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ADVANT E CORP
Form SB-2
December 01, 2003

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

FORM SB-2
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Advant-e Corporation

(Name of small business issuer in its charter)

Delaware

7371

88-0339012

(State of jurisdiction of (Primary Standard Industrial (I.R.S. Employer
Incorporation or organization) Classification Code Number) Identification No.)

2680 Indian Ripple Rd. Dayton, OH 45440 Telephone number: 937-429-4288

(Address and telephone number of principal executive offices)

2680 Indian Ripple Rd. Dayton, OH 45440

(Address of principal place of business or intended principal place of
business)

Jason Wadzinski, President
Advant-e Corporation
2680 Indian Ripple Rd.
Dayton, OH 45440
(937) 429-4288

(Name, address and telephone number of agent for service)

Copies to:
Barbara L. Sager, Esq.
134 Westpark Road
Centerville, OH 45459
(937) 657-6768

Approximate date of proposed sale to the public: As soon as practicable after
the effective date of this
Registration Statement

If this Form is filed to register additional securities for an offering
pursuant to Rule 462(b) under the Securities Act, please check the following
box and list the Securities Act registration statement number of the earlier
effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under
the Securities Act, check the following box and list the Securities Act
registration statement number of the earlier effective registration statement
for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under
the Securities Act, check the following box and list the Securities Act
registration statement number of the earlier effective registration statement
for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434,

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check the following box. []

CALCULATION OF REGISTRATION FEE

Title of Securities To be Registered	Amount to be Registered	Proposed Maximum Price per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common stock, \$.001 par value	1,752,040	\$1.40 (1)	\$2,522,937	\$198.44

(1) Estimated solely for purposes of calculating the amount of the registration fee pursuant to Rule 457(c) of the Securities Act of 1933 (the "Securities Act"). The registration fee is calculated on the basis of the average of the closing bid and ask prices for our common stock as quoted on the Over-the-Counter Bulletin Board on November 28, 2003.

THE REGISTRANT HEREBY AGREES TO AMEND THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

THE INFORMATION IN THIS PROSPECTUS IS SUBJECT TO COMPLETION OR AMENDMENT. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH AN OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OF QUALIFICATION UNDER THE SECURITIES LAWS OF THAT STATE.

PROSPECTUS

SUBJECT TO COMPLETION DATED DECEMBER 1, 2003

ADVANT-E CORPORATION
1,752,040 COMMON SHARES, \$.001 PAR VALUE

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The registration statement of which this prospectus is a part relates to the offer and sale of up to 1,752,040 shares of common stock, par value \$.001, for sale by certain security holders.

We are registering for resale of common stock for certain security holders and We will only receive proceeds to the extent that outstanding warrants are exercised. All other shares being registered will be issued upon conversion of outstanding Convertible Subordinated Notes, and we will derive no proceeds from the conversion of subsequent resale of such shares. The shares to be registered for sale by selling security holders will be issued as a result of the issuance of Convertible Subordinated Notes convertible into a maximum of 732,040 common shares; as a result of the exercise of warrants that were issued in connection with the same Convertible Subordinated Notes for a maximum of 1,000,000 shares; and as a result of an agreement for services rendered for a maximum of 20,000 common shares.

The Company has retained no underwriter to assist in selling the common shares.

The Company's common shares are traded on the over-the-counter Bulletin Board under the symbol "AVEE."

THE PURCHASE OF THE COMMON SHARES INVOLVES A HIGH DEGREE OF RISK AND POTENTIAL DILUTION. SEE "RISK FACTORS" BEGINNING ON PAGE 6 AND DILUTION ON PAGE 20.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THESE SECURITIES, OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this preliminary prospectus is December 1, 2003.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THIS OFFERING OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY US OR ANY OTHER PERSON. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCE, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY OR ITS SUBSIDIARY SINCE THE DATE HEREOF. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THOSE TO WHICH IT RELATES OR AN OFFER TO ANY PERSON IN ANY STATE WHERE SUCH OFFER WOULD BE UNLAWFUL.

WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION DIFFERENT FROM THAT CONTAINED IN THIS PROSPECTUS. THE SELLING SECURITY HOLDERS ARE OFFERING TO SELL, AND SEEKING OFFERS TO BUY, SHARES OF COMMON STOCK ONLY IN JURISDICTIONS WHERE OFFERS AND SALES ARE PERMITTED.

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PROSPECTUS SUMMARY

This prospectus contains statements about our future operations, which involve risks and uncertainties. Our actual results could differ in important ways from our anticipated future operations, due to many factors, including "Risk Factors," beginning on page 6, and other factors. We have attempted to summarize only the most significant aspects of the prospectus. You should be aware that this Prospectus Summary does not contain all the information that may be important to you. You should read the entire prospectus, especially "Risk Factors" and the Consolidated Financial Statements and Notes, before deciding to invest in the Company's common shares.

The Company (Advant-e Corporation and its wholly-owned subsidiary, Edict Systems, Inc.)

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The Company provides business-to-business electronic commerce products and services focusing primarily on supply chain connectivity. The Company provides high-quality, cost-effective solutions which give the Company's customers the ability to leverage technology to improve their businesses.

The Company provides software and Internet-based solutions to small and medium sized suppliers (often called "spokes") of large companies allowing them to satisfy the Electronic Commerce requirements (most often electronic data interchange (EDI) requirements) of their customers. Advant-e provides services to large companies (often called "hubs") to enable them to maximize their current supply chain Electronic Commerce investments by increasing the number of suppliers who can conduct business with them electronically. The Company provides consultative services for its customers, generally small and medium sized suppliers to large buying organizations wherein it acts as a liaison between the buyers and their suppliers to interface with the buyer on behalf of the Company's customers.

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The Company, through its operating subsidiary Edict Systems, has been a provider of Electronic Data Interchange (EDI) and Electronic Commerce products and services since 1990. Our company is comprised of 4 principal business products/services. These are:

- * Web-EDI - web-based supply chain solution for the grocery and other industries (GroceryEC.com, RetailEC.com, MfgEC.com, CPGLSupplierEC.com, web-edi.com, etc.)
- * EnterpriseEC - Internet-based Electronic Business Transaction Network Services
- * Formula_One - EDI software and Bar Code Label Modules (legacy software products)
- * Value-Added Applications--Internet-based solutions that enhance the value of electronic commerce capabilities

Many small and medium size companies have resisted doing Electronic Commerce and Electronic Data Interchange (EDI) with their business partners due to many factors, but primarily due to high cost and low transaction volume. By leveraging the economy and ubiquitousness of the Internet, our Internet-based solutions have minimal technological requirements (access to Internet and a web browser), and are cost effective. EDI and other business technologies have proven to be valuable tools to reduce cost, increase accuracy, shorten supply lead times, insure product availability, and increase customer satisfaction.

Advant-e Corporation (formerly Twilight Products, Ltd.) was incorporated in the State of Delaware on March 9, 1994. On April 10, 2000, Twilight acquired all of the issued and outstanding shares of Edict Systems, Inc. ("Edict"), an Ohio company incorporated in September of 1994. Immediately following the Merger, the shareholders of Edict owned approximately 81% of the issued and outstanding common stock of Twilight and the Directors and Officers of Edict became the Directors and Officers of Twilight. On August 6, 2000, Advant-e formally changed its name from "Twilight Productions Ltd." to "Advant-e Corporation". As a result, the Company is now comprised of Advant-e Corporation and its wholly-owned and sole operating subsidiary, Edict Systems, Inc.

In 2001 the Company issued seven 15% Convertible Subordinated Notes of which four are outstanding at December 1, 2003 in the principal amount of \$250,000.

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The Notes may be converted at the note holders' option at maturity in the principal amount plus any accrued interest into the Company's common stock at a price of \$1.06 per common share. The Notes have outstanding warrants whereby the note holders can acquire 675,000 shares of the Company's common stock at a price of \$1.205 per common share. In addition, warrants for the acquisition of 75,000 common shares are reserved for future issuance to a note holder. The warrants expire on several dates in 2005.

In 2002 the Company issued six 10% Convertible Subordinated Notes that currently are outstanding in the principal amount of \$250,000. The Notes may be converted at the note holders' option at maturity in the principal amount plus any accrued interest into the Company's common stock at a price of \$1.10 per common share, and have attached warrants whereby the note holders can acquire up to 250,000 common shares of the Company at a price of \$1.25 per common share. These warrants expire on September 27, 2005.

In 2001 the Company granted warrants to an unrelated third party for the purchase of 20,000 shares of the Company's stock at \$1.48 per share, exercisable through June 25, 2006.

Effective November 14, 2003 a holder of the Company's 15% Convertible Subordinated Notes in the principal amount of \$250,000 agreed to convert the

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principal amount of the note into 235,849 shares of the Company's common stock.

The Company expects to issue up to a maximum of 1,752,040 common shares, resulting from the possible conversion of the Notes and exercise of the warrants by the selling security holders. The total proceeds to the Company, assuming the exercise of all warrants is \$1,245,850; the Company will realize no proceeds from the conversion of the Notes.

The principal executive offices of both Advant-e Corporation and Edict Systems, Inc. are located at 2680 Indian Ripple Rd., Dayton, Ohio 45440. The Company's telephone number is 937-429-4288. Edict Systems, Inc. is the sole and wholly-owned subsidiary of Advant-e Corporation.

The Offering

Number of shares of common stock currently outstanding	5,661,002																								
Number of shares of common stock offered by selling shareholders	1,752,040																								
Proceeds to the Company	Up to \$1,229,850, net of estimated offering expenses, if all warrants are exercised																								
Expenses	We estimate the expenses associated with this offering to be: <table><tr><td>SEC filing fee</td><td>\$ 1,000</td></tr><tr><td>NASD filing fee</td><td>1,000</td></tr><tr><td>Printing</td><td>2,000</td></tr><tr><td>Blue Sky</td><td>2,000</td></tr></table> 4 <table><tr><td>Legal</td><td>5,000</td></tr><tr><td>Accounting</td><td>2,000</td></tr><tr><td>Transfer agent</td><td>1,000</td></tr><tr><td>Edgar</td><td>1,000</td></tr><tr><td>Miscellaneous</td><td>1,000</td></tr><tr><td></td><td>-----</td></tr><tr><td>Total</td><td>\$ 16,000</td></tr><tr><td></td><td>=====</td></tr></table>	SEC filing fee	\$ 1,000	NASD filing fee	1,000	Printing	2,000	Blue Sky	2,000	Legal	5,000	Accounting	2,000	Transfer agent	1,000	Edgar	1,000	Miscellaneous	1,000		-----	Total	\$ 16,000		=====
SEC filing fee	\$ 1,000																								
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Accounting	2,000																								
Transfer agent	1,000																								
Edgar	1,000																								
Miscellaneous	1,000																								

Total	\$ 16,000																								
	=====																								

Use of Proceeds	Proceeds from the exercise of the warrants will be used mainly for general corporate purposes, marketing, and product development. The Company will not receive any proceeds from the conversion of the convertible subordinated notes.
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Plan of Distribution	The offering of the Company's shares of common stock is being made by the selling security holders. Sales of the Company's common stock may be made by the selling shareholders in the open market or in privately negotiated transactions and at fixed or negotiated prices.
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Risk factors	Investment in the Company's common
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stock involves a high degree of risk, including the risk that investors could lose their entire cash investment. For a discussion of risk factors you should consider before buying shares of our common stock, see the section entitled "Risk Factors" beginning on page 6.

