 1, 2003, the Company adopted the fair value recognition provisions of SFAS 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 employee compensation cost was reflected in 2003 and 2002 net losses, as no awards were granted during the three and nine month periods ended September 30, 2003 and 2002. The following table illustrates the effect on net loss and loss per share as if the fair value based method had been applied to all outstanding and unvested awards in each period.

		Nine Months Ended September 30,	
		2003	
Net loss	As reported	(569,259)	(75)
	Proforma	(569,259)	(75)
Basic and diluted net loss per common share:			
Net loss per common share	As reported	(0.05)	
	Proforma	(0.05)	
Weighted Average Outstanding Shares		11,578,886	8,36

Note 6 - Related Party Transactions

The Company has engaged a shareholder to provide investor relation services. The engagement provides for a monthly retainer of \$5,000. As of September 30, 2003, investor relations expense totaled approximately \$75,000 which is included in accrued expenses.

Note 7 - Commitments

Sublease -----

Effective January 1, 2003, the Company renewed its sublease for office space located at 750 Lexington Avenue, New York, New York. The lease term is for the period from January 1, 2003 through December 31, 2003, with a monthly rent of \$2,500. The office space is being leased from an entity in which the father of Robert Ellin, Chairman of the Company, is a partner.

Employment Agreements -----

Effective March 18, 2003, the Company extended its employment contract with Elliot Goldman for a term of one year, expiring on March 19, 2004 at an annual salary of \$10,800. Mr. Goldman serves as President, Chief Executive Officer and as a Director of the Company.

Edgar Filing: CONNECTIV CORP - Form 10QSB

CONNECTIVCORP AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
September 30, 2003

Note - 7 Commitments (Continued)

Employment Agreements (Continued)

Effective March 18, 2003, the Company extended its employment contract with Robert Ellin for a term of one year, expiring on March 19, 2004, at an annual salary of \$10,800. Mr. Ellin serves as Chairman of the Company.

Consulting Agreement

The Company retained the services of Atlantis Equities, Inc. ("Atlantis"), a private merchant banking and advisory firm that primarily assists emerging growth companies, to act as its financial advisor pursuant to an Engagement letter dated March 21, 2002 for a term of one year from March 18, 2002 to March 18, 2003. Robert Ellin, the current Chairman of the Company, is a principal in Atlantis. The Company has agreed in principle to continue to use the services provided by Atlantis. The Company has compensated Atlantis \$126,500 through September 2003, plus out-of-pocket expenses, and will continue at the rate of \$12,500 per month thereafter.

Note 8 - Subsequent Events

Stock Subscriptions

During October 2003, the Company received \$140,000 of stock subscriptions to purchase 1,400,000 shares of common stock at \$0.10 per share.

Letter of Intent

On October 14, 2003, the Company executed a letter of intent which sets forth the preliminary terms and conditions of a proposed merger transaction between the Company and Majesco Sales, Inc. ("Majesco"). As proposed, the shareholders of Majesco would exchange their shares of capital stock in Majesco for capital stock of the Company. At the closing of the merger as currently contemplated, the shareholders of Majesco will own common and preferred stock representing approximately 80% of the capital stock of ConnectivCorp on a fully-diluted basis.

The closing of the transaction is subject to certain conditions, including execution of a definitive merger agreement and the completion of due diligence. There can be no assurance that the merger will be consummated or, if consummated, that it will be consummated on the terms set forth in the letter of intent, which is nonbinding with respect to the terms of the proposed transaction and the obligation to close. The parties anticipate the closing shall occur on or before January 10, 2004, or as soon thereafter as possible.

Agreement and Plan of Merger

On November 10, 2003, the Company entered into an "Agreement and Plan of Merger" ("Merger") with Majesco. The Merger is subject to certain conditions including stockholder approval, completion of due diligence, and satisfaction of the Company's indebtedness. The Company contemplates issuing 10,000,000 shares of its common stock and 1,000,000 of its Series A Preferred Stock in exchange for

Edgar Filing: CONNECTIV CORP - Form 10QSB

all of the outstanding common shares of Majesco. The series A Preferred Shares shall be convertible into 71,000,000 shares of the Company's common stock. The Merger shall terminate if it is not consummated on or before January 10, 2004.

