

Edgar Filing: HOSTING SITE NETWORK INC - Form 10KSB

HOSTING SITE NETWORK INC  
Form 10KSB  
December 07, 2006

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

FORM 10-KSB

(Mark One)

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For Fiscal Year Ended: September 30, 2006

OR

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 333-73004  
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HOSTING SITE NETWORK INC.  
-----

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

Delaware  
-----

13-4122844  
-----

(State or other jurisdiction  
of incorporation or organization)

(IRS Employer  
Identification No.)

32 Poplar Place, Fanwood, NJ  
-----

07023  
-----

(Address of principal executive offices)

(Zip Code)

Issuer's telephone number: (973) 652-6333  
-----

Securities registered under Section 12(b) of the Exchange Act: None  
-----

Name of each Exchange on Which Registered: None  
-----

Securities registered under Section 12(g) of the Exchange Act: None  
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Check whether the issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.

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 issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of issuer's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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State issuer's revenues for its most recent fiscal year. None

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity as of a specified date within the past 60 days.

As of December 4, 2006 there were 4,253,500 issued and outstanding shares of our common stock, \$.001 par value, held by non-affiliates. The aggregate value of the securities held by non-affiliates on December 4, 2006 was \$297,745 based on the closing bid price of our common stock on December 4, 2006, which was \$0.07 per share.

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date. 7,273,500 shares as of December 4, 2006.

Transitional Small Business Disclosure Format (check one):

Yes \_\_\_\_\_ No \_\_\_\_\_ X \_\_\_\_\_

## DOCUMENTS INCORPORATED BY REFERENCE

Not Applicable

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## FORWARD-LOOKING STATEMENTS

Except for historical information, this report contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements involve risks and uncertainties, including, among other things, statements regarding our business strategy, future revenues and anticipated costs and expenses. Such forward-looking statements include, among others, those statements including the words "expects," "anticipates," "intends," "believes" and similar language. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in the sections "Plan of Operation" and "Business". You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this report. We undertake no obligation to publicly release any revisions to the forward-looking statements or reflect events or circumstances taking place after the date of this document.

## PART I

### ITEM 1. DESCRIPTION OF BUSINESS

#### Business Development

We were incorporated on May 31, 2000 in the state of Delaware to provide businesses with a variety of Internet services including web hosting, web consulting and electronic mail services. Due to the changing business environment for companies providing these types of services we never commenced our intended operations. We have had no revenues and no material operations of any kind to date. Our inactive wholly owned subsidiary HSN (NJ), Inc. was incorporated on August 20, 2001 in the state of New Jersey.

On September 14, 2000, we concluded an asset purchase agreement with Nicklas Weich (our former president, CEO, CFO and Chairman of the Board), through which our then wholly owned subsidiary, CreativeSites.com, Inc. acquired all of the assets of CreativeSites.com for 4,000,000 shares of our common stock. CreativeSites.com was a sole proprietorship owned by Nick Weich, formed for the purpose of designing and hosting web sites. On April 30, 2001 we sold CreativeSites.com, Inc. to Nicklas Weich in exchange for his 4,000,000 shares of our common stock. At that time Nicklas Weich resigned as president, CEO, CFO and Chairman of the Board and Scott Ventura and John McVeigh resigned as directors. On the same date, Scott Vicari, Matthew Sebal and Ralph Brown were appointed directors, Mr. Vicari was appointed as president, chief executive and financial officer, treasurer, controller, and chairman of the board and Mr. Sebal was appointed as secretary.

Our management is presently searching for ventures of merit for corporate participation to enhance shareholder value. These ventures may involve sales of our debt or equity securities in merger or acquisition transactions.

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#### Patents, Trademarks and Licenses, Franchises, Concessions, Royalty Agreements or Labor Contracts

We presently utilize no patents, licenses, franchises, concessions, royalty agreements or labor contracts in connection with our business.

#### Research and Development

During the fiscal years ended September 30, 2006 and September 30, 2005 we

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made no expenditures on research and development.

### Employees

As of December 4, 2006 our only employees are our two executive officers.

### ITEM 2. DESCRIPTION OF PROPERTY

We do not own any real property, plant or material equipment. Our president provides us with the use of approximately 250 square feet of office space in Fanwood, New Jersey on a rent free basis.

### ITEM 3. LEGAL PROCEEDINGS

No legal proceedings are presently pending or threatened.

### ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matter was submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders.

## PART II

### ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

#### Market Information.

Our common stock has been quoted on the OTC Bulletin Board of the National Association of Securities Dealers, Inc. (the "NASD") under the symbol "HSNI" since June 20, 2002. The following table sets forth, for the fiscal quarters indicated, the high and low closing bid prices per share of our common stock, as derived from quotations provided by Pink Sheets, LLC. Such quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not represent actual transactions.

