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HOSTING SITE NETWORK INC  
Form 10QSB  
August 14, 2002

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 June 30, 2002

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

13-4122844

-----  
(State or other jurisdiction of  
incorporation or organization)

-----  
(I.R.S. Employer  
Identification No.)

32 POPLAR PLACE  
FANWOOD, NEW JERSEY

07023

-----  
(Address of principal executive offices)

-----  
(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

As of August 12, 2002, there were 6,023,500 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.  
JUNE 30, 2002 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 June 30, 2002 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.

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### PART 1 - FINANCIAL INFORMATION

#### ITEM 1. FINANCIAL STATEMENTS

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(inception ) to June 30, 2002.....7

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### Hosting Site Network, Inc. and Subsidiary (A Development Stage Company)

#### Hosting Site Network, Inc. and Subsidiary Consolidated Balance Sheets

	June 30 2002 ----	September 30 2001 ----
	(Unaudited)	
<b>Assets</b>		
-----		
<b>Current assets:</b>		
Cash .....	\$ 21,584	\$ 35,045
	-----	-----
<b>Total current assets</b> .....	<b>21,584</b>	<b>35,045</b>
	-----	-----
<b>Other assets:</b>		
Computers and equipment (net of accumulated depreciation of \$4,250 and \$215 .....	24,086	28,336
	-----	-----
<b>Total assets</b> .....	<b>\$ 45,670</b>	<b>\$ 63,381</b>
	=====	=====
 <b>Liabilities and Shareholders' Equity</b>		
-----		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 18,580	\$ 1,298
Note payable .....	25,000	0
	-----	-----
<b>Total liabilities</b> .....	<b>43,580</b>	<b>1,298</b>
	-----	-----
<b>Shareholders' equity:</b>		
Common stock, 100,000,000 shares authorized; 6,023,500 shares issued and outstanding; par value \$.001	\$ 6,023	\$ 6,023
Preferred stock, 5,000,000 shares authorized; -0- shares issued and outstanding; par value \$.001 .....	0	0
Additional paid in capital .....	259,509	259,509
Deferred stock based compensation .....	(102,822)	(133,434)
Retained earnings (deficit) .....	(160,620)	(70,015)
	-----	-----
<b>Total shareholders' equity</b> .....	<b>2,090</b>	<b>62,083</b>
	-----	-----

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Total liabilities and shareholders' equity .....	\$ 45,670	\$ 63,381
	=====	=====

See accompanying Notes to Financial Statements.

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Hosting Site Network, Inc. and Subsidiary  
(A Development Stage Company)

Hosting Site Network, Inc. and Subsidiary  
Consolidated Statements of Operations  
(Unaudited)

	Three Months Ended		Nine Months Ended		Pe Ma (in
	June 30,		June 30,		
	2002	2001	2002	2001	
	----	----	----	----	
Revenues:					
Net sales .....	\$0	\$0	\$0	\$0	
Expenses:					
General and administrative .....	23,551	17,598	90,781	22,689	16
	-----	-----	-----	-----	-----
Total Expenses .....	23,551	17,598	90,781	22,689	16
	-----	-----	-----	-----	-----
Other Income:					
Interest .....	53	322	176	1,029	
	-----	-----	-----	-----	-----
Net (loss) .....	(\$23,498)	(\$17,276)	(\$90,605)	(\$21,660)	(\$16
	=====	=====	=====	=====	=====
Net (loss) per share:					
Basic .....	(\$0.01)	(\$0.01)	(\$0.03)	(\$0.01)	
	=====	=====	=====	=====	=====
	=====	=====	=====	=====	=====
Weighted average common shares used in calculation of net loss per share .....	3,023,500	2,623,665	3,023,500	2,087,119	
	=====	=====	=====	=====	

See accompanying Notes to Financial Statements.

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Hosting Site Network, Inc. and Subsidiary  
(A Development Stage Company)

Hosting Site Network, Inc. and Subsidiary  
Consolidated Statements of Cash Flows

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(Unaudited)