Settlement of Liabilities

In connection with the Merger subsequent to the end of the quarter, the Company has settled and is in the process of settling liabilities with certain of its creditors for stock and cash and also sold shares to raise a portion of such cash at \$0.10 per share.

After giving effect to the settlement of such liabilities and the sale of such shares, the Company will have approximately 21,000,000 shares outstanding before giving effect to the Merger

10

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the Company's Financial Statements and the notes thereto appearing elsewhere in this report. This report contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company cautions that forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from the statements that constitute forward-looking statements as a result of various factors.

The Company was incorporated in Delaware on May 8, 1998 under the name "SMD Group, Inc." In January 1999, the Company changed its name to "CDbeat.com, Inc." On April 19, 2000, the Company's name was changed to "Spinrocket.com, Inc." On September 11, 2000, the Company changed its name from Spinrocket.com, Inc. to "ConnectivCorp" because this new name better described the Company's then strategic direction. The Company's business model was to facilitate the online connection between targeted, profiled consumers and marketers desiring to reach those consumers. As its initial focus, the Company formed a new wholly-owned subsidiary, ConnectivHealth, in order to facilitate its connectivity model in the healthcare field. Currently, the Company is exploring various business opportunities that may be available to it.

Uncertainty

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has a limited operating history, and since its inception in 1998 has incurred substantial losses. The Company's accumulated deficit as of September 30, 2003 is approximately \$20.5 million. To date, the Company has not generated any revenue from its previously proposed business model, which contemplated selling pharmaceutical and other healthcare companies access to the Company's aggregated users. The Company incurred a net loss of approximately \$569,000 and \$756,000 for the nine months ended September 30, 2003 and 2002, respectively, while cash and cash equivalents at September 30, 2003 totaled approximately \$49,000. These matters raise substantial doubt about the Company's ability to continue as a going concern. The Company's continued existence is dependent upon several factors including the Company's ability to raise additional equity or locate a merger or business partner.

Edgar Filing: CONNECTIV CORP - Form 10QSB

Letter of Intent

On October 14, 2003, the Company executed a letter of intent which sets forth the preliminary terms and conditions of a proposed merger transaction between the Company and Majesco Sales, Inc. ("Majesco"). As proposed, the shareholders of Majesco would exchange their shares of capital stock in Majesco for capital stock of the Company. At the closing of the merger as currently contemplated, the shareholders of Majesco will own common and preferred stock representing approximately 80% of the capital stock of ConnectivCorp on a fully-diluted basis.

The closing of the transaction is subject to certain conditions, including execution of a definitive merger agreement and the completion of due diligence. There can be no assurance that the merger will be consummated or, if consummated, that it will be consummated on the terms set forth in the letter of intent, which is nonbinding with respect to the terms of the proposed transaction and the obligation to close. The parties anticipate the closing shall occur on or before January 10, 2004, or as soon thereafter as possible.

Agreement and Plan of Merger

On November 10, 2003, the Company entered into an "Agreement and Plan of Merger" ("Merger") with Majesco. The Merger is subject to certain conditions including stockholder approval, completion of due diligence, and satisfaction of the Company's indebtedness. The Company contemplates issuing 10,000,000 shares of its common stock and 1,000,000 of its Series A Preferred Stock in exchange for all of the outstanding common shares of Majesco. The Series A Preferred Shares shall be convertible into 71,000,000 shares of the Company's common stock. The Merger shall terminate if it is not consummated on or before January 10, 2004.

Settlement of Liabilities

In connection with the Merger subsequent to the end of the quarter, the Company has settled and is in process of settling liabilities with certain of its creditors for stock and cash and also sold shares to raise a portion of such cash at \$0.10 per share.