Dividend Policy

We do not intend to pay dividends on our common stock. We plan to retain any earnings in the foreseeable future in the operations of the business to help fund future growth.

Plan of offering

There is no underwriter for this offering.

Selected Financial Data

The following selected financial data is derived from the Company's financial statements included elsewhere in this prospectus and should be read in conjunction with the more detailed financial statements, including notes thereto, appearing elsewhere in this prospectus and should also be read in conjunction with the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations." The financial information as of December 31, 2002 and for the year then ended has been derived from the financial statements audited by J. D. Cloud & Co. L.L.P. The financial

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information for the year ended December 31, 2001 has been derived from the financial statements audited by Battelle & Battelle LLP. The financial information as of September 30, 2003 and for the nine month periods ended September 30, 2003 and 2002 has been derived from unaudited financial statements prepared by management.

Balance sheet data:	December 31, 2002		September 30, 2003	
			(Unaudited)	
	-----		-----	
Total Assets	\$	1,235,986		1,200,153
Total Liabilities		1,213,353		1,145,181
Shareholders' Equity		22,633		54,972
Statement of Operations data:	Year Ended		Nine months Ended	
	December 31		September 30	
	-----		-----	
	2002	2001	2003	2002
	----	----	----	----
Revenues	\$ 2,008,389	1,185,318	2,124,351	1,441,097
Operating Expenses	2,342,189	1,364,529	2,072,582	1,578,720
	-----	-----	-----	-----
Income (loss) before taxes	(333,800)	(179,211)	51,769	(137,623)
Income tax (benefit)	(26,266)	(17,582)	19,430	8,610
	-----	-----	-----	-----
Net income (loss)	\$ (307,534)	(161,629)	32,339	(146,233)
	=====	=====	=====	=====

RISK FACTORS

An investment in the common shares offered by this prospectus is speculative and involves a high degree of risk, including the risk factors described below. In addition to the other information presented in this prospectus, each

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prospective investor should carefully consider the following risk factors inherent in and affecting our business and this offering before making an investment decision. Each of the following risks could have a material adverse effect on the business, financial condition or operating results of the Company. In such a case, the trading price of common stock would probably decline, and investors may lose all or part of their investment.

RISKS RELATED TO OUR FINANCIAL CONDITION

THE COMPANY HAS A RECENT HISTORY OF OPERATING LOSSES INCLUDING LOSSES IN FISCAL 1999 (\$434,776), IN FISCAL 2000 (\$485,256), IN FISCAL 2001, (\$161,629), IN FISCAL 2002 (\$307,534), AND FOR THE SIX MONTHS ENDED JUNE 30, 2003 (\$75,803). THE COMPANY COULD INCUR LOSSES AGAIN IN THE FORESEEABLE FUTURE. Such losses could result from large investment in capital resources for enhancing existing products and services and for new products and services, large investments in sales and marketing efforts, continued declines in revenues for our legacy software product line, and potential declines in revenues from the Company's primary revenue source, GroceryEC.com. The Company's future profitability depends, in part, on the success of its product development efforts; the acceptance of its business model by targeted customers; and its sales and marketing activities.

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Although the Company reported a profit for the third quarter of 2003, the success of the Company's business model depends upon potential customers being attracted to and using its Internet-based electronic commerce products and services. This business model is not yet fully proven. Several factors, including customer acceptance, retailer arrangements, competitive factors and our ability to successfully develop and market our products, make it impossible to predict when or whether we will generate sufficient revenue to sustain long-term profitability. Consequently, we may never achieve sufficient revenues or profitability, and even if we do, we may not sustain or increase profitability on a quarterly or an annual basis in the future. Our ability to continue in business could be jeopardized if we are not able to achieve and sustain positive cash flow or profitability or if we are not able to obtain necessary financing on satisfactory terms.

THE COMPANY'S REVENUES COULD DECREASE AS IT CONTINUES ITS TRANSITION FROM ITS HISTORICAL SOFTWARE BUSINESS MODEL TO A TRANSACTION-BASED BUSINESS MODEL. The Company has been transitioning, and will continue to transition, its business model to focus on providing customers with the ability to process their electronic commerce documents via the Internet for fees based on the number and/or size of the transactions. The Company expects that this model will provide an increase in recurring revenues, but it has also resulted in a decrease in licensing and sales revenue the Company receives from its software products, which would have normally been offered to potential customers.

Under the new model, the Company provides transaction services wherein customers pay for transactions that they process. The Company believes that this service will allow its customers to receive, transmit, and process electronic commerce documents without having to bear significant up-front software and on-going third-party network expenditures. Any failure in the Company's ability to implement and grow its Internet-based services could have a material adverse affect on the Company's business and financial results. In addition, the Company's business and financial results could also suffer if revenue from increased volume experienced by existing and new customers does not make up for the loss in revenue from the decrease in the per-customer amount of licensing fees and other charges for its software products.

THE COMPANY'S CAPITAL RESOURCES MAY BE INSUFFICIENT TO FUND IMPLEMENTATION OF

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ITS PRODUCTS AND SERVICES AND MARKETING ITS ADVANTAGES TO POTENTIAL USERS. Substantial funds are required to complete the Company's planned product development efforts and expand its sales and marketing activities. The Company expects that existing capital resources along with cash flows generated from its current activities will be adequate to fund its operations, but the Company cannot guarantee that this will be the case. The Company's future capital requirements and the adequacy of available funds will depend on numerous factors, including the successful marketing of existing products; and progress in product development efforts to enhance and generate new products and services; the ability to target additional vertical industries for the Company's products and services; and the growth and success of effective sales and marketing activities.

If funds generated from the Company's operations, together with its existing capital are insufficient to meet current or planned operating requirements, the Company will have to obtain additional funds through equity or debt financing. The Company does not have any committed sources of additional financing, and it

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cannot provide assurance that additional funding, if necessary, will be available on acceptable terms, if at all. If adequate funds are not available, the Company may have to delay, scale-back or eliminate certain aspects of its operations. Therefore, the inability to obtain adequate funds could have a material adverse impact on its business, financial condition and results of operations.

INABILITY TO OBTAIN FUTURE CAPITAL. As of the date of this filing, the Company had cash in the amount of approximately \$200,000. The Company anticipates that it may need to raise additional funds if its operations do not generate anticipated revenues. If the Company is unable to obtain necessary additional financing, its business may suffer. It cannot be assured that any additional financing will be available on reasonable terms or at all. In addition, the Company may need to raise additional funds sooner if it attempts to expand more rapidly or if competitive pressures or technological changes are greater than anticipated. Even if the Company is able to obtain additional financing, the Company may subsequently need to raise additional funds if it does not sustain profitability.

The Company at October 31, 2003 has outstanding \$750,000 of Convertible Subordinated Notes plus approximately \$57,898 accrued interest on those Notes. The Company has completed negotiations with most holders of its Convertible Subordinated Notes, and is currently negotiating with certain other holders of its subordinated notes to obtain extensions of the due dates of the Notes, which were primarily due in the third quarter of 2003 or which are due in the fourth quarter of 2003. Substantially all of the note holders agreed to extend the maturity dates of their notes to January 5, 2004 provided the Company pays all accrued interest before due dates ranging from September 22, 2003 to December 17, 2003. The Company, to date, has made all such interest payments. Effective on November 14, 2003, a holder of the Company's 15% Convertible Subordinated Notes in the principal amount of \$250,000 agreed to convert the principal amount of the Note into 235,849 shares of the Company's common stock. Management also expects that, if the Company's financial and operating results in the last two quarters of 2003 are satisfactory to the note holders, some, if not all, of the remaining note holders may further extend the maturity dates, convert the Notes into the Company's common stock pursuant to the note agreements, or modify the terms of the notes. In addition, the Company is pursuing additional sources of capital to replace the Convertible Subordinated Notes in the event that the note holders request payment.

THE COMPANY'S FINANCIAL POSITION IS CHARACTERIZED BY CURRENT DEBT. As of September 30, 2003 as indicated by the Company's balance sheet included with

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this Form S-B2 Registration Statement, the Company was capitalized primarily by current debt.

RISKS RELATED TO OUR BUSINESS

THE COMPANY'S LIMITED OPERATING EXPERIENCE MAY CAUSE IT TO MISJUDGE ITS MARKETS OR NEEDS. Although the Company has been providing software and solutions for the electronic commerce market since 1990, its involvement in Internet-based products and services has been a much more recent development. Its initial Internet product has been in operation for approximately three and one-half (3-1/2) years. Accordingly, the Company has limited operating history in this environment. An investor in Common Stock must consider the risks,

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uncertainties, expenses and difficulties frequently encountered by companies in their early stages of development.

THE COMPANY MAY BE UNABLE TO IMPLEMENT ITS BUSINESS STRATEGY. Although the Company believes its strategy can be successful, there are many reasons why it may be unable to implement it, including the Company's inability to deploy its products and services on a large scale due to software development, information technology infrastructure, or other problems; to attract a sufficiently large audience of users to its Internet-based electronic commerce network; to increase awareness of its brand; to strengthen customer loyalty; to continue to develop and improve its products; to continue to develop and upgrade its technology; and to attract, retain and motivate qualified personnel.

THE COMPANY MAY BE UNSUCCESSFUL AT MANAGING ITS GROWTH. The Company believes its business model has the potential for rapid growth. This growth could place a significant strain on management and operations, including sales, marketing, customer support, research and development, finance and administrative operations. Achieving and maintaining profitability during a growth period will depend, among other things, on the Company's ability to successfully expand its products, services and markets and to manage its operations effectively. Difficulties in managing growth, including difficulties in obtaining and retaining talented management and other personnel could have a material adverse affect on the Company's business and financial results.

THE COMPANY HAS INTRODUCED SEVERAL ELECTRONIC COMMERCE B2B PRODUCTS, AND MARKET ACCEPTANCE OF THESE PRODUCTS IS CRITICAL TO THE COMPANY'S SUCCESS. The Company is currently marketing EnterpriseEC, GroceryEC, RetailEC, LogisticsEC and ManufacturingEC and other products. As of October 31, 2003 approximately 2,700 customers were utilizing these products. Broad and timely acceptance of the Company's recently introduced products, which is critical to its future success, is subject to a number of significant risks. These risks include the ability to successfully market and sell these products; the products' ability to support large numbers of customers; the need to enhance the features and services of the Company's products; and the need to significantly expand internal resources to support planned growth of these products.

Although the Company expects to derive a significant portion of its long-term future revenue from its electronic commerce products and services, the pricing and revenue models for these products are ever changing in a fluid market environment. If these products do not achieve the level of market acceptance anticipated at a satisfactory pricing level, the Company's business and financial results would suffer.