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Quarter Ended	High Bid	Low Bid
-----	-----	-----
December 31, 2003	\$0.02	\$0.02
March 31, 2004	\$0.03	\$0.02
June 30, 2004	\$0.03	\$0.03
September 30, 2004	\$0.03	\$0.03
December 31, 2004	\$0.03	\$0.03
March 31, 2005	\$0.03	\$0.03
June 30, 2005	\$0.03	\$0.03
September 30, 2005	\$0.07	\$0.03
December 31, 2005	\$0.07	\$0.07
March 31, 2006	\$0.07	\$0.07
June 30, 2006	\$0.07	\$0.07
September 30, 2006	\$0.07	\$0.07

#### Holders

As of December 4, 2006, there were approximately 21 record holders of our common stock.

#### Dividends

We have never declared any cash dividends with respect to our common stock. Future payment of dividends is within the discretion of our board of

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directors and will depend on our earnings, capital requirements, financial condition and other relevant factors. Although there are no material restrictions limiting, or that are likely to limit, our ability to pay dividends on our common stock, we presently intend to retain future earnings, if any, for use in our business and have no present intention to pay cash dividends on our common stock.

Recent Sales of Unregistered Securities

We made no sales of unregistered securities during the fiscal year ended September 30, 2006.

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Securities Authorized For Issuance Under Equity Corporation Plans

Equity Compensation Plan Information

	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of shares available for issuance under equity compensation plans (excluding shares already issued)
Equity compensation plans approved by security holders	N/A	N/A	
Equity compensation plans not approved by security holders	0	N/A	1
<b>Total</b>	<b>0</b>	<b>N/A</b>	<b>1</b>

In December 2002 we terminated the Hosting Site Network, Inc. 2001 Stock Option Plan (the "2001 Plan") and adopted the Hosting Site Network, Inc. 2002 Non-Statutory Stock Option Plan (the "Plan"). No options were ever issued under the 2001 Plan. The Plan is intended to advance our interests by inducing individuals, and eligible entities of outstanding ability and potential to join, remain with, or provide consulting or advisory services to us, by encouraging and enabling eligible employees, non-employee directors, consultants and advisors to acquire proprietary interests in us, and by providing the participating employees, non-employee directors, consultants and advisors with an additional incentive to promote our success. This is accomplished by providing for the granting of non-statutory stock options (the "Options") to employees, non-employee directors, consultants and advisors. The Plan is presently administered by our board of directors but may be subsequently administered by a board committee designated by our board of directors.

The stock subject to Options granted under the Plan is shares of our common stock, par value \$.001 per share, whether authorized but unissued or held in our treasury. The maximum number of shares of common stock which may be

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issued pursuant to Options granted under the Plan shall not exceed in the aggregate one million (1,000,000) shares, subject to adjustment in accordance with the provisions of Section 11 of the Plan. In the event that our outstanding common stock is subsequently changed by reason of combination of shares, reverse split, stock dividend or the like, an appropriate adjustment will be made by the Plan administrator in the aggregate number of shares available under the Plan, and in the number of shares and option price per share subject to outstanding Options. If we are reorganized, consolidated, or merged with another corporation, the holder of an Option shall be entitled to receive upon the exercise of his Option the same number and kind of shares of stock or the same amount of property, cash or securities as he would have been entitled to receive upon the happening of any such corporate event as if he has been, immediately prior to such event, the holder of the number of shares covered by his Option.

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The class of individual or entity that is eligible to receive Options under the Plan is all employees (including officers) and non-employee directors of, or consultants and advisors to either us or any subsidiary corporation of ours; provided, however, that Options shall not be granted to any consultants and advisors unless (i) bona fide services have been or are to be rendered by the consultant or advisor and (ii) the services are not in connection with the offer or sale of securities in a capital raising transaction. The Plan administrator, in its sole discretion, but subject to the provisions of the Plan, determines the employees and non-employee directors of, and the consultants and advisors to, us and our subsidiary corporations to whom Options may be granted, and the number of shares to be covered by each Option, taking into account the nature of the employment or services rendered by the individuals or entities being considered, their annual compensation, their present and potential contributions to our success and such other factors as the Plan administrator may deem relevant.

No Option granted under the Plan is transferable by the individual or entity to whom it was granted otherwise than by will or laws of decent and distribution, and, during the lifetime of such individual, is not exercisable by any other person, but only by him.