After giving effect to the settlement of such liabilities and the sale of such shares, the Company will have approximately 21,000,000 shares outstanding before giving effect to the Merger.

The following discussion and analysis compares the results of the Company's operations for the three and nine months ended September 30, 2003 and September 30, 2002.

11

Accounting Policies

The following accounting policies are important to an understanding of the operating results and financial condition of the Company and should be considered as an integral part of the financial review. For additional accounting policies, see Note 1 to the consolidated financial statements, "Significant Accounting Policies."

Estimates and Assumptions

In preparing the financial information, the Company used some estimates and

Edgar Filing: CONNECTIV CORP - Form 10QSB

assumptions that may affect reported amounts and disclosures. Estimates are used when accounting for depreciation, amortization, impairment of assets and asset valuation allowances. We are also subject to risks and uncertainties that may cause actual results to differ from estimated results, such as legislation, regulation and the ability to obtain financing. Certain of these risks and uncertainties are discussed elsewhere in Management's Discussion and Analysis.

Nine Months ended September 30, 2003

The Company generated no revenues from operation during the nine months ended September 30, 2003 and \$3,500 during the nine months ended September 30, 2002.

For the nine months ended September 30, 2003 and 2002, the Company reported the following:

Net loss	\$	(569,259)	\$	(755,794)
		=====		=====
Net loss per common share- basic and diluted	\$	(0.05)	\$	(0.09)
		=====		=====

For the nine months ended September 30, 2003, the Company reported a net loss of \$569,259. General and administrative expenses include expenses of approximately \$114,000 for professional fees, \$103,000 for salary and related expenses, \$75,300 for investor relations, \$127,500 for consulting, \$22,500 for rent, \$6,600 for interest, \$58,900 for travel and \$57,000 for office expenses.

For the nine months ended September 30, 2002, the Company reported a net loss of \$755,794. General and administrative expenses include expenses of approximately \$77,000 for professional fees; \$226,000 for salary and related expenses, \$176,000 for consultants, \$34,000 of insurance, \$22,500 for rent, \$130,000 for office expenses and \$87,000 for compensation costs recognized in connection with stock options.

Three Months ended September 30, 2003

The Company did not generate revenues from operations during the three months ended September 30, 2003 and 2002.

For the three months ended September 30, 2003 and 2002, the Company reported the following:

Net loss	\$	(172,300)	\$	(185,747)
		=====		=====
Net loss per common share- basic and diluted	\$	(0.01)	\$	(0.02)
		=====		=====

For the three months ended September 30, 2003, the Company reported a net loss of \$172,300. General and administrative expenses include expenses of approximately \$73,100 for professional fees, \$12,200 for salary and related expenses, \$23,000 for investor relations, \$26,000 for consulting, \$7,500 for rent, \$2,500 for interest, \$10,900 for travel and \$17,100 for office expenses.

For the three months ended September 30, 2002, the Company reported a net loss

Edgar Filing: CONNECTIV CORP - Form 10QSB

of \$185,747. General and administrative expenses include expenses of which approximately, \$76,000 for salary and related expenses, \$6,000 for legal and professional, \$7,500 for rent, \$29,000 for office expenses and \$67,000 for consultants.

Liquidity and Capital Resources

In the nine months ended September 30, 2003, \$325,591 of cash was used in operating activities. Funds were used to pay the Company's operating expenses. \$355,934 of cash was generated from financing activities. These included proceeds for the issuance of common stock of \$175,000, loan proceeds of \$161,000 from an outside third party and officers of the Company, and \$20,000 was collected on the subscription receivable.

13

ITEM 3 - CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures. Our chief executive officer and chief financial officer have reviewed and evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-14 and 15d-14 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, the chief executive officer and chief financial officer have 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 1 - LEGAL PROCEEDINGS

None

ITEM 2 - CHANGES IN SECURITIES

The issuance of shares of Common Stock during the nine months ended September 30, 2003 did not involve a public offering and was based on Section 4(2) of the Securities Act of 1933, as amended.