Our success depends highly upon our achieving broad market acceptance of our products and services. Market acceptance requires, among other things, that we:

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- * educate potential customers on the benefits of our products
- * commit a substantial amount of human and financial resources to secure strategic partnerships and relationships
- * develop internal sales, marketing and support activities to customers

There can be no assurance that we will be able to achieve any or all of these objectives, and thus obtain sufficient acceptance of our products to achieve

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profitable operations. Potential customers may perceive nominal benefit from our products and services. As a result, potential customers may not value, and may be unwilling to pay for our products. We also do not have established brand images, nor do we expect to spend significant marketing expenses to build and promote brand images. If our products do not achieve broad market acceptance, we may not be able to continue operating in our business or operate at sufficient levels or profitability.

SYSTEM ENHANCEMENTS, UPGRADES AND OTHER FACTORS COULD CAUSE SERVICE DISRUPTIONS OF INTERNET-BASED PRODUCTS. As the Company enhances and upgrades its Internet-based products and services, customers could suffer temporary service interruptions. Other factors, such as unauthorized intervention and access into the Company's servers may also cause system delays or denials of service. The Company has and will continue to take steps to ensure that such disruptions do not occur, and that any disruptions that do occur are insignificant. However, any problems not resolved in a timely manner could negatively affect the Company's business and financial results.

IF THE COMPANY ACQUIRES OTHER COMPANIES, IT MAY NOT BE ABLE TO EFFECTIVELY INTEGRATE THEM. Currently, there are no plans to acquire any other companies, but it may be deemed advantageous to the Company's growth to do so. If the Company is unable to effectively integrate any acquired company, the results could negatively affect the Company's business and financial results.

PRODUCTS MAY NOT BE ACCEPTED BY THE MARKET. To date, the Company has experienced success on a limited basis for its FORMULA_ONE, BCLM, EnterpriseEC, GroceryEC and other Web EDI products.

The FORMULA_ONE product, although initially available as a DOS program in 1992 and later available to segments of its customer base in Microsoft Windows, has had limited success due primarily to the Company's insufficient expenditures on sales and marketing efforts and the Company's lack of sufficient capital.

The BCLM products have had limited success because they require, in most cases, the customer's use of FORMULA_ONE.

The Company's first Web EDI product, GroceryEC.com, has been successful, but the Company's other products, including EnterpriseEC and other Web EDI products which have only been recently introduced to the marketplace, have been far less successful due primarily to longer than expected development time, insufficient expenditures on sales and marketing efforts and the Company's lack of sufficient capital.

THE COMPANY HAS LIMITED SALES AND MARKETING EXPERIENCE. A major thrust of the Company's strategy is to make potential customers aware of its products, their features and benefits. This will require sales and marketing expertise. However, the Company's current sales and marketing staff is small compared to competitors. Although the Company intends to identify and recruit employees with sales and marketing experience, it may be unable to do so and may therefore be unable to successfully establish and maintain a significant sales and marketing organization.

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THE COMPANY'S ABILITY TO RECRUIT AND RETAIN SKILLED EMPLOYEES. The Company is substantially dependent on the continued services and performance of its

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President and current employees. In addition, the Company believes it will need to expand significantly its product development, marketing and customer service staffs. Competition for employees in the Company's industry is intense. If the Company is unable to attract, assimilate and retain highly qualified employees, management may not be able to effectively manage the business, explore opportunities and respond to competitive challenges. As a result, the Company's business and financial results would suffer. Many competitors may be able to offer more lucrative compensation packages that include stock options and other stock-based compensation and higher-profile employment opportunities.

INABILITY TO COMPETE SUCCESSFULLY AGAINST COMPANIES OFFERING SIMILAR FUNCTIONS. A large number of companies compete with us for customers, electronic commerce transactions and other sources of on-line revenue. We face significant competition in the markets in which we offer our products from competitors that also offer high quality products. In addition, management expects that new competitors will attempt to enter the market and that existing competitors will improve the performance of their current products or introduce new products or new technologies that provide improved performance characteristics. New product introductions by our competitors could cause a significant decline in sales or loss of market acceptance of our existing products and future products. The number of companies offering B2B e-commerce services is large and increasing at a rapid rate. The Company believes that competition for B2B e-commerce products and services will continue to increase as the Internet develops as a communication and commercial medium. Although the Company believes its products and marketing strategy are unique, the Company directly and indirectly competes for customers with numerous Internet and non-Internet businesses, including traditional Value Added Networks (Sterling Commerce, Inovis, IBM, GXS, Easylink, etc.); Internet VANs (Internet Commerce Corporation, SPS Commerce, etc.); and web-based B2B e-commerce companies (EB2B Inc., SPS, Inovis, GXS, etc.). Most of our competitors are well established, better known, and significantly larger, with substantially greater technical, marketing, and financial resources than we have. The greater resources of many of our competitors may permit them to respond more rapidly than we can to changes in technology. As a result, many of the products and services we offer are developed and offered by other companies in the industry.

Many of these potential competitors are likely to enjoy substantial competitive advantages compared to the Company, including the ability to offer a wider array of products and services, larger production and technical staffs, greater name recognition, larger marketing budgets and resources, larger customer and user bases and substantially greater financial, technical and other resources.

Our ability to compete in the market will depend upon a number of factors including the success of our marketing efforts and our continued ability to secure and maintain ongoing relationships with companies in the industries we serve. We expect to compete based upon the quality, reliability, flexibility and the ease of use of our products. We also expect to compete on value relative to the features our products offer.

To be competitive, the Company must respond promptly and effectively to the challenges of technological change, evolving standards, and competitors' innovations by continuing to enhance its products and services and to expand its sales and marketing channels. Increased competition could result in loss

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of market share, reduced prices or reduced margins, any of which could adversely affect the Company's business. Competition is likely to increase significantly as new companies enter the market and current competitors expand their services.

GOVERNMENT REGULATION COULD ADVERSELY AFFECT THE COMPANY. The Company is subject to government regulation. Laws and regulations have been or may be adopted with respect to the Internet or other on-line services covering issues such as user liability and privacy, copyright protection, and distribution.

The applicability to the Internet of existing laws in various jurisdictions governing issues is uncertain and may take years to resolve. Demand for the Company's products' features and services may be affected by additional regulation of the Internet. Federal, State, or governments of foreign countries may attempt to regulate the Company's transmissions, levy sales or other taxes relating to the Company's activities or impose other restrictions on the Company's services. The laws governing the Internet, however, remain largely unsettled, even in areas where there has been some legislative action. In addition, the growth and development of the market for B2B e-commerce may prompt the adoption of more stringent laws, both in the United States and abroad, that impose additional burdens on companies conducting business over the Internet. The requirement that the Company comply with any new legislation or regulation, or any unanticipated application or interpretation of existing laws, may decrease the demand for the Company's services, increase the cost of doing business or otherwise have a material adverse effect on the Company's business, results of operations and financial condition.

INTERNET CAPACITY CONSTRAINTS MAY INHIBIT THE COMPANY'S SUCCESS. The Company's success depends, in large part, on Internet access and the ability of the Internet to accommodate rapidly increasing traffic. The Internet may not prove to be a viable commercial medium because of inadequate development of the necessary infrastructure (e.g., reliable network backbone), timely development of complementary technologies, delays in the development or adoption of new standards and protocols required to handle increased levels of Internet activity, or increased government regulation. If the Internet continues to experience significant growth in the number of users and the level of use, then the Internet infrastructure may not be able to continue to support the demands placed on it.

RISKS RELATED TO SYSTEMS OPERATION. The Company relies on the Internet and, accordingly, depends upon the continuous, reliable and secure operation of Internet servers and related hardware and software. Recently, several large Internet commerce companies have suffered highly publicized system failures that resulted in adverse reactions to their stock prices, significant negative publicity and, in certain instances, litigation. Although agreements are in place to host the Company's systems and provide bandwidth with suitable precautions in place to prevent system failures and outages, it is likely that the Company will also suffer service outages from time to time. To the extent that the Company's service is interrupted, its users will be inconvenienced and the Company's reputation may be diminished. Some of these outcomes could directly result in a reduction in the Company's stock price, significant negative publicity, a reduction in revenues, a loss of customers and a potential for litigation. Although the Company anticipates that its computer and communications hardware will be protected through physical and software

safeguards, they will still be vulnerable to fire, storm, flood, power loss, telecommunications failures, physical or software break-ins and other similar events. The Company does not currently have full redundancy for all of the Company's computer and telecommunications facilities in separate geographic

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locations to counter an area-wide catastrophe where the Company does business. A catastrophic event could have a significant negative effect on the Company's business, results of operations, and financial condition.

The Company also depends upon third parties to provide potential users with web browsers and Internet and on-line services necessary for access to the Company's services. It is possible that users will experience difficulties with the Internet and other on-line services due to system failures, including failures unrelated to the Company's systems. Any sustained disruption in Internet access provided by third parties could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company also retains confidential customer information in the Company's database. It is, therefore, critical that the Company's facilities and infrastructure remain secure and that the facilities and infrastructure are perceived by customers to be secure. Despite the implementation of measures in the Internet industry, the Company's infrastructure is potentially vulnerable to physical break-ins, computer viruses, programming errors or similar disruptive problems. A material security breach could damage the Company's reputation or result in liability.

THE COMPANY'S PLATFORM INFRASTRUCTURE AND ITS SCALABILITY ARE NOT PROVEN. If the Company's Internet-based products are used by an increasing number of users, the network infrastructure would need to be expanded from time to time. In addition, the Company will need to accommodate changing customer requirements. The Company may not be able to accurately project the rate or timing of increases, if any, in the use of its systems or to expand and upgrade the systems and infrastructure to accommodate such changes on a timely basis, at a commercially reasonable cost, or at all. The systems may not accommodate increased use while maintaining acceptable overall performance.

POTENTIAL LIABILITY IF CONFIDENTIAL INFORMATION IS DISCLOSED INAPPROPRIATELY. Claims for unlawful disclosure of confidential information have been brought, sometimes successfully, against on-line service providers in the past. Any such liability will have a material adverse effect on the Company's reputation, business, results of operations and financial condition.

DEPENDENCY ON INTELLECTUAL PROPERTY RIGHTS. The Company's intellectual property is important to its business. The Company relies on a combination of copyright, trademark and trade secret laws, confidentiality procedures and contractual provisions to protect its intellectual property. The Company's efforts to protect its intellectual property may not be adequate. Competitors may independently develop similar technology or duplicate the Company's products or services. Unauthorized parties may infringe upon or misappropriate the Company's products, services or proprietary information. In addition, the laws of some foreign countries do not protect proprietary rights as well as the laws of the United States, and the global nature of the Internet makes it difficult to control the ultimate destination of its products and services. In the future, litigation may be necessary to enforce the Company's intellectual

property rights or to determine the validity and scope of the proprietary rights of others. Any such litigation could be time-consuming and costly. It may even be cost prohibitive, and there is always a risk that the Company will not prevail if a suit is filed. The Company could be subject to intellectual property infringement claims as the number of competitors grows and the content and functionality of its services overlaps with competitive offerings. Defending against these claims, even if not meritorious, could be expensive and divert the Company's attention from its operations. If the Company becomes liable to third parties for infringing their intellectual property rights, it could be required to pay a substantial damage award and forced to develop

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noninfringing technology, obtain a license or cease selling the applications that contain the infringing technology. The Company may be unable to develop noninfringing technology or obtain a license on commercially reasonable terms, or at all. The Company also intends to rely on a variety of technologies that it will license from third parties, including any product development, database, and Internet server software that will be used to operate its products and services. These third-party licenses may not be available to the Company on commercially reasonable terms. If the Company were deprived of the right to use software incorporated in its products for any reason, or if the tools utilized in the development of its products were discontinued or the capabilities contained in future releases were not up to the standards set by the Company, there could be a serious disruption to the business.