### ITEM 6. PLAN OF OPERATION

We were incorporated on May 31, 2000 to provide businesses with a variety of Internet services including web hosting, web consulting and electronic mail services. Given the current Internet business environment, we have not commenced material business operations, have not had any operating revenues, and have concluded that our business model is not presently valid. Although we may determine to engage in our intended Internet operations at a later date, we have decided to look at other ventures of merit for corporate participation as a means of enhancing shareholder value. This may involve sales of our equity or debt securities in merger or acquisition transactions.

We have minimal operating costs and expenses at the present time due to our limited business activities. Accordingly, absent changed circumstances, we will not be required to raise additional capital over the next twelve months, although we may do so in connection with or in anticipation of possible acquisition transactions. We do not currently engage in any product research and development and have no plans to do so in the foreseeable future. We have no present plans to purchase or sell any plant or significant equipment. We also have no present plans to add employees although we may do so in the future if we engage in any merger or acquisition transactions.

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ITEM 7. FINANCIAL STATEMENTS

Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm.....

Consolidated Balance Sheet as at September 30, 2006 .....

Consolidated Statement of Operations for the years ended September 30, 2006 and  
September 30, 2005.....

Consolidated Statement of Stockholders' Equity for the years ended September 30, 2006  
and September 30, 2005 .....

Consolidated Statement of Cash Flows for the years ended September 30, 2006 and  
September 30, 2005 .....

Notes to Consolidated Financial Statements.....

Report of Independent Registered Accounting Firm

To the Board of Directors and  
Stockholders of Hosting Site Network, Inc.

We have audited the accompanying consolidated balance sheet of Hosting Site Network, Inc. and Subsidiary as of September 30, 2006, and the related consolidated statements of operations, shareholders' equity and cash flows for the two years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Hosting Site Network, Inc. and Subsidiary at September 30, 2006, and the consolidated results of their operations and their cash flows for the two years ended in conformity with accounting principles generally accepted in the United States of America.

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New York, New York

/S/Most & Company, LLP

November 9, 2006

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Most & Company, LLP

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HOSTING SITE NETWORK, INC. AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEET  
SEPTEMBER 30, 2006

Assets

Current Assets	
Cash	\$ 259,520
Other current assets	350
	-----
Total Assets	\$ 259,870
	=====

Liabilities and Shareholders' Equity

Current Liabilities	
Accounts payable and accrued expenses	\$ 14,176
	-----
Shareholders' Equity	
Preferred stock, \$.0001 par value, 5,000,000 shares authorized; none outstanding	
Common stock, \$.001 par value; 100,000,000 shares authorized; 7,273,500 shares issued and outstanding	7,273
Additional paid-in capital	758,259
Deferred compensation	(8,934)
Accumulated deficit	(510,904)
	-----
Total Shareholders' Equity	245,694
	-----
Total Liabilities and Shareholders' Equity	\$ 259,870
	=====

See notes to consolidated financial statements.

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HOSTING SITE NETWORK, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF OPERATIONS

YEARS ENDED SEPTEMBER 30,



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	2006 -----	2005 -----
General and administrative expenses	\$ (62,813)	\$ (74,781)
Interest income, net	4,205	3,738
	-----	-----
Net loss	\$ (58,608)	\$ (71,043)
	=====	=====
Basic and fully diluted net loss per share	\$ (0.01)	\$ (0.01)
	=====	=====
Basic and fully diluted weighted average shares outstanding	7,273,500	7,273,500
	=====	=====

See notes to consolidated financial statements.

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HOSTING SITE NETWORK, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

	Common Stock		Additional	Deferred	Accumul
	Shares	Amount	Paid-in Capital	Compensation	Defic
	-----	-----	-----	-----	-----
Balance, October 1, 2004	7,273,500	\$ 7,273	\$ 758,259	\$ (28,946)	\$ (381,
Amortization of deferred compensation				12,865	
Net loss					(71,
	-----	-----	-----	-----	-----
Balance, September 30, 2005	7,273,500	7,273.00	758,259.00	(16,081.00)	(452,2
Amortization of deferred compensation				7,147	
Net loss					(58,
	-----	-----	-----	-----	-----
Balance, September 30, 2006	7,273,500	\$ 7,273	\$ 758,259	\$ (8,934)	\$ (510,
	=====	=====	=====	=====	=====

See notes to consolidated financial statements.

HOSTING SITE NETWORK, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF CASH FLOWS

	YEARS ENDED SEPTEMBER 30,	
	2006	2005
	-----	-----
Cash flow from operating activities		
Net loss	\$ (58,608)	\$ (71,043)
Adjustments to reconcile net loss to net cash used in operating activities		
Amortization of deferred compensation	7,147	12,865
Changes in assets and liabilities		
Other receivable	(100)	
Prepaid expenses		(250)
Accounts payable and accrued expenses	1,975	6,173
	-----	-----
Net cash used in operating activities	(49,586)	(52,255)
	-----	-----
Decrease in cash	(49,586)	(52,255)
Cash, beginning of year	309,106	361,361
	-----	-----
Cash, end of year	\$ 259,520	\$ 309,106
	=====	=====

See notes to consolidated financial statements.