During the nine months ended September 30, 2003, the Company raised \$175,000 through the issuance of 1,750,000 shares of the Company's Common Stock at \$0.10 per share.

The Company issued 250,000 shares of the Company's Common Stock at \$0.10 per share to satisfy a \$25,000 loan payable.

Edgar Filing: CONNECTIV CORP - Form 10QSB

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable

14

ITEM 5 - OTHER INFORMATION

Sublease

Effective January 1, 2003, the Company renewed its sublease for office space located at 750 Lexington Avenue, New York, New York. The lease term is for the period from January 1, 2003 through December 31, 2003, with a monthly rent of \$2,500. The office space is being leased from an entity in which the father of Robert Ellin, Chairman of the Company, is a partner.

Employment Agreements

Effective March 18, 2003, the Company extended its employment contract with Elliot Goldman for a term of one year, expiring on March 19, 2004 at an annual salary of \$10,800. Mr. Goldman serves as President, Chief Executive Officer and as a Director of the Company.

Effective March 18, 2003, the Company extended its employment contract with Robert Ellin for a term of one year, expiring on March 19, 2004, at an annual salary of \$10,800. Mr. Ellin serves as Chairman of the Company.

Consulting Agreement

The Company retained the services of Atlantis Equities, Inc. ("Atlantis"), a private merchant banking and advisory firm that primarily assists emerging growth companies, to act as its financial advisor pursuant to an Engagement letter dated March 21, 2002 for a term of one year from March 18, 2002 to March 18, 2003. Robert Ellin, the current Chairman of the Company, is a principal in Atlantis. The Company has agreed in principle to continue to use the services provided by Atlantis. The Company has compensated Atlantis \$125,000 through August 2003, plus out-of-pocket expenses, and will continue at the rate of \$12,500 per month thereafter.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

(a) Not applicable

Edgar Filing: CONNECTIV CORP - Form 10QSB

(b) Reports on Form 8-K

None

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.

CONNECTIVCORP

Dated: November 11, 2003

By: /s/ Elliot Goldman
Elliot Goldman
President and Chief Executive Officer

15

Certification

I, Elliot Goldman, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of ConnectivCorp;
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 period 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 period presented in this quarterly report;
4. The registrant's other certifying officer 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 we 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 conclusion about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

Edgar Filing: CONNECTIV CORP - Form 10QSB

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the registrant's board of directors (or persons performing the equivalent function):
- 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 officer and I have indicated in this quarterly report whether or not there 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: November 11, 2003

/s/ Elliot Goldman

Elliot Goldman
President and Chief Operating Officer

16

Certification

I, Robert Ellin, certify that:

- 1. I have reviewed this quarterly report on Form 10-QSB of ConnectivCorp;
- 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 period 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 period presented in this quarterly report;
- 4. The registrant's other certifying officer 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 we have:

Edgar Filing: CONNECTIV CORP - Form 10QSB

- 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 conclusion about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the registrant's board of directors (or persons performing the equivalent function):
- 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 officer and I have indicated in this quarterly report whether or not there 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: November 11, 2003

/s/ Robert Ellin

Robert Ellin
Chairman

17

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Elliot Goldman, President and Chief Executive Officer of ConnectivCorp certify that:

- 1. I have reviewed the quarterly report on Form 10-QSB of

Edgar Filing: CONNECTIV CORP - Form 10QSB

ConnectivCorp;

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 period 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.

Dated: November 11, 2003

/s/ Elliot Goldman

Elliot Goldman
President and Chief Operating Officer

18

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert Ellin, Chairman of ConnectivCorp certify that:

1. I have reviewed the quarterly report on Form 10-QSB of ConnectivCorp;
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 period 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.

Dated: November 11, 2003

/s/ Robert Ellin

Robert Ellin

Chairman