THE COMPANY MAY NOT ACHIEVE SUFFICIENT AND SUSTAINED LEVELS OF PROFITABILITY. The sustained profit potential of the Company's business model is unproven. The Company's revenue is dependent on the number of customers who subscribe to its Internet-based products and services, and the volume of the data, documents or other information those customers send or retrieve utilizing these services. The success of the Company's products and services and other proposed products and services depend to a large extent on the future of B2B e-commerce using the Internet, which is uncertain. In addition, the Company anticipates increasing its operating expenses, especially in the areas of sales, marketing, product development, and customer service. As a result, the Company may not be able to achieve and/or sustain levels of profitability that are satisfactory to investors and shareholders. If the Company experiences a shortfall in its estimated revenue, it may be unable to adjust spending in a timely manner to achieve desired profits.

INTERNET USAGE STAGNATES OR THE INTERNET'S INFRASTRUCTURE FAILS. If the Internet does not gain increased acceptance for B2B e-commerce, the Company will not grow and profitability will be hampered. Concerns about the security of on-line transactions and the privacy of users may inhibit the growth of the Internet as a means of delivering business documents and data. The Company may need to incur significant expenses and use significant resources to protect against the threat of security breaches or to alleviate problems caused by security breaches. The Company cannot be certain that the infrastructure or complementary services necessary to maintain the Internet as a useful and easy means of transferring documents and data will continue to develop.

DEPENDENCY ON DATA CENTERS, WHICH COULD BE DESTROYED OR DAMAGED. The Company's Internet-based products are dependent upon the ability to protect computer equipment and the information stored on this equipment against damage that may be caused by fire, power loss, telecommunication or Internet failures, unauthorized intrusion, computer viruses and disabling devices, internal errors

and other similar events. The Company currently leases space in a data center located in Dayton, Ohio that provides physical security (24 hour security guards), environment control (humidity and temperature), and electricity (battery operated, backfilled from the Dayton power grid, with six hours of battery backup in the event of a power failure). Additional motor generator services are available within the six hour battery backup timeframe if necessary) and bandwidth (multiple Internet backbone providers with load balancing). The Company also maintains backup systems at its facility in Beavercreek, Ohio located approximately twelve miles from the data center. In the event of a regional catastrophe, the Company may suffer a significant loss to its systems and may be unable to provide services to customers, which would have a substantial effect on the Company.

Depending on future financial position, the Company has plans to lease backup data center space, which is geographically separated from its current data

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center with procedures to provide for switching to the backup data center in the event of a catastrophic event or system failure.

RISKS RELATED TO OUR COMMON STOCK

THE COMPANY'S OPERATING RESULTS COULD FLUCTUATE, CAUSING ITS STOCK PRICE TO FALL. Due to the volatile nature of "Internet Stocks" and particularly "over the counter" or "bulletin board" stocks, the Company's stock price could be adversely affected based on fluctuations in its operating results.

THE LACK OF AN ESTABLISHED TRADING MARKET MAY MAKE IT DIFFICULT TO TRANSFER OUR STOCK. The Company's common stock is traded on the OTC Bulletin Board. Although there is limited trading in the common stock, there is no established trading market. Until there is an established trading market, holders of the common stock may find it difficult to dispose of, or to obtain accurate quotations for the price, of the common stock. See "Description of Securities" and "Market for Common Equity and Related Shareholder Matters."

SINCE WE HAVE NOT PAID ANY DIVIDENDS ON OUR COMMON STOCK AND DO NOT INTEND TO DO SO IN THE FORESEEABLE FUTURE, A PURCHASER IN THE OFFERING WILL ONLY REALIZE AN ECONOMIC GAIN ON HIS OR HER INVESTMENT FROM APPRECIATION, IF ANY, IN THE MARKET PRICE OF THE COMMON STOCK. We have not paid and have no intentions in the foreseeable future to pay any dividends on our common stock. Therefore, an investor in all likelihood will only realize a profit on his investment if the market price of our common stock increases in value.

BECAUSE SHARES OF OUR COMMON STOCK TRADE UNDER \$5.00 THE APPLICATION OF THE "PENNY STOCK REGULATION" COULD ADVERSELY AFFECT THE MARKET PRICE OF OUR COMMON STOCK AND MAY AFFECT YOUR ABILITY TO RESELL YOUR SHARES. Our securities may be deemed a penny stock. Penny stocks generally are equity securities with a price of less than \$5.00 per share other than securities registered on certain national securities exchanges or quoted on the NASDAQ stock market, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. Our securities may be subject to "penny stock rules" that impose additional sales practice requirements on broker-dealers who sell penny stock securities to persons other than established customers and accredited investors (generally those with assets in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 together with their spouse). For transactions covered by these rules, the

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broker-dealer must make a special suitability determination for the purchase of penny stock securities and have received the purchaser's written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, unless exempt, the "penny stock rules" require the delivery, prior to the transaction, of a disclosure schedule prescribed by the Securities and Exchange Commission relating to the penny stock market. The broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative and current quotations for the securities. Finally, monthly statements must be sent disclosing recent price information on the limited market in penny stocks. Consequently, the "penny stock rules" may restrict the ability of broker-dealers to sell our securities and may have the effect of reducing the level of trading activity of our common stock in the secondary market. The foregoing required penny stock restrictions will not apply to our securities if our securities maintain a market price of \$5.00 or greater. The price of our securities may not reach or maintain a \$5.00 price level.

THE SELLING SHAREHOLDERS, IF THEY CHOOSE TO SELL PART OR ALL OF THEIR SHARES IN SUFFICIENTLY LARGE VOLUMES IN A RELATIVELY SHORT TIME PERIOD, MAY CAUSE THE MARKET PRICE OF OUR COMMON STOCK TO DECLINE. Often sales of large blocks of

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stock can reduce the price of a common stock.

THE COMPANY'S OFFICERS HAVE EFFECTIVE CONTROL OF THE COMPANY AND OTHER STOCKHOLDERS MAY HAVE LITTLE OR NO VOICE IN CORPORATE MANAGEMENT. The President beneficially owns 64.6% of the outstanding shares of common stock. As a result, the President effectively controls the election of directors and matters requiring approval by the Company's shareholders. Thus, he may be able to prevent corporate transactions such as future mergers, which might be favorable from the Company's standpoint or the standpoint of the other shareholders.

QUARTERLY, SEASONAL AND OTHER FLUCTUATIONS IN OUR BUSINESS AND OPERATING RESULTS MAY DEPRESS THE TRADING PRICE OF OUR COMMON STOCK. Our operating results have fluctuated widely in the past, and we expect that these results will fluctuate in the future due to do a number of factors. We do not control several of these factors. These factors include the following (as well as other factors described in other Risk Factors):

- * Changes in general economic conditions
- * Changes in specific economic conditions prevailing in our industry and in other technology industries
- * Our ability to obtain new customers
- * The impact of accounting for non-cash interest expense

As a result of the factors discussed herein as well as others, we believe that period-to-period comparisons of our historical results of operations are not necessarily good predictors of indications of our future performance. If our future operating results are below the expectations of investors or any stock market securities analysts who may follow our stock, our stock price may decline.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements including statements

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regarding the expectations of future operations within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. For this purpose, any statements contained in this prospectus that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "estimate," or "continue" or comparable terminology are intended to identify forward-looking statements. These statements by their nature involve substantial risks and uncertainties, and actual results may differ materially depending on a variety of factors, many of which are not within the Company's control. These factors include, but are not limited to, economic conditions generally and in the industries in which the Company may participate, competition within chosen industry, including competition from much larger competitors, technological advances, and the failure to successfully develop business relationships. In light of these risks and uncertainties, you are cautioned not to place undue reliance on these forward looking statements. For example, statements included in this prospectus regarding our financial position, business strategy and other plans and objectives for future operations, and assumptions and predictions about future demand for our services and products, supply, costs, marketing and pricing factors are all forward-looking statements.

We believe that the assumptions and expectations reflected in the above stated forward-looking statements are reasonable, based on information available to us on the date of this prospectus, but we cannot assure you that these assumptions and expectations will prove to have been correct or that we will take any

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action that we may presently be planning. We have disclosed certain important factors that could cause our actual results to differ materially from our current expectations under "Risk Factors" and elsewhere in this prospectus. You should understand that forward-looking statements made in connection with this offering are necessarily qualified by these factors. We are not undertaking to publicly update or revise any forward-looking statement if we obtain new information or upon the occurrence of future events or otherwise.

USE OF PROCEEDS

The net proceeds to the Company from the exercise of the warrants by the selling security holders are net after deducting the estimated offering expense of \$16,000, which are as follows (all amounts are estimates):

Securities and Exchange Commission filing fee	\$ 1,000
National Association of Securities Dealers, Inc filing fee	1,000
Printing costs	2,000
Blue Sky fees and expenses	2,000
Legal fees and expenses	5,000
Accounting fees and expenses	2,000
Miscellaneous	3,000

Total	\$16,000
	=====

Whether we sell any shares of our common stock, the present shareholders of the Company shall pay for all expenses listed above.

The proceeds, net of expenses, are intended to be utilized substantially as

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follows:

Application of proceeds	Approximate Amount
-----	-----
Expansion of sales and marketing efforts	\$ 400,000
Escalation of development of existing and new products	350,000
Computer equipment	110,000
Working capital	224,850
Software	100,000
Payment of the 8% demand notes to the Company's President	45,000

Total	\$1,229,850
	=====

These proceeds are intended to be utilized substantially for working capital and general corporate purposes as well as the costs and expenses associated with development of new products and enhancement of existing products. As management retains sole discretion as to the use of proceeds, such use of proceeds will not vary substantially unless management (i) determines that the proceeds would better serve the company's interests by acquiring a complementary business in lieu of developing one itself; and (ii) management is presented with the opportunity to acquire such a business. Management reserves the right to use the proceeds for such a purpose. In the event that management alters its use of proceeds as a result of the aforementioned, we would reduce the proceeds for each category in the above table as appropriate in the circumstances. A complementary business would be a business engaged in Internet-based business-to-business commerce or a related technology based company. We have not entered into any negotiations, preliminary or otherwise, to acquire a complementary business and thus have no indication as to the form or structure such transaction would entail. If the proceeds are less than

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indicated above, we will apply any proceeds approximately in the same percentage breakdown as indicated above giving no necessary priority to any one particular category.