HOSTING SITE NETWORK, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. OPERATIONS

Hosting Site Network, Inc. (Company) was incorporated in Delaware on May 31, 2000 and HSN, Inc. (HSN), its wholly owned subsidiary, was incorporated in New Jersey on August 21, 2001. The Company is inactive and is currently searching for business opportunities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements include the accounts of the Company and HSN. All material intercompany balances and transactions have been eliminated.

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### Income Taxes

Deferred income taxes have been provided for temporary differences between consolidated financial statement and income tax reporting under the liability method, using expected tax rates and laws that are expected to be in effect when the differences are expected to reverse. When the realization of deferred tax assets are not considered more likely than not an allowance is provided.

### Stock-based compensation

Compensation costs for common stock issued to employees were based on the fair value method and deferred as shareholders' equity until amortized to operations. The deferred compensation costs are being amortized over the remaining term of the employment agreement, as amended, over the forfeiture period.

### Basic Net Loss Per Share

Basic net loss per share was computed by dividing the net loss for the year by the weighted average number of shares outstanding during the year. Fully diluted net loss per share was computed by dividing the net loss for the year by the weighted average number of fully diluted shares outstanding during the year. There were no dilutive securities outstanding.

### Financial Instruments

The carrying amounts of financial instruments, including cash and accounts payable and accrued expenses, approximate fair values because of their relatively short maturity.

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### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

### New accounting pronouncements

Management does not believe that any recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying consolidated financial statements.

## 3. INCOME TAXES

The Company files consolidated tax returns. As of September 30, 2006, the Company has net operating loss carryforwards of approximately \$515,000 to reduce future Federal taxable income through 2026.

As of September 30, 2006, realization of the Company's deferred tax assets of \$193,000 was not considered more likely than not and, accordingly, a valuation allowance of \$193,000 has been provided.

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As of September 30, 2006, components of deferred tax assets were as follows:

Net operating loss	\$ 196,000
Deferred compensation	(3,000)
	-----
	193,000
Valuation allowance	(193,000)
	-----
	None
	=====

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For the years ended September 30, 2006 and 2005, deferred income tax expense consisted of the following:

	2006	2005
	-----	-----
Net operating loss	\$ 20,000	\$ 30,000
Deferred compensation	3,000	5,000
	-----	-----
	23,000	35,000
Valuation allowance	(23,000)	(35,000)
	-----	-----
	None	None
	=====	=====

For the years ended September 30, 2006 and 2005, the following is a reconciliation of the expected income tax benefit utilizing the statutory Federal tax rate to the income tax benefit reported on the statement of operations:

	2006	2005
	-----	-----
Expected Federal income tax benefit	(\$19,000)	(\$32,000)
State taxes	(4,000)	(3,000)
Change in valuation allowance	23,000	35,000
	-----	-----
	None	None
	=====	=====

#### 4. EQUITY TRANSACTIONS

As of September 30, 2006, the Company is committed under an employment agreement (Agreement), as amended, to the Company's president for employment through April 30, 2009. Under the agreement, the Company had previously issued 3,000,000 shares of the Company's common stock to the Company's president in exchange for compensation. However, if his employment with the Company is terminated prior to December 31, 2006, he forfeits the entire 3,000,000 shares, prior to December 31, 2007, he forfeits 2,000,000 shares and, prior to December 31, 2008, he forfeits the remaining 1,000,000 shares of the Company's common stock.

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The deferred compensation is being amortized over the employment term, over the balance of the forfeit period. For the years ended September 30, 2006 and 2005, compensation expense was \$7,147 and \$12,865, respectively.

In November 2006, the Agreement was amended to extend both employment and forfeit periods by twelve months.

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As of September 30, 2006, the Company has reserved shares of common stock, as follows:

Warrants(a)	1,250,000
Options	1,000,000
	-----
	2,250,000
	=====

(a) each warrant entitles the holder to purchase one share of common stock at \$1.20 per share, throughout 2007.

### 5. STOCK OPTION PLAN

In December 2002, the Company terminated its 2001 Stock Option Plan and adopted the 2002 Non-Statutory Stock Option Plan (Plan). The Company had granted no options under the 2001 Stock Option Plan.

The Plan provides for the granting of non-statutory stock options, through 2012, to purchase up to 1,000,000 shares of common stock, subject to adjustment for stock splits, stock dividends, recapitalizations or similar capital changes. Options may be granted to employees (including officers) and directors of the Company and certain of the Company's consultants and advisors.

