

HOSTING SITE NETWORK INC  
Form 10QSB  
February 06, 2007

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

**FORM 10-QSB**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2006

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

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

Commission file number 33-73004

**Hosting Site Network Inc.**

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

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**13-4122844**  
(I.R.S. Employer  
Identification No.)

**32 Poplar Place**  
**Fanwood, New Jersey**  
(Address of principal executive offices)

**07023**  
(Zip Code)

**(973) 652-6333**

(Registrant's telephone number, including area code)

Check whether the issuer (1) has 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, and (2) has been subject to such filing requirements for the past 90 days.  
Yes  No

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

As of February 6, 2007, there were 7,273,500 shares of the issuer's common stock, par value \$0.001, issued and outstanding.

Transitional Small Business Disclosure Format (check one): Yes  No

**HOSTING SITE NETWORK INC.  
DECEMBER 31, 2006 QUARTERLY REPORT ON FORM 10-QSB  
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**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

To the extent that the information presented in this Quarterly Report on Form 10-QSB for the quarter ended December 31, 2006 discusses financial projections, information or expectations about our products or markets, or otherwise makes statements about future events, such statements are forward-looking. We are making these forward-looking statements in reliance on the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Although we believe that the expectations reflected in these forward-looking statements are based on reasonable assumptions, there are a number of risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. These risks and uncertainties are described, among other places in this Quarterly Report, in “Plan of Operation”.

In addition, we disclaim any obligations to update any forward-looking statements to reflect events or circumstances after the date of this Quarterly Report. When considering such forward-looking statements, you should keep in mind the risks referenced above and the other cautionary statements in this Quarterly Report.

**PART 1 - FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

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HOSTING SITE NETWORK, INC. AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEET  
DECEMBER 31, 2006  
(UNAUDITED)

Assets

<b>Current Assets</b>		
Cash	\$	247,238
Other current assets		600
<b>Total Assets</b>		
	\$	247,838

Liabilities and Shareholders' Equity

<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$	16,285
<b>Shareholders' Equity</b>		
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
Accumulated deficit		(533,979)
<b>Total Shareholders' Equity</b>		231,553
<b>Total Liabilities and Shareholders' Equity</b>		\$ 247,838

See notes to consolidated financial statements.

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

	Three Months Ended December 31,	
	2006	2005
General and administrative expenses	\$ (15,091)	\$ (16,099)
Write-off of deferred compensation	(8,934)	
Interest income	950	1,142
Net loss	\$ (23,075)	\$ (14,957)
Basic and fully diluted net loss per share	\$ *	\$ *
Basic and fully diluted weighted average shares outstanding	7,273,500	7,273,500

\* Less than \$0.01 per share.

See notes to consolidated financial statements.

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

	Three Months Ended December 31,	
	2006	2005
Cash flow from operating activities		
Net loss	\$ (23,075)	\$ (14,957)
Adjustments to reconcile net loss to net cash used in operating activities		
Write-off / amortization of deferred compensation	8,934	1,786
Changes in assets and liabilities		
Other current assets	(250)	(100)
Accounts payable and accrued expenses	2,109	4,765
Net cash used in operating activities	(12,282)	(8,506)
Decrease in cash	(12,282)	(8,506)
Cash, beginning of period	259,520	309,106
Cash, end of period	\$ 247,238	\$ 300,600

See notes to consolidated financial statements.

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

1. OPERATIONS

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited consolidated financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States for interim financial statements and with the rules and regulations of the Securities and Exchange Commission for Form 10-QSB. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the consolidated financial position, results of operations and cash flows for the interim periods have been included. These consolidated financial statements should be read in conjunction with the consolidated financial statements of Hosting Site Network, Inc. together with the Company's Plan of Operations in the Company's Form 10-KSB for the year ended September 30, 2006. Interim results are not necessarily indicative of the results for a full year

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

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 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

The Financial Accounting Standards Board has issued FIN 48, Accounting for Uncertainty in Income Taxes, effective for the year commencing after December 15, 2006. The Company has not yet determined what the effect will be, if any, on their consolidated financial statements.

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

3. WRITE-OFF OF DEFERRED COMPENSATION

As of October 1, 2006, the Company wrote-off the balance of deferred compensation of \$8,934.





## ITEM 2. 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.

## ITEM 3. CONTROLS AND PROCEDURES

(a) *Evaluation of Disclosure Controls and Procedures.* Under the supervision and with the participation of our senior management, consisting of Scott Vicari, our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this report (the "Evaluation Date"). Based on this evaluation, our chief executive officer and chief financial officer concluded as of the Evaluation Date that our disclosure controls and procedures were effective such that the information relating to us, including our consolidated subsidiary, required to be disclosed in our Securities and Exchange Commission ("SEC") reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) *Changes in Internal Control over Financial Reporting.* There were no changes in our internal control over financial reporting that occurred during the period covered by this report that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

**PART II - OTHER INFORMATION**

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

No equity securities were sold by us during the period covered by this Report.

**ITEM 5. OTHER INFORMATION**

On or about April 30, 2001 we issued 3,000,000 restricted shares of our common stock to Scott Vicari, our sole executive officer, pursuant to Mr. Vicari's 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 our inactivity, 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 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.

**ITEM 6. EXHIBITS**

(a) Exhibits.

- |           |   |
|-----------|---|
| 31.1/31.2 | Rule 13(a)-14(a)/15(d)-14(a) Certification of Principal Executive and Financial Officer |
| 32.1/32.2 | Rule 1350 Certification of Chief Executive and Financial Officer                        |

**SIGNATURES**

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HOSTING SITE NETWORK INC.

Dated: February 6, 2007

By: /s/ Scott Vicari  
Scott Vicari  
President, Chief Executive and  
Accounting Officer