DETERMINATION OF OFFERING PRICE

The offering price is determined as follows:

Proceeds to
Company

Exercise of outstanding Warrants related to the 15% convertible subordinated notes for 675,000 shares of common stock @ \$1.205 per share	\$ 813,375 (A)
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Exercise of Warrants reserved for future issuance to a note holder for 75,000 shares of common stock @ \$1.205 per share	\$ 90,375 (A)
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Exercise of Warrants attached to the 10% convertible subordinated notes for up to 250,000 shares of common stock @ \$1.25 per share	\$ 312,500 (B)
---	----------------

Exercise of Warrants issued in exchange for services performed for up to 20,000 shares of common stock at \$1.48

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per share	\$ 29,600 (C)
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Conversion of 15% Convertible Subordinated Notes into common stock in an amount equal to principal and accrued interest at \$1.06 per common share	- (D)
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Conversion of 10% Convertible Subordinated Notes into common stock in an amount equal to principal and accrued interest at \$1.10 per common share	- (E)
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(A) In 2001 the Company issued seven 15% Convertible Subordinated Notes of which four currently are outstanding in the principal amount of \$250,000. The notes may be converted at the note holders' option at maturity in the principal amount plus any accrued interest into the Company's common stock at a price of \$1.06 per common share. The Notes have outstanding warrants whereby the note holders can acquire 675,000 shares of the Company's common stock at a price of \$1.205 per common shares. In addition, warrants for the acquisition of 75,000 common shares are reserved for future issuance to a note holder. The warrants expire on several dates in 2005. The Company will realize up to \$903,750, depending upon whether and the extent that the note holders exercise their warrants. On November 14, 2003 the holder of the Company's 15% Convertible Subordinated Notes in the principal amount of \$250,000 converted the note into 235,849 shares of the Company's common stock.

(B) In 2002 the Company issued six 10% Convertible Subordinated Notes that currently are outstanding in the principal amount of \$250,000. The notes may be converted at the note holders' option at maturity in the principal amount plus any accrued interest into the Company's common stock at a price of \$1.10 per common share, and have attached warrants whereby the note holders can acquire up to 250,000 common shares of the Company at a price of \$1.25 per common share. The warrants expire on September 27, 2005. The Company will realize up to \$312,500, depending upon whether and the extent that the note holders exercise their warrants.

(C) In 2001 the Company granted warrants to an unrelated third party for the

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purchase of 20,000 shares of the Company's stock at \$1.48 per share, exercisable through June 25, 2006. The Company will realize up to \$29,600 if these warrants are exercised.

(D) The 15% Convertible Subordinated Notes issued in 2001 are convertible at maturity in the principal amount plus unpaid accrued interest into the Company's common stock at a price of \$1.06 per common share. The maximum number of shares upon conversion of the principal and interest is expected to be 498,581, based upon accrued interest expected to be outstanding at the earliest expected conversion date (principally January 5, 2004) and the conversion on November 14, 2001 of a note in the principal amount of \$250,000.

(E) The 10% Convertible Subordinated Notes issued in 2002 are convertible at maturity in the principal amount plus unpaid accrued interest into the Company's common stock at a price of \$1.10 per common share. The maximum number of shares upon conversion of the principle and interest is expected to be 233,459, based upon accrued interest expected to be outstanding at the earliest expected conversion date (principally January 5, 2004).

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The maximum number of shares expected to be issued is 1,752,040, consisting of 732,040 shares issued upon conversion of the Convertible Subordinated Notes and 1,020,000 upon exercise of all the warrants. The total proceeds to the Company assuming the full exercise of all warrants is \$1,245,850 (\$1,229,850 net of \$16,000 estimated offering expenses); \$903,750 from the full exercise of the warrants attached to the 15% Convertible Subordinated Notes; \$312,500 from the full exercise of the warrants attached to the 10% Convertible Subordinated Notes; and \$29,600 resulting from the exercise by the unrelated third party of 20,000 warrants.

DILUTION

The following summarizes the dilution of ownership of the current shareholders assuming the sale of all shares to be registered:

	# shares	Percentage ownership	
		Before offering	After offering
Shares currently owned by shareholders			
other than selling security holders	5,585,367	98.67%	
Shares currently owned by selling			
Security holders	75,635	1.33	
	-----	-----	
Total shares currently owned	5,661,002	100.00	76.37%
		=====	
Shares to be registered	1,752,040		23.63
	-----		-----
Total shares to be outstanding	7,413,042		100.00%
	=====		=====

DIVIDEND POLICY

The Company does not intend to pay dividends on our common stock. Management plans to retain any earnings in the foreseeable future in the development and expansion of the Company's business. Management can give no assurance that any dividends on the common stock will ever be paid.

CAPITALIZATION

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The following sets forth the capitalization of the Company as of September 30, 2003, and the adjusted capitalization assuming the sale of the common stock offered in this offering as if it occurred on September 30, 2003. This information should be read in conjunction with the financial statements and related notes thereto included elsewhere in this prospectus.

	September 30, 2003	
	Actual (Unaudited)	As Adjusted
Current liabilities	\$ 1,145,181	321,710
Total liabilities	1,145,181	321,710

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Shareholders' equity

Common stock, \$0.01 par value; 20,000,000 shares authorized; 5,661,002 issued and outstanding at September 30, 2003; 7,413,042 issued and outstanding at September 30, 2003 as adjusted for sale of shares in this offering

	5,661	7,413
Paid-in Capital	850,459	2,902,028
Accumulated deficit	(801,148)	(801,148)

Total shareholders' equity	54,972	2,108,293
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Total liabilities and shareholders' equity	\$ 1,200,153	2,430,003
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SELLING SECURITY HOLDERS

We are registering for offer and sale 1,752,040 shares of common stock that will be held by certain security holders upon their conversion of the convertible subordinate notes up to 732,040 shares; by certain security holders upon their exercise of warrants for up to 1,000,000 shares; and by a certain security holder upon exercise of warrants for up to 20,000 shares. The selling security holders may offer their shares for sale on continuous basis pursuant to Rule 415 of the General Rules and Regulations of the Securities and Exchange Commission which Rules pertain to delayed and continuous offerings and sales of securities. In regard to the selling security holders' shares offered under Rule 415, we have committed to keep this prospectus current during any period in which offers or sales are made See "Risk Factors." All of the selling security holders' shares registered hereby will become tradable immediately at the dates of issuance of the shares at conversion of the Convertible Subordinate Notes and at the dates of exercise of the warrants; all such dates are after the effective date of the registration statement of which this prospectus is a part.

The following table sets forth certain ownership and registration information regarding the shares held by each person who is a selling security holder as of October 31, 2003. This information is based upon information provided to Advant-e Corporation by the named selling security holder or by the Company's transfer agent. Because the selling security holders may sell all, some, or none of their respective shares of common stock, no definitive estimate as to the number of shares that will be held by the selling security holders after this offering can be provided. Selling security holders may include the security holders listed below and their transferees, pledges, donees or their successors. Except as set forth below, none of the selling security holders is currently an affiliate of Advant-e Corporation and except as set forth below

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none of them have had a material relationship with Advant-e Corporation during the past three years.

Name of Selling Security holder -----	Shares Offered in this Prospectus -----	Shares Owned Before Offering -----	Shares Owned After Offering -----	
			Number (3)	Percent (1)
James D. Rike (4)	69,458	-	69,458	
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The Pinnacle Fund, L.P. (7)	610,849	-	610,849	8.24
Gary C. Evans (4)	185,849	-	185,849	2.51
Halter Financial Group (2) (4)	74,481	75,635	150,116	2.03
John S. Lemak (4)	232,944	-	232,944	3.14
Covenant Investments, L.P. (5)	96,692	-	96,692	1.30
Blair Baker (5)	96,692	-	96,692	1.30
Scott Brock (5)	48,346	-	48,346	
Rene Larrave (5)	96,692	-	96,692	1.30
Charter Private Equity, L.P. (5)	48,345	-	48,345	
Barwell Partners, Ltd. (5)	96,692	-	96,692	1.30
CTC, Inc. (6)	20,000	-	20,000	
Reserved for potential future issuance to note holder (8)	75,000	-	75,000	1.01
	-----	-----	-----	
	1,752,040	75,635	1,827,675	
	=====	=====	=====	

- (1) Includes only percentage holdings if 1% or greater. Percentages are based on 7,413,042 shares--5,661,002 currently outstanding common shares plus 1,752,040 common shares offered in this prospectus.
- (2) The Halter Financial Group (HFG), a financial services provider, provided merger-related services to Advant-e Corporation in connection with the merger of Advant-e Corporation and Edict Systems, Inc. on April 10, 2000. HFG was compensated for those services by issuance of 400,000 shares of Advant-e's common stock to HFG, its designees or assignees. Also in connection with that merger, HFG and its designees or assignees subsequently acquired an additional 141,500 shares of the Company common stock pursuant to a stock purchase agreement.
- (3) Assumes the sale of none of the shares offered by the selling security holders.
- (4) Holder of the Company's 15% Convertible Subordinated Notes issued in 2001.
- (5) Holder of the Company's 10% Convertible Subordinated Notes issued on July 9, 2002.
- (6) Holder of warrants received in exchanged for investor relations services.
- (7) Converted \$250,000 15% Convertible Subordinated Note into common stock effective November 14, 2004.
- (8) Warrants have not been issued to one of the note holders and are therefore not outstanding. The Company anticipates issuing these warrants at some future date.

PLAN OF DISTRIBUTION

Sale of the selling security holder shares

In this section of the prospectus, the term "selling security holder" means and includes: (1) the persons identified in the tables above as the selling security holders and (2) any of their donees, pledges, distributes, transferees or other successors in interest who may (a) receive any of the common stock

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offered hereby after the date of this prospectus and (b) offer or sell those shares hereunder.

The common stock offered by this prospectus may be sold from time to time to

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directly by the selling security holders. Alternatively, the selling security holders may from time to time offer those shares through underwriters, brokers, dealers, agents or other intermediaries. The Company is unaware if any of the selling security holders, as of the date of this prospectus, had entered into any underwriting or distribution arrangements with respect to the common stock offered hereby. The distribution of the common stock by the selling security holders may be effected in one or more transactions that may take place on the OTC Bulletin Board (including one or more block transactions) through customary brokerage channels, either through brokers acting as agents for the selling security holders, or through market makers, dealers or underwriters acting as principals who may resell these shares on the OTC Bulletin Board; in privately-negotiated sales; by a combination of these methods; or by other means. These transactions may be effected at market prices prevailing at the time of sale, at prices related to the prevailing market prices or at other negotiated prices. Usual and customary or specifically negotiated brokerage fees or commissions may be paid by the selling security holders in connection with sales of the common stock.

The selling security holders may enter into hedging transactions with broker-dealers in connection with distributions of the shares or otherwise. In such transactions, broker-dealers may engage in short sales of the shares in the course of hedging the positions they assume with the selling security holder. The selling security holder also may sell shares short and redeliver the shares to close out their short positions. The selling security holders may enter into option or other transactions with broker-dealers which require the delivery to the broker-dealer of the shares. The broker-dealer may then resell or otherwise transfer the shares pursuant to this prospectus.

The selling security holders also may loan or pledge the shares to a broker-dealer. The broker-dealer may sell the shares so loaned, or upon a default the broker-dealer may sell the pledged shares pursuant to this prospectus. Any securities covered by this prospectus which qualify for sale pursuant to Rule 144 promulgated under the Securities Act may be sold under Rule 144 rather than pursuant to this prospectus. The Company is unaware if any of the selling security holders, as of the date of this prospectus, had entered into any underwriting or distribution arrangements with respect to the common stock offered hereby. There is no underwriter or coordinating broker acting in connection with the proposed sale of shares by the selling security holders.