The Plan is administered by the Company's Board of Directors, which determines the grantee, number of shares and exercise price and period. The Board of Directors also interprets the provisions of the Plan and, subject to certain limitations, may amend the Plan.

As of September 30, 2006, no options have been granted.

### 6. CONCENTRATIONS OF CREDIT RISK

The Company maintains cash in financial institutions in excess of insured limits. In assessing its risk, the Company's policy is to maintain cash only with reputable financial institutions.

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### ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

### ITEM 8A. CONTROLS AND PROCEDURES

Our principal executive and financial officer evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation, our principal executive and financial

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officer concluded that our disclosure controls and procedures are effective for gathering, analyzing and disclosing the information we are required to disclose in the reports we file under the Securities Exchange Act of 1934, within the time periods specified in the Commission rules and forms. Such evaluation did not identify any change in the year ended September 30, 2006 that has materially affected or is reasonably likely to materially affect our internal control over financial reporting.

### ITEM 8B. OTHER INFORMATION

Not applicable.

### PART III

#### ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

##### Executive Officers and Directors

The following table sets forth certain information, as of December 4, 2006, with respect to our directors and executive officers.

Directors serve until the next annual meeting of the stockholders; until their successors are elected or appointed and qualified, or until their prior resignation or removal. Officers serve for such terms as determined by our board of directors. Each officer holds office until such officer's successor is elected or appointed and qualified or until such officer's earlier resignation or removal. No family relationships exist between any of our present directors and officers.

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Name	Positions Held	Age	Date of Election or Appointment as Director
----	-----	---	-----
Scott Vicari	Chairman of the Board, President, Treasurer, CEO, CFO, Controller	34	April 30, 2001
Matthew Sebal	Secretary, Director	36	April 30, 2001
Ralph Brown	Director	73	April 30, 2001

The following is a brief account of the business experience of each of our directors and executive officers during the past five years or more.

Scott Vicari has served as our President, Treasurer, CEO, CFO, Controller and Chairman of the Board since April 30, 2001. Mr. Vicari is responsible, among other things, for our accounting and financial reporting. Mr. Vicari has worked in the computer network hardware/software industry since 1991. Mr. Vicari is a co-owner of Accounteks, LLC, which provides computer consulting to help clients maintain and operate their accounting and billing computer systems. From 1991 to 1996 he was the manager of Information Systems for Clinton Industries Incorporated, an industrial sewing machine manufacturer. From 1997 to 2001 he was a network consultant with e-partners, Inc., an accounting software consultant. During that period he was trained and certified on numerous industry standard software/hardware including Microsoft, Novel, Cisco, Citrix and Sage. He currently holds Microsoft MCSE, Cisco CCNA and Best Software certifications. He has worked as an IT administrator and IT consultant implementing a variety of network software/hardware and Internet projects for numerous clients. Mr. Vicari

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graduated from Bergen Community College in New Jersey with an A.S. degree in Business Management in 1994.

Matthew Sebal has served as our Secretary and Director since April 30, 2001. From January 2002 to the present Mr. Sebal has served as President and as a Director of 51st State Systems, Inc. a privately held company. 51st State Systems develops web sites and web-based applications for small-to-medium organizations in industry, government, and education. From May 2002 to present Mr. Sebal has served as President and as a Director of DCM Enterprises, Inc., a publicly reporting management and investment holding company. From July 2002 to present Mr. Sebal has served as Chairman of the Board of Directors of NES Worldwide, Inc., a Delaware corporation, engaged in the filing of EDGAR(R) reports on behalf of public companies with the United States Securities and Exchange Commission. From September 2002 to present, Mr. Sebal has served as a Director of BHC, Inc., a Delaware corporation engaged as a provider of branded online marketing and distribution of travel products and services for leisure and small business travelers. From the period between June 2000 to January 2003, Mr. Sebal held one or more of the following the positions: Secretary, President, Chairman and CEO, and Director, of Return Assured Incorporated. Return Assured Incorporated had been a publicly reporting company involved in enabling e-retail transactions. As of January, 2003 Return Assured Incorporated is no longer a publicly reporting company. Return Assured Incorporated has had no operations since 2001. From November 2000 to October 2003 Mr. Sebal served as a Director of Mindfuleye, Inc., a publicly reporting company that developed software for licensing to the investment community. The software delivered proprietary content directly to users by web, desktop, wireless, and e-mail interfaces. As of October, 2003 Mindfuleye, Inc. is no longer a publicly reporting company. Mindfuleye, Inc has had no operations since 2001. From December 1998 to June 2000, Mr. Sebal was a Principal in IBM's e-business Services Group for Canada. From 1997 to 1998, Mr. Sebal was Director of Business Development for Communicate.com (formerly IMEDIAT Digital). From 1995 to 1997, Mr. Sebal was a Senior Account Manager for Emerge Online, Inc. a web site design and development firm. Mr. Sebal holds a baccalaureate degree in Political Science from the University of Western Ontario, Canada.