	Nine Months Ended June 30,	
	2002	2001
	-----	-----
Cash flows from operating activities:		
Net loss .....	(\$90,605)	(\$21,600)
Adjustments to reconcile net loss to cash provided (used) for operating activities:		
Depreciation .....	4,250	
Stock based compensation .....	30,612	6,500
Common stock issued for services .....	0	
	-----	-----
	(55,743)	(15,000)
Increase (decrease) in operating accounts payable and accrued liabilities .....	17,282	
	-----	-----
Cash provided (used) for operating activities .....	(38,461)	(15,000)
	-----	-----
Cash flows from investing activities:		
Investment in property and equipment .....	0	
	-----	-----
Cash used by investing activities .....	0	
	-----	-----
Cash flows from financing activities:		
Proceeds of private placement offering net of \$0, \$26,261 and \$26,261 direct costs .....	0	125,900
Proceeds from note payable .....	25,000	
	-----	-----
Cash provided (used) for financing activities .....	25,000	125,900
	-----	-----
Increase (decrease) in cash .....	(13,461)	110,900
Cash, beginning of period .....	35,045	
	-----	-----
Cash, end of period .....	\$21,584	\$110,900
	=====	=====
Supplemental Disclosure of non-cash investing and financing activities:		
Common stock issued for acquisition .....	\$0	
	=====	=====
Equipment written off-net .....		\$11,800
		=====
Receivable from shareholders in connection with subscription from common stock .....	\$0	\$6,000
	=====	=====
Issuance of common stock for services .....		
Issuance of common stock for deferred offering costs .....	\$0	\$10,000
	=====	=====
Cancellation of stock purchased back .....	\$0	

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Direct placement costs .....

=====

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\$1,6

See accompanying Notes to Financial Statements

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Hosting Site Network, Inc. and Subsidiary  
(A Development Stage Company)

Notes to Consolidated Financial Statements  
(Unaudited)

1. CONSOLIDATED FINANCIAL STATEMENTS

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The accompanying consolidated financial statements include the accounts of Hosting Site Network, Inc. (a development stage company) and its wholly owned subsidiary HSN (NJ), Inc.. All material intercompany balances and transactions have been eliminated. The interim statements are unaudited and, in the opinion of management, include all adjustments (which include only normal recurring adjustments) necessary to present fairly the Company's financial position as of June 30, 2002 and the results of its operations and cash flows for the interim periods presented. The consolidated balance sheet data for September 30, 2001 are derived from the audited financial statements that are included in the Company's Form SB-2(A) Registration Statement filed on January 18, 2002, which should be read in connection with these financial statements.

The accounting policies followed in the presentation of the interim financial results are the same as those followed on an annual basis. Those policies are presented in Note 3, "Significant Accounting Policies to the consolidated financial statements included in the Company's annual report in the above-mentioned Form SB-2(A) Registration Statement.

The interim financial results as of the nine months ended June 30, 2002 are not necessarily indicative of the results that will be obtained for the year ending September 30, 2002.

2. SUPPLEMENTAL CASH FLOW INFORMATION

-----

	June 30	June 30
	2002	2001
	----	----
Cash paid during the three months for:		
Interest .....	\$--	\$--
	====	====
Income taxes .....	\$--	\$--
	====	====

3. NOTE PAYABLE

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On April 11, 2002 the Company borrowed \$25,000 from a finance company with interest at 10% which is unsecured and is due one year from its date of

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origination.

### 4. SHAREHOLDERS' EQUITY

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On March 6, 2002 the Board of Directors of Hosting Site Network, Inc. approved a plan, and amended its certificate of incorporation, to increase the Company's authorized capital. The new capitalization plan calls for an increase in authorized common stock from 20,000,000 shares to 100,000,000 shares and for an increase in authorized preferred stock from 1,000,000 shares to 5,000,000 shares.

### 5. EARNINGS PER SHARE

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The weighted average number of common shares used in calculation of net loss per share for the 2001 amounts have been restated to reflect the purchase and retirement of 4,600,000 shares from the original shareholder in April 2001.

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## ITEM 2. PLAN OF OPERATION

The following discussion and analysis should be read in conjunction with the Financial Statements and Notes thereto appearing elsewhere in this Quarterly Report. Certain statements in this Quarterly Report which are not statements of historical fact are forward-looking statements. See "Special Note Regarding Forward-Looking Information" on Page 3.

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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## PART II - OTHER INFORMATION

### ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

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

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Report. During the period subsequent to such period, in July 2002, we completed a private offering of 1,250,000 units at a price of \$.40 per unit or \$500,000 on an aggregate basis. Each unit consisted of one share of our common stock and one common stock purchase warrant, each of which is exercisable for the purchase of one share of our common stock at anytime during a period of five years from issuance at a price of \$1.20 per share. The units were sold pursuant to Rule 506 of Regulation D of the General Rules and Regulations under the Securities Act of 1933, as amended. The shares constituting part of the units have not yet been issued but are expected to be issued shortly.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits.  
None.
- (b) Reports on Form 8-K.  
None.

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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: August 14, 2002

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

The undersigned, the Chief Executive and Accounting Officer of the Registrant, certifies that this Report complies with all of the requirements of Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Dated: August 14, 2002

By: /S/ Scott Vicari  
 -----  
 Scott Vicari

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