Although the shares of common stock covered by this prospectus are not currently being underwritten, the selling security holders or their underwriters, brokers, dealers or other agents or other intermediaries that may participate with the selling security holders in any offering or distribution of common stock may be deemed "underwriters" within the meaning of the Securities Act and any profits realized or commissions received by them may be deemed underwriting compensation thereunder.

At the time a particular offer of common stock is made by or on behalf of a selling security holder, to the extent required under applicable rules of the Securities and Exchange Commission, we will prepare a prospectus supplement setting forth the number of shares being offered and the terms of the offering, including the name or names of any underwriters, dealers, brokers, agents or other intermediaries, if any, the purchase price paid by any underwriter for securities purchased from the selling security holders and any discounts,

commissions or concessions allowed or re-allowed or paid to others, and the proposed selling price to the public.

Under applicable rules and regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), any person engaged in a distribution of the common stock offered hereby may not simultaneously engage in market making activities with respect to the common stock for a period of up to five days preceding such distribution. The selling security holders will be subject to the applicable provisions of the Exchange Act and the rules and regulations promulgated thereunder, including without limitation Regulation M, which provisions may limit the time of purchases and sales by the selling security holders.

In order to comply with certain state securities laws, if applicable, the common stock offered hereby will be sold in such jurisdictions only through registered or licensed brokers or dealers. In certain states, the common stock shares may not be sold unless they are registered or qualified for sale in such state, or unless an exemption from registration or qualification is available and is obtained.

All costs, expenses and fees in connection with the registration of the common stock offered hereby will be borne by us. However, any brokerage or underwriting commissions and similar selling expenses, if any, attributable to the sale of the common stock will be borne by the selling security holders.

LEGAL PROCEEDINGS

The Company is currently not subject to any legal proceedings. The Company may from time to time become a party to various legal proceedings arising in the ordinary course of business.

DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

Jason K. Wadzinski	39	President/CEO/Director
John F. Sheffs	78	Director

Jason K. Wadzinski founded Edict Systems, Inc. in 1990 and has held the position of President/CEO/Director since inception. He has been President, CEO and Director of Advant-e Corporation since the merger of Edict and Advant-e on April 10, 2000. Mr. Wadzinski is an Air Force veteran and has held positions in information technology since 1982.

John F. Sheffs has been a Director of Edict since 1995. He is currently also Treasure of Edict Systems. Also during the past 5 years Mr. Sheffs was a consultant and investor. Mr. Sheffs has been a Director of Advant-e Corporation since the merger of Edict and Advant-e on April 10, 2000. Before that, Mr. Sheffs was President/CEO/Director and sole Shareholder of Electro Sales Associates, Inc., a manufacturers' representative company that sold various electronics products to manufacturing companies located in the eastern half of the United States. Mr. Sheffs has a lifetime of experience in management and entrepreneurship, with special emphasis on sales and marketing.

No family relationship exists among directors and executive officers.

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No legal proceedings occurred during the last five years that are material to an evaluation of the ability or integrity of any director or executive officer.

The Company's stock is currently not listed on any exchange. The stock is traded on the over-the-counter Bulletin Board. As a result, the Company is not required to have, and does not have, an audit committee.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following tables set forth as of October 31, 2003, the number and percentage of the outstanding shares of common stock which, according to the information supplied to the Company, were beneficially owned by (i) each person who is currently a director of the Company, (ii) each executive officer, (iii) all current directors and executive officers of the Company as a group, and (iv) each person who, to the knowledge of the Company, is the beneficial owner of more than 5% of the outstanding common stock.

Except as otherwise indicated, the persons named in the table have sole voting and dispositive power with respect to all shares beneficially owned, subject to community property laws where applicable.

- (i) The following table has been completed for each Director of the Company:

Name and Address	Before Offering			After Offering		
	Common Shares	Options	Percent of Class	Common Shares	Options	Percent of Class
Jason Wadzinski C/O Edict Systems, Inc. 2680 Indian Ripple Rd. Dayton, OH 45440	3,658,508	0	64.6	3,658,508	0	49.4
John F. Sheffs C/O Edict Systems, Inc. 2680 Indian Ripple Rd. Dayton, OH 45440	311,338	0	5.5	311,338	0	4.2

- (ii) The following table has been completed for each Executive Officer of the Company:

Name and Address	Before Offering			After Offering		
	Common Shares	Options	Percent of Class	Common Shares	Options	Percent of Class
Jason Wadzinski C/O Edict Systems, Inc. 2680 Indian Ripple Rd. Dayton, OH 45440	3,658,508	0	64.6	3,658,508	0	49.4

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- (iii) The following table has been completed for all Directors and Executive Officers of the Company as a group:

	Before Offering			After Offering		
	Common Shares	Options	Percent of Class	Common Shares	Options	Percent of Class
All Officers and	3,969,846	0	70.1	3,969,846	0	53.6

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Directors as a
Group (2 persons)

(iv) The following table has been completed for those persons known to the Company as beneficial owners of five percent or more of the Company's voting common stock:

	Before Offering			After Offering		
Name and Address	Common Shares	Options	Percent of Class	Common Shares	Options	Percent of Class
Jason Wadzinski C/O Edict Systems, Inc. 2680 Indian Ripple Rd. Dayton, OH 45440	3,658,508	0	64.6	3,658,508	0	49.4
John F. Sheffs C/O Edict Systems, Inc. 2680 Indian Ripple Rd. Dayton, OH 45440	311,338	0	5.5	311,338	0	4.2
Sharon Hardin 32 W. National Rd. Englewood OH 45322	311,320	0	5.5	311,320	0	4.2
The Pinnacle Fund, L.P. 4965 Pleasant Park Blvd. Suite 240 Plano, TX 75093				610,849	0	8.2

Total shares outstanding:		
at October 31, 2003	5,661,002	
after offering		7,413,042

DESCRIPTION OF SECURITIES

The authorized capital stock of the Company consists of 20,000,000 shares of common stock, par value \$.001 per share; with 5,661,002 issued and outstanding October 31, 2003. The holders of the common stock are entitled to one vote per share held and have the sole right and power to vote on all matters on which a vote of shareholders is taken. Voting rights are non-cumulative. The holders of shares of the common stock are entitled to receive dividends when, as and if declared by the board of directors, out of funds legally available therefore and to share pro-rata in any distribution to shareholders. The Company anticipates that any earnings will be retained for use in the business for the foreseeable future and therefore not distributed as dividends. Upon

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liquidation, dissolution, or winding up, the holders of the common stock are entitled to receive the net assets held by the Company after distributions to creditors. The holders of our common stock do not have any preemptive right to subscribe for or purchase any shares of any class of stock. The outstanding shares of the common stock and the shares offered hereby will not be subject to further call or redemption and will be fully paid and non-assessable.

The Company has outstanding in the aggregate principal amount of \$250,000 (\$500,000 at September 30, 2003) its fifteen percent (15%) Convertible Subordinated Notes. The holders of these notes have the right at maturity to convert the entire amount of the notes, including any accrued interest, into shares of the Company's common stock at a price of \$1.06 per common share. Warrants attached to these same Convertible Subordinated Notes entitle the not

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holders to acquire 750,000 common shares at \$1.205 per common share for a total of \$903,750. There are issued and outstanding warrants for the acquisition of 675,000 common shares. In addition, warrants for the acquisition 75,000 common shares are reserved for future issuance to a note holder. The warrants are exercisable through various dates through December 13, 2005.

The Company has outstanding in the aggregate principal amount of \$250,000 its ten percent (10%) Convertible Subordinated Notes. The holders of these notes have the right at maturity to convert the entire amount of the notes, including any accrued interest, into shares of the Company's common stock at a price of \$1.10 per common share. Warrants attached to these same Convertible Subordinated Notes entitle the note holders to acquire 250,000 common shares at \$1.25 per common share for a total of \$312,500. These warrants are exercisable through various dates through September 27, 2005.

The Company in 2001 issued warrants to an unrelated third party for the issuance of 20,000 shares of the Company's common stock at \$1.48 per share, exercisable through June 25, 2006. None of these warrants have been exercised.

No preferred stock, debt securities or other securities are being offered or registered.

INTERESTS OF NAMED EXPERTS AND COUNSEL

The financial statements at December 31, 2002 and for the fiscal year ended December 31, 2002 included in this prospectus have been audited by J.D. Cloud & Co. L.L.P., independent certified public accountants, 120 East Fourth Street, Cincinnati, Ohio 45202, for the periods and to the extent as set forth in their report appearing elsewhere herein, and are included in reliance upon such report and upon the authority of said firm as experts in accounting and auditing.

The financial statements for the year ended December 31, 2001 included in this prospectus have been audited by Battelle & Battelle LLP, independent certified public accountants, 2000 West Dorothy Lane, Dayton, Ohio 45439, for the periods and to the extent as set forth in their report appearing elsewhere herein, and are included in reliance upon such report and upon the authority of said firm as experts in accounting and auditing.

The legality of the common stock included in this prospectus will be passed upon for us by Barbara L. Sager Co., L.P.A., Centerville, Ohio but purchasers

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of our common stock should not rely on Barbara L. Sager Co., L.P.A. with respect to any other matters.

DISCLOSURE OF COMMISSION POSITION OF INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

The Company's certificate of incorporation and bylaws contain provisions indemnifying the directors and executive officers against liabilities. In the certificate of incorporation, the Company has eliminated the personal liability of the directors and executive officers to the Company and its shareholders for monetary damages for breach of their fiduciary duty, including acts constituting gross negligence. However, in accordance with Delaware law, a director will not be indemnified for a breach of its duty of loyalty, acts or omissions not in good faith or involving intentional misconduct or a knowing violation or any transaction from which the director derived improper personal benefit.

In addition, the bylaws further provide that the Company may advance to the

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directors and officers expenses incurred in connection with proceedings against them for which they are entitled to indemnification. The Company has also agreed to indemnify, defend, and hold harmless each of the officers and directors to the fullest extent permissible by law with regard to any and all loss, expense or liability, including payment and advancement of reasonable attorney's fees, arising out of or relating to claims of any kind, whether actual or threatened, relating in any way to their service to us. The Company plans to memorialize these provisions in written agreements.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

No transaction, proposed transaction or series of transactions occurred in the last two years and through the date of this filing directly or indirectly, between the Company and any director or executive officer that exceeded \$60,000 during the last two years.

DESCRIPTION OF BUSINESS

General

Advant-e provides, through its wholly-owned and sole operation subsidiary, Edict Systems, Inc., business-to-business electronic commerce products and services focusing primarily on supply chain connectivity. The Company provides high-quality, cost-effective solutions which give the Company's customers the ability to leverage technology to improve their businesses.

The Company provides software and Internet-based solutions to small and medium sized suppliers (often called "spokes") of large companies allowing them to satisfy the Electronic Commerce requirements (most often electronic data interchange (EDI) requirements) of their customers. Advant-e provides services to large companies (often called "hubs") to enable them to maximize their current supply chain Electronic Commerce investments by increasing the number of suppliers who can conduct business with them electronically. The Company provides consultative services for its customers, generally small and medium sized suppliers to large buying organizations wherein it acts as a liaison between the buyers and their suppliers to interface with the buyer on behalf of the Company's customers.