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Ralph Brown has served as one of our directors since April 30, 2001. He has practiced law in Toronto, Canada since 1959. He is also Secretary and a director of the Canadian Film Centre, the Chairman of Feature Film Project, and a director of the Norman Jewison Charitable Foundation. From October 1991 to July 1999, he was a partner in the law firm of Miller Thomson. Since August of 1999 to the present time, Mr. Brown has been a sole proprietor in Canada. Mr. Brown's practice concentrates on corporate, commercial and entertainment law. He acts for a diverse range of clients in private and public companies, varying in size from small owner-operated businesses to large, diversified corporations. Mr. Brown received his LL.B. from Osgood Hall Law School, York University in 1959, his B.A. from University of Toronto in 1955. He was called to the Ontario Bar in 1959 and was appointed Queen's Counsel in 1975. He is a member of the Canadian Bar Association.

### Board of Directors

Except for Ralph Brown, who receives \$333 per month for serving as a director, none of our directors receive any remuneration for acting as such. Directors may however be reimbursed their expenses, if any, for attendance at meetings of the Board of Directors. Our Board of Directors may designate from among its members an executive committee and one or more other committees. No such committees have been appointed to date. Accordingly, we do not have an audit committee financial expert. We are presently not required to have an audit committee financial expert and do not believe we otherwise need one at this time

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due to our lack of material business operations.

### Compliance with Section 16(a) of the Exchange Act

Our common stock is not registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Accordingly, our officers, directors and principal shareholders are not subject to the beneficial ownership reporting requirements of Section 16(a) of the Exchange Act.

### Code of Ethics

On December 1, 2004 we adopted a Code of Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of our Code of Ethics will be provided to any person requesting same without charge. To request a copy of our Code of Ethics please make written request to our President c/o Hosting Site Network Inc. at 32 Poplar Place, Fanwood, New Jersey 07023.

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## ITEM 10. EXECUTIVE COMPENSATION

The following table sets forth information concerning the total compensation paid or accrued by us during the three fiscal years ended September 30, 2006 to (i) all individuals that served as our chief executive officer or acted in a similar capacity for us at any time during the fiscal year ended September 30, 2006 and (ii) all individuals that served as executive officers of ours at any time during the fiscal year ended September 30, 2006 that received annual compensation during the fiscal year ended September 30, 2005 in excess of \$100,000.

Summary Compensation Table

Name and Principal Position	Fiscal Year Ended September 30,	Annual Compensation				Options/SARs	Long-Term Co ----- Restricted Stock Awards
		Salary	Bonus	Other Compensation	-----		
Scott Vicari, Chief Executive Officer, President (1)	2006	0	0	0	0	0	
	2005	0	0	0	0	0	
	2004	0	0	0	0	0	

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(1) On or about April 30, 2001 we issued 3,000,000 restricted shares of our common stock to Mr. Vicari pursuant to Mr. Vicari's three year employment agreement with us dated April 30, 2001. These shares are subject to forfeiture based upon the term of his employment with us. Due to the inactivity of the Company, in December 2004, December 2005, and November 2006 we revised Mr. Vicari's employment agreement to extend the vesting periods on the 3,000,000 shares issued in the employment agreement. As the result of the November 2006 amendment, if Mr. Vicari is not employed by us at December 31, 2007 he forfeits all of the shares. If Mr. Vicari is



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employed by us at December 31, 2007 but not employed by us at December 31, 2008 he forfeits 2,000,000 of the shares. If Mr. Vicari is employed by us at December 31, 2008 but not employed by us at December 31, 2009 he forfeits 1,000,000 of the shares.

### Option/SAR Grants In Last Fiscal Year

No stock options or stock appreciation rights were granted to the named executive during the fiscal year ended September 30, 2006.

### Stock Option Plans

The named executive did not participate in any Company stock option plans during the fiscal year ended September 30, 2006.

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### Aggregate Option/SAR Exercises and Fiscal Year End Option/SAR Values

During the fiscal year ended September 30, 2006 there were no exercises of stock options by the named executive. As at September 30, 2006 the named executive owned no stock options. The named executive has never received stock appreciation rights.

### Long Term Incentive Plan Awards

We made no long-term incentive plan awards to the named executive officer during the fiscal year ended September 30, 2006.