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Advant-e provides these products and services via its wholly owned subsidiary, Edict Systems, Inc. Edict has been a leading provider of Electronic Data Interchange (EDI) and Electronic Commerce products and services since 1990. Our company is comprised of 4 principal business products/services. These are:

- * Web EDI - web-based supply chain solution for the grocery and other industries (GroceryEC.com, RetailEC.com, MfgEC.com, CPGBuyerEC.com, web-edi.com, etc.)
- * EnterpriseEC - Internet-based Electronic Business Transaction Network Services
- * Formula_One - EDI software and Bar Code Label Modules (legacy software products)
- * Value-Added Applications--Internet-based solutions that enhance the value of electronic commerce capabilities

Many small and medium size companies have resisted doing Electronic Commerce and Electronic Data Interchange (EDI) with their business partners due to many factors, but primarily due to high cost and low transaction volume. By leveraging the power of the Internet, our web-based solutions have minimal requirements (access to Internet and a browser), and are cost effective. EDI and other business technologies have proven to be valuable tools to reduce cost, increase accuracy, shorten lead times, insure product availability, and increase customer satisfaction. Edict helps large enterprises by extending the

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value of existing eBusiness initiatives and by assisting companies with leveraging the Internet to increase trading community participation, management, and visibility. Edict has developed solutions for small companies that allow them to begin doing eBusiness for the first time via web-based solutions, or to integrate data from existing stand-alone solutions into their internal applications to gain the maximum benefits of doing business electronically.

Business History and Organization

Advant-e Corporation (formerly Twilight Products, Ltd.) ("Advant-e" or "Twilight") was incorporated in the State of Delaware on March 9, 1994. On April 10, 2000, Twilight acquired all of the issued and outstanding shares of Edict Systems, Inc., a company incorporated in September of 1994 and organized under the laws of the State of Ohio, pursuant to terms of an Agreement of Plan of Merger dated April 10, 2000 (the "Merger Agreement").

Immediately following the Merger, the shareholders of Edict owned approximately 81% of the issued and outstanding common stock of Twilight and the Directors and Officers of Edict became the Directors and Officers of Twilight. Edict Systems, Inc. is a wholly owned subsidiary of Advant-e and is the sole operating entity of Advant-e (Advant-e and Edict collectively referred to as the "Company").

On April 10, 2000, the Company entered into a stock purchase agreement with Halter Financial Group ("HFG") and Art Beroff ("Beroff"). This Stock Purchase Agreement was a requirement by Edict to complete the merger with Twilight. Under the terms of the Stock Purchase Agreement, HFG and Beroff, or their designees, purchased 282,829 shares of common stock at approximately \$1.06 per share for a total purchase price of \$299,821; the last final purchase was made on June 26, 2001.

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On September 6, 2000, Advant-e filed an amendment to its Certificate of Incorporation with the Secretary of State of Delaware in order to change its name from "Twilight Productions Ltd." to "Advant-e Corporation". This amendment was adopted by the written consent of a majority of the shareholders of the Company on August 6, 2000. In connection with its name change, the Company changed its CUSIP number from 901373100 to 00761J107.

On March 24, 2001, the Company authorized the issuance of \$200,000 and on September 27, 2001 authorized the issuance of an additional \$325,000 of 15% Convertible Subordinated Notes that are convertible at maturity in the principal amount plus accrued interest into shares of the Company's common stock at a price of \$1.06 per common share. The holders of all except one of these Notes were also granted a warrant to acquire common shares of the Company, at a price of \$1.205 per common share, determined by multiplying the principal amount of each note by 1.5. Such warrants have expiration dates throughout 2005. As a result, there are issued and outstanding warrants for the acquisition of 675,000 shares of the Company's common stock. In addition, warrants for the acquisition of 75,000 shares of the Company's common stock are reserved for future issuance to one of the note holders. The notes were issued in exchange for cash totaling \$525,000 on various dates in 2001. The total outstanding principal balance of the notes at October 31, 2003 is \$500,000. Effective November 14, 2002 a holder of the Company's 15% Convertible Subordinated Notes in the principal amount of \$250,000 converted the principal amount of the note to 235,849 shares of the common stock. As a result, the balance at December 1, 2003 is \$250,000.

On July 9, 2002 the Company authorized the issuance of, and on the same date issued in exchange for cash, \$250,000 of 10% Convertible Subordinated Notes

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that are convertible in the principal amount plus accrued interest into shares of the Company's common stock at a price of \$1.10 per common share. The holders of the notes are each granted a warrant to acquire common shares of the Company, at a price of \$1.25 per common share, determined by multiplying the principal amount of each Convertible Subordinated Note by 1.0. Such warrants have an expiration date of September 27, 2005. The total outstanding principal balance of the notes is currently \$250,000.

Overview/Background

The Company, via its wholly-owned subsidiary Edict Systems, Inc. is a provider of business-to-business ("B2B") electronic commerce ("e-commerce") products and services, offering comprehensive, standards-based and proprietary solutions for businesses of all sizes. The Company develops, markets, and supports B2B e-commerce software products and provides Internet-based communication and e-commerce data processing services that help businesses process reoccurring transactions required in the electronic procurement of goods and services and other B2B relationships.

The Company's software products enable businesses to engage in e-commerce with one another by allowing companies to fully integrate e-commerce data into their business infrastructure and operations as well as allowing smaller companies the ability to manually process electronic transactions.

The Company also provides consultative services for its customers, generally small and medium sized suppliers to large buying organizations wherein it acts

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as a liaison between the buyers and their suppliers to interface with the buyer on behalf of the Company's customers. Customers consist of businesses across a number of industries throughout the United States and Canada.

Advant-e specializes in horizontal transaction services via EnterpriseEC(R), an Internet-based Electronic Business Transaction Network and Trading Community Management Platform, and web-based EDI and Electronic Commerce solutions for small and medium size companies. The Company markets its web-EDI solutions within specific vertical industries with branded Vertical Industry Portals including www.GroceryEC.com, www.RetailEC.com, www.CPGSupplier.com, www.LogisticsEC.com, and www.MfgEC.com. In addition to Internet and web-based e-commerce solutions, Edict also provides e-commerce integration and bar coding applications via its FORMULA_ONE(R) translation software and Bar Code Label Modules as well as software solutions provided by the Company's business partners.

The following is a description of the Company's four principal business products/services:

1. Web-based Electronic Commerce/Electronic Data Interchange (web-EDI) document processing systems and branded vertical industry portals such as GroceryEC.com, RetailEC.com, CPGSupplier.com, MfgEC.com, and LogisticsEC.com, etc. GroceryEC.com is the Company's first vertical industry business-to-business web-based e-commerce portal and accounts for most of the Company's revenues. GroceryEC.com is a web-based system for allowing manufacturers and brokers in the grocery industry to conduct electronic commerce with grocery retailers. GroceryEC.com allows its subscribers to send and receive electronic purchase orders, invoices, price changes, item information, promotional contracts, advance ship notices, and other documents via a web-based service. The grocery retailing industry has changed dramatically due to technological advances with EDI making many of these changes feasible. The strength of the Company's business model is that the party that has a large influence on the buying decision, the major grocery retailers ("hubs"), is not the party that

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pays for the service; the suppliers ("spokes") who use GroceryEC.com pay for it. The large retailers increase the return on their existing EDI e-commerce investment, and smaller and medium-sized suppliers gain efficiencies at a very reasonable cost. At October 31, 2003, GroceryEC.com supported more than 120 retailers and had approximately 2,600 production customers generating transaction revenues. Several other vertical industry portals are in limited use (RetailEC.com, MfgEC.com, and CPGSupplier.com) and others are planned for future release. In addition to the Internet domain names mentioned, the Company owns FoodServiceEC.com, AutomotiveEC.com, HealthcareEC.com, PetroleumEC.com, HighTechEC.com, EZEC.com, EasyEC.com, DrugStoreEC.com, WebEDI.com and others.

2. Internet-based Business-to-Business Electronic-Commerce Network Services--EnterpriseEC.com. The Company's Electronic Trading Network (ETN) and trading community management platform, began generating revenue in the third quarter of 2002. An ETN is an Internet-based service that is an alternative to higher-cost traditional Value Added Networks. The Company currently markets this service primarily to its GroceryEC.com and other web-EDI customers and its current Formula_One software customers; however, the Company also markets this service to customers of other existing Value Added Networks.

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3. Electronic Commerce and Bar Coding Software--FORMULA_ONE EDI software and Bar Code Label Modules. In addition to Internet and web-based e-commerce solutions, the Company also provides electronic commerce integration and bar coding applications via its Formula_One translation software and Bar Code Label Modules. Revenues from these products are steadily declining as the Company continues to emphasize its Internet-based electronic commerce products that have more growth and profit potential. Over the course of 2004, the Company plans on sunsetting a portion of its software business, primarily older DOS-based software. The Company intends on leveraging business partners to provide integration software and services to existing and future software customers.

4. Value-Added Applications. Using data stored for other services, the Company intends on providing value-added web-based applications to current and future customers that includes data mining, processing and reporting. These products are currently in the pre-development stage.

For items 1 and 2 above, the Company's EDI administration, technical support and systems maintenance personnel provide consultative services that enable the Company's customers (suppliers) and their trading partners (usually buying organizations of large companies or "hubs") to conduct EDI transactions as requested by the hub by interfacing with the hub on behalf of the Company's customers to facilitate the establishment of their electronic (EDI) trading partner relationship. Because each hub has established processes in place to migrate a non-EDI supplier to an EDI-enabled supplier, and because these procedures vary among the hubs, the Company acts as a liaison between its customers and the hub to establish this EDI connection. Since most of the Company's customers are small to medium-sized companies, they recognize that the Company has the resources and expertise to establish this connection for them. This trading partner connection and relationship, once established, is portable to other EDI service providers if the customer chooses to do so.

Time periods of these web-EDI agreements can be cancelled at any time by customers with 30-days prior written notice. EnterpriseEC agreements can be cancelled at any time during the first year with 90-days prior written notice and in subsequent years with 30-days prior written notice.

The Company is currently focusing on increasing subscription fees relating to

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its web-EDI services and EnterpriseEC.

The Company is continuing its strategy to shift its primary focus from EDI and bar coding software and license fees to Internet-based electronic commerce subscription services.

The Market

Business-to-business e-commerce involves the automation of business processes and transactions through the use of computers and telecommunications to exchange and electronically process commercial information and transactions between businesses. In the 1980's, the predominant technology for B2B e-commerce was Electronic Data Interchange ("EDI") which involves the use of industry standards to conduct the exchange of business documents electronically. The transactions were communicated between businesses over private communication networks, known as VANs, which provided security,

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administration of trading partnerships, auditing, and delivery of electronic transactions. In the 1990's, the Internet, because of its wider acceptance among businesses, became a viable option for conducting e-commerce instead of using private networks. This development greatly increased the opportunity for more businesses to participate in e-commerce due primarily to a perception of lower cost associated with using the Internet.