### Employment Contracts, Termination of Employment, and Change-in-Control Arrangements

During the fiscal year ended September 30, 2006 we had no employment agreements, compensation plans or arrangements with respect to the named executive officer which would in any way result in payments being made to such executive officer because of his resignation, retirement or other termination of employment with us or our subsidiaries, or because of any change in control or a change in such executive officer's responsibilities following a change in control.

### Compensation of Directors

Ralph Brown is paid \$333 per month for serving as a director. None of our other directors receive any compensation for serving as such, for serving on committees of the board of directors or for special assignments. During the fiscal year ended September 30, 2006 there were no other arrangements between us and our directors that resulted in our making payments to any of our directors for any services provided to us by them as directors.

### Report on Repricing of Options/SARs

During the fiscal year ended September 30, 2006 we did not adjust or amend the exercise price of stock options or SARs previously awarded to the named executive

### ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information with respect to the beneficial ownership of our common stock known by us as of December 4, 2006 by (i) each person or entity known by us to be the beneficial owner of more than 5% of our common stock, (ii) each of our directors, (iii) each of our executive officers,

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and (iv) all of our directors and executive officers as a group. The percentages in the table have been calculated on the basis of treating as outstanding for a particular person, all shares of our common stock outstanding on such date and all shares of our common stock issuable to such holder in the event of exercise of outstanding options, warrants, rights or conversion privileges owned by such person at said date which are exercisable within 60 days of such date. Except as otherwise indicated, the persons listed below have sole voting and investment power with respect to all shares of our common stock owned by them, except to the extent such power may be shared with a spouse.

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Name and Address of Beneficial Owner -----	Shares of Common Stock Beneficially Owned -----	Percentage Ownership (1) -----
Seloz Gestion & Finance SA (2) 1, Rue Hugo-de-Senger 1211 Geneva 4 Switzerland	700,000 (3)	9.2%
CCD Consulting Commerce Distribution AG (4) Glockengasse 4 4001 Basel Switzerland	700,000 (3)	9.2%
Scott Vicari 262 Gettysburg Way Lincoln Park, NJ 07035	3,000,000 (5)	41.2%
Matthew Sebal 170 West 6th Avenue Vancouver, British Columbia V5Y 1K6 Canada	10,000	(6)
Ralph Brown 112 St. Claire Avenue West, Suite 400 Toronto, Ontario M4V 2Y3 Canada	10,000	(6)
All directors and executive officers as a group (3 persons)	3,020,000	41.5%

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- (1) Based upon 7,273,500 shares issued and outstanding as at December 4, 2006.
- (2) The beneficial owner of Seloz Gestion & Finance SA is Rene Belser.
- (3) Includes 350,000 shares underlying presently exercisable warrants.
- (4) The beneficial owner of CCD Consulting Commerce Distribution AG is Fred Dukas.
- (5) Pursuant to the terms of Mr. Vicari's employment agreement, as amended, if he is no longer employed with us prior to December 31, 2007 he forfeits all 3,000,000 shares. If he is employed by us at December 31, 2007 but no longer employed with us at December 31, 2008 he forfeits 2,000,000 of these shares. If he is employed by us at December 31, 2008 but no longer

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employed with us at December 31, 2009 he forfeits 1,000,000 of these shares.

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(6) Less than 1%

Changes in Control

Not Applicable.

### ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In April, 2001 we issued 3,000,000 shares of our common stock to our president Scott Vicari in consideration of his engagement as our president. These shares are subject to forfeiture based upon the term of his employment. Pursuant to the terms of our employment contract with Mr. Vicari, as amended, if he is no longer employed with us prior to December 31, 2007 he forfeits all 3,000,000 of these shares. If he is employed by us at December 31, 2007 but no longer employed with us prior to December 31, 2008 he forfeits 2,000,000 of these shares. If he is employed by us at December 31, 2008 but no longer employed with us prior to December 31, 2009 he forfeits 1,000,000 of these shares. These shares were valued at \$.05 per share.

Ralph Brown is paid \$333 per month for serving as a director.

### ITEM 13. EXHIBITS, LIST AND REPORTS ON FORM 8-K

Reports on Form 8-K

None.

Exhibits

The following Exhibits are being filed with this Annual Report on Form 10-KSB:

Exhibit No.	SEC Report Reference Number	Description
3.1	3.1	Certificate of Incorporation of Registrant filed May 31, 2001
3.2	3.2	Certificate of Amendment to Certificate of Incorporation of Registrant filed March 6, 2002. (4)
3.3	3.2	By-Laws of Registrant. (1)
3.4	3.3	Amended By-Laws of Registrant. (3)

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10.1	10.1	Registrant's 2001 Stock Option Plan adopted April 30, 2001
10.2	10.2	Executive Employment Agreement dated April 30, 2001 between Registrant and Scott Vicari. (2)
10.3	10.3	Registrant's 2002 Non-Statutory Stock Option Plan(5)
10.4	10.4	Amendment dated December 2, 2002 to Executive Employment Agreement

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10.5	10.5	April 30, 2001 between Registrant and Scott Vicari(5) Loan Agreement dated as of July 12, 2002 by and among Regi Chansis, Inc., Ray Grimm and Alfred Hanser(5)
10.6	10.6	Amendment dated December 13, 2004 to Executive Employment April 30, 2001 between Registrant and Scott Vicari(6)
10.7	10.7	Amendment dated December 7, 2005 to Executive Employment A April 30, 2001 between Registrant and Scott Vicari(7)
10.8		Amendment dated November 7, 2006 to Executive Employment Agreement dated April 30, 2001 between Registrant and Scott Vicari(8)
14	14	Code of Ethics(6)
21		List of Subsidiaries of Registrant(8)
31.1/31.2		Rule 13(a) - 14(a)/15(d) - 14(a) Certification of Principa Financial Officer(8)
32.1/32.2		Rule 1350 Certification of Chief Executive and Financial O

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(1) Filed with the Securities and Exchange Commission on August 11, 2001 as an exhibit, numbered as indicated above, to the Registrant's registration statement (SEC File No. 333-73004) on Form SB-2, which exhibit is incorporated herein by reference.

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(2) Filed with the Securities and Exchange Commission on January 11, 2002, as an exhibit, numbered as indicated above, to the Registrant's registration statement (SEC File No. 333-73004) on Form SB-2 (Amendment No. 2), which exhibit is incorporated herein by reference.

(3) Filed with the Securities and Exchange Commission on February 8, 2002 as an exhibit, numbered as indicated above, to the Registrant's registration statement (SEC File No. 333-73004) on Form SB-2 (Post-Effective Amendment No. 1), which exhibit is incorporated herein by reference.

(4) Filed with the Securities and Exchange Commission on April 11, 2002, as an exhibit, numbered as indicated above, to the Registrant's registration statement (SEC File No. 333-73004) on Form SB-2 (Post Effective Amendment No. 3), which exhibit is incorporated herein by reference.

(5) Filed with the Securities and Exchange Commission on January 14, 2003 as an exhibit, numbered as indicated above, to the Registrant's Annual Report on Form 10KSB for the fiscal year ended September 30, 2002.

(6) Filed with the Securities and Exchange Commission on December 21, 2004 as an exhibit, numbered as indicated above, to the Registrant's Annual Report on Form 10KSB for the fiscal year ended September 30, 2004.

(7) Filed with the Securities and Exchange Commission on December 19, 2005 as an exhibit, numbered as indicated above, to the Registrant's Annual Report on Form 10KSB for the fiscal year ended September 30, 2005.

(8) Filed herewith.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Audit Fees.

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The aggregate fees billed to us by our principal accountant for services rendered during the fiscal years ended September 30, 2006 and 2005 are set forth in the table below:

Fee Category	Fiscal year ended September 30, 2006	Fiscal year ended September 30, 2005
Audit fees (1)	\$23,000	\$22,000
Audit-related fees (2)	0	0
Tax fees (3)	0	0
All other fees (4)	0	0
Total fees	\$23,000	\$22,000

(1) Audit fees consists of fees incurred for professional services rendered for the audit of consolidated financial statements, for reviews of our interim consolidated financial statements included in our quarterly reports on Form 10-QSB and for services that are normally provided in connection with statutory or regulatory filings or engagements.

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(2) Audit-related fees consists of fees billed for professional services that are reasonably related to the performance of the audit or review of our consolidated financial statements, but are not reported under "Audit fees."

(3) Tax fees consists of fees billed for professional services relating to tax compliance, tax planning, and tax advice.

(4) All other fees consists of fees billed for all other services.

Audit Committee's Pre-Approval Practice.

Insomuch as we do not have an audit committee, our board of directors performs the functions of an audit committee. Section 10A(i) of the Securities Exchange Act of 1934 prohibits our auditors from performing audit services for us as well as any services not considered to be "audit services" unless such services are pre-approved by the board of directors (in lieu of the audit committee) or unless the services meet certain de minimis standards.

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### SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

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Date: December 6, 2006

HOSTING SITE NETWORK INC.

By: /s/ Scott Vicari

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Scott Vicari,  
President and Chief Executive Officer

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE -----	TITLE -----	
/s/ Scott Vicari ----- Scott Vicari	President, Treasurer Chief Executive Officer, Chief Financial and Accounting Officer	Decembe
Majority of Board of Directors		
/s/ Scott Vicari ----- Scott Vicari	Director	Decembe
/s/ Matthew Sebal ----- Matthew Sebal	Director	Decembe