The advantages of B2B e-commerce typically include elimination of redundant data entry, a reduction in administration associated with processing paper documents, a reduction in lead-time necessary to process documents, the ability to reduce inventory based on "just in time" philosophies, and increased data accuracy. The use of data standards for e-commerce is important for companies with disparate computer systems to communicate business documents electronically in an effective manner.

As larger companies seek to garner the maximum return on their ability to do e-commerce, many of their smaller trading partners will require applications to manually process and generate electronic documents externally from their business systems until such a time that the volume of e-commerce transactions warrant the necessary investment to integrate the e-commerce data into their legacy systems. These smaller companies utilize PC-based software or web-based "portals" for processing and creating e-commerce documents to support their business partners.

Strategy

The Company plans to become a leading provider of B2B e-commerce software and solutions by providing software products and services to the B2B marketplace for the broadest possible distribution. By focusing on vertical markets within the B2B marketplace along with providing horizontal market solutions, the Company intends to provide solutions to a broad potential customer base.

There are two major components to conducting B2B e-commerce - communications and data processing.

In support of the first major component - communications, the Company has developed its EnterpriseEC service which is an Internet-based e-commerce network providing similar functionality as traditional VANs, but at reduced prices due to using the Internet as a communications infrastructure instead of creating and maintaining a private network. EnterpriseEC can be used by companies that currently have e-commerce software in place, but are using traditional VANs by using secure file transfer protocol ("FTP"), EDI-INT, or any other direct method of transferring data that is acceptable to the

customer.

In addition, EnterpriseEC communicates with traditional VANs via Internet connections with several VANs who interconnect with the other established VANs in the marketplace. EnterpriseEC also allows customers to transmit and receive data directly to the Company's data center using other communications protocols such as asynchronous or bisynchronous, bypassing the Internet altogether. This is provided for those customers that have concerns about the Internet being used for B2B e-commerce due to security or availability concerns.

In support of the second major component of B2B e-commerce - data processing,

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the Company has developed both PC-based software and web-based solutions. The processing of e-commerce data falls into two general categories - those that are integrating the e-commerce data into their in-house legacy business systems and those that process and generate electronic documents manually (not integrated).

For companies that want to integrate e-commerce data into their in-house legacy business systems, the Company offers its FORMULA_ONE EDI translation software. This software provides connectivity to most private VANs as well as EnterpriseEC. Once data is received into FORMULA_ONE, it can be translated into any customer requested format using reformat programs that are custom developed by the Company with the reformatted data being exported to in-house legacy systems for integration.

In addition to using FORMULA_ONE for integration, EnterpriseEC has the ability to reformat data prior to transmission to the customer for integration purposes using custom developed applications, which are hosted on the EnterpriseEC computer systems.

For companies that want a stand-alone solution which produces readable documents of incoming e-commerce data and generates outgoing e-commerce documents by using data entry screens, the Company has several solutions. In addition to assisting companies with integration, FORMULA_ONE also has stand-alone capabilities whereby incoming data is printed in a readable format and data entry screens are available for generating outgoing documents. In many cases, the outgoing documents are created from incoming data using a "document turnaround" feature within FORMULA_ONE. This feature allows a customer to load an incoming document (such as a purchase order) into a data entry screen for faster generation of an outgoing document (such as an invoice). This "turnaround" feature can be used whenever an outgoing document contains much of the information contained in an associated incoming document.

The Company has also produced a web-based solution for processing e-commerce data in a stand-alone environment. By generating hypertext markup language ("HTML") based readable reports of incoming electronic documents, and utilizing Java applets and/or HTML based entry screens for creating outgoing electronic documents, the Company has created an alternative to traditional e-commerce software and network services. The Company provides these web-based solutions via web-based portals that target specific industry segments.

The Company intends to utilize its many years of experience in the e-commerce industry to market EnterpriseEC horizontally to companies currently doing e-commerce as well as companies who will be conducting e-commerce in the future. Because EnterpriseEC is not industry specific and utilizes both standards-based e-commerce data formats as well as proprietary formats, any company doing e-commerce is a potential customer of EnterpriseEC.

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The Company intends to leverage its current FORMULA_ONE customer base to increase connectivity opportunities with EnterpriseEC as most of the FORMULA_ONE customers are currently using commercial VANs. The Company has developed a secure FTP software program that integrates with FORMULA_ONE providing connectivity to its EnterpriseEC service.

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The Company's GroceryEC Vortal is currently a leading provider of web-based B2B e-commerce in the grocery industry. The Company plans to duplicate the success of GroceryEC in other vertical industries where there is a high concentration of EDI usage among large buyers, but relatively low support from small and medium size suppliers.

The Company has also initiated a Hub and Spoke marketing program whereby large companies that have a need to conduct e-commerce with a broad business partner base can leverage the capabilities of EnterpriseEC and Web EDI at little or no cost to the large company, provided they meet certain criteria. These criteria consist of:

- A. A minimum of 100 potential business partners not currently doing e-commerce with them;
- B. A mandate to these business partners to conduct e-commerce combined with a penalty for non-compliance (such as an assessment or handling fee for processing paper-based documents) or an incentive for compliance (such as better payment terms);
- C. The Hub must provide a list of targeted business partners to the Company;
- D. The Hub must make their business partners aware that EnterpriseEC or its web EDI solutions are available to satisfy the mandate;
- E. Establish a direct connection with EnterpriseEC via the Internet or other communications protocols.

No sole endorsement of the Company's products are necessary by the Hub company to gain the benefits of the Hub and Spoke marketing program.

Management believes that the products and services offered by the Company, combined with the Hub & Spoke marketing program, offer a unique service in the B2B electronic commerce industry by combining the provision of network services to large companies at significantly reduced cost with web-based document processing capabilities for their trading partners which allows the large company to get 100% participation from their potential trading partners. This approach offers an excellent opportunity for Company growth.

Competition

The B2B e-commerce market is highly competitive. Numerous companies supply B2B e-commerce software products, private network services, Internet VAN services, and Web EDI capabilities. Many of the Company's competitors have significantly greater financial and personnel resources than the Company, due in part either to their revenue and profitability, or their market capitalization. The Company's competitors range from small companies with limited resources to large companies with substantially greater financial and marketing resources than the Company. The Company believes that existing competitors who compete with the Company in one segment of the market are likely to expand the range of their e-commerce services to include other market segments the Company has targeted or will target. In addition, the barrier to entry into the Company's markets is not large so it is likely that new competitors will enter the Company's markets on an ongoing basis. Also, large telecommunication, media, and software companies may offer services in direct competition to the Company. The Company believes the principal competitive factors in the commercial B2B e-commerce industry include

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responsiveness to customer needs, efficiency in the delivery of solutions,

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ease of product use, quality of service, price and value. The Company believes it competes favorably with regard to these factors.

Intellectual and Proprietary Rights

The Company regards portions of its software products and other designs including its web site designs, as proprietary and will attempt to protect them by all available means including trade secret laws, employee and third-party nondisclosure agreements, and built-in software protections.

Although the Company believes that its current technology and designs have been independently developed, there can be no assurance that the technology does not or will not infringe on the rights of others. The Company has no patents or registered copyrights pertaining to its products, and it may be possible for unauthorized third parties to copy certain portions of the Company's products or to "reverse engineer" or otherwise obtain and use, to the Company's detriment, information that the Company regards as proprietary. Moreover, the laws of some countries do not offer the same protection to the Company's proprietary rights as do those of the United States and Canada. There can be no assurance that legal protections relied upon by the Company to protect its proprietary position will be adequate or that the Company's competitors will not independently develop technologies that are substantially equivalent or superior to those utilized by the Company. It is the intention of the Company to apply for patent protection of any processes or business methods determined to be patentable and in the best interest of the Company to do so.

The Company owns United States trademark rights to "EnterpriseEC" and "FORMULA_ONE". Other trademarks may be acquired by the Company if and when management determines that it is in the best interest of the Company to do so.

Third Party Technology

The Company incorporates in its products certain software licensed to it by other software developers. These include software components and objects licensed from various vendors. The Company also relies on licensed software development tools, database software, and server software from third party providers for the development and operation of its products.

If the Company was deprived of the right to use software incorporated in its products for any reason, or if the tools utilized in the development of its products were discontinued or the capabilities contained in future releases were not up to the standards set by the Company, there could be serious disruption to its business.

Employees

The Company believes its success depends to a significant extent on its ability to attract, motivate and retain highly skilled vision-oriented management and employees. To this end, the Company intends to focus on incentive programs for its employees and, will endeavor to create a corporate culture which is challenging, rewarding and enhances the employees' career development. As of October 31, 2003 the Company had a total of 30 employees, 29 full-time

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employees and 1 part-time employee. Seventeen employees are technical

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personnel engaged in developing, maintaining or providing technical support for the Company's products and services, seven employees are marketing and sales personnel, and five are involved in administration and finance.

The Company announced on October 29, 2003 the hiring of an Executive Vice President. This individual has a long track record of outstanding performance in sales, marketing, and senior level management. This individual will lead the Company's efforts in sales and marketing, strategic planning, and customer relationship management.

Research and Development

The Company conducts research and development on two levels on a continuing basis. First, the Company continually studies the business processes in the B2B industry, as well as the vertical industries it targets. A pivotal part of the success of the Company's products is in understanding the exact needs of its customers, and applying that knowledge to its products and services.

Second, core technology research, development, and engineering is conducted on a continual basis. New technologies associated with the Internet and standards for conducting e-commerce (such as extensible markup language or "XML") and the commercial product development software that support it are continually being researched and incorporated into the Company's products when deemed necessary.

The Company spent an estimated \$25,000 in 2002 and an estimated \$50,000 in 2001 for research and development. The Company intends to pass such costs on to its customers in the future.

Government Regulation

Based upon its experience and knowledge of the industry, the Company believes that its products comply substantially with applicable regulations in the markets which the Company has targeted, however, there can be no assurances that the future regulations or laws will not be adopted which would have an adverse effect on the Company. The Company cannot predict the extent or impact of future legislation or regulation by federal, state or local authorities.

Reports to Security Holders

We are currently subject to the reporting requirements of the Securities Exchange Act, and we file periodic reports including annual Form 10-KSB and quarterly form 10-QSB, and other information with the Securities and Exchange Commission ("Commission"). In addition, we will upon request, furnish shareholders with annual reports containing audited financial statements certified by our independent accountants and interim reports containing unaudited financial information as it may be necessary or desirable. We will provide without charge to each person who receives a copy of this prospectus, upon written or oral request, a copy of any information that is incorporated by reference in this prospectus (not including exhibits to the information that is incorporated by reference unless the exhibits are themselves specifically incorporated by reference). Such request should be directed to Advant-e Corporation, Attention: Investor Relations, 2680 Indian Ripple Rd., Dayton,

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Commission, which may be inspected and copied at the public reference facilities of the Commission in Washington D.C. Copies of such material can be obtained from the Public Reference Section of the Commission, 450 Fifth Street, NW, Washington, D.C. 20549, telephone 1-800-SEC-0330, at prescribed rates and are available on the World Wide Web at: <http://www.sec.gov>. The Commission maintains on this web site on the Internet that contains reports, proxy and information statements and ot