

Edgar Filing: HOSTING SITE NETWORK INC - Form 10QSB

HOSTING SITE NETWORK INC

Form 10QSB

February 13, 2004

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

FORM 10-QSB

(Mark One)

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

For the quarterly period ended December 31, 2003

or

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

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

Commission file number 33-73004

HOSTING SITE NETWORK INC.

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

Delaware

13-4122844

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

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

32 Poplar Place  
Fanwood, New Jersey

07023

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

-----  
(Zip Code)

(973) 652-6333

-----  
(Registrant's telephone number, including area code)

Check whether the issuer (1) has filed all reports required to be filed by  
Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding  
12 months, and (2) has been subject to such filing requirements for the past 90  
days. Yes ☒ No ☐

As of February 10, 2004, there were 7,273,500 shares of the issuer's  
common stock, par value \$0.001, issued and outstanding.

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

HOSTING SITE NETWORK INC.  
DECEMBER 31, 2003 QUARTERLY REPORT ON FORM 10-QSB  
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## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

To the extent that the information presented in this Quarterly Report on Form 10-QSB for the quarter ended December 31, 2003 discusses financial projections, information or expectations about our products or markets, or otherwise makes statements about future events, such statements are forward-looking. We are making these forward-looking statements in reliance on the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Although we believe that the expectations reflected in these forward-looking statements are based on reasonable assumptions, there are a number of risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. These risks and uncertainties are described, among other places in this Quarterly Report, in "Plan of Operation".

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

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## PART 1 - FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS

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## HOSTING SITE NETWORK, INC. AND SUBSIDIARY CONSOLIDATED BALANCE SHEET DECEMBER 31, 2003

### Assets

Current Asset	
Cash	\$ 402,693
Computers and equipment , net of accumulated depreciation of \$12,751	15,585 -----
Total Assets	\$ 418,278 =====

### Liabilities and Shareholders' Equity

Current Liabilities	
Accounts payable and accrued expenses	\$ 11,753 -----
Shareholders' Equity	
Preferred stock, \$.0001 par value, 5,000,000 shares authorized; none outstanding	--
Common stock, \$.001 par value; 100,000,000 shares authorized; 7,273,500 shares issued and outstanding	7,273
Additional paid-in capital	758,259
Deferred stock based compensation	(40,714)
Accumulated Deficit	(318,293) -----
Total Shareholders' Equity	406,525 -----
Total Liabilities and Shareholders' Equity	\$ 418,278 =====

See Notes to Financial Statements

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## HOSTING SITE NETWORK, INC. AND SUBSIDIARY CONSOLIDATED STATEMENT OF OPERATIONS THREE MONTHS ENDED DECEMBER 31,

	2003	2002
	-----	-----
General and administrative expenses	\$ (27,967)	\$ (41,246)
Interest income, net	444	4,170
	-----	-----
Net loss	\$ (27,523) =====	\$ (37,076) =====
Basic net loss per share	\$ (0.00) =====	\$ (0.01) =====
Basic weighted average shares outstanding	7,273,500 =====	7,023,500 =====

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See Notes to Financial Statements

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## HOSTING SITE NETWORK, INC. AND SUBSIDIARY CONSOLIDATED STATEMENT OF CASH FLOWS THREE MONTHS ENDED DECEMBER 31,

	2003	2002
	-----	-----
Cash flow from operating activities		
Net loss	\$ (27,523)	\$ (37,076)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	1,416	1,417
Stock based compensation	10,454	10,553
Changes in operating assets and liabilities		
Accrued interest receivable		3,333
Accounts payable and accrued expenses	7,906	12,932
	-----	-----
Net cash used in operating activities	(7,747)	(8,841)
	-----	-----
Cash flow from investing activities		
Repayment of loan receivable		14,136
		-----
(Decrease) Increase in cash	(7,747)	5,295
Cash, beginning of period	410,440	281,547
	-----	-----
Cash, end of period	\$ 402,693	\$ 286,842
	=====	=====

See Notes to Financial Statements

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

### 1. OPERATIONS

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

### 2. BASIS OF PRESENTATION AND CONSOLIDATION

The accompanying unaudited consolidated financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States for interim financial statements and with the rules and regulations of the Securities and Exchange Commission for Form 10-QSB. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete

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financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the consolidated financial position, results of operations and cash flows for the interim periods presented have been included. These consolidated financial statements should be read in conjunction with the consolidated financial statements of Hosting Site Network, Inc, together with the Company's Plan of Operation included in the Company's Form 10-KSB for the year ended September 30, 2003. Interim results are not necessarily indicative of the results for a full year.

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### New Accounting Pronouncements

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

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### ITEM 2 PLAN OF OPERATION

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

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

### ITEM 3. CONTROLS AND PROCEDURES

Our principal executive officer and principal financial officer evaluated the effectiveness of our disclosure controls and procedures as of a date within 90 days prior to the filing of this report. Based on this evaluation, our principal executive officer and principal financial officer have concluded that our controls and procedures are effective in providing reasonable assurance that

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the information required to be disclosed in this report is accurate and complete and has been recorded, processed, summarized and reported within the time period required for the filing of this report. Subsequent to the date of this evaluation, there have not been any significant changes in our internal controls or, to our knowledge, in other factors that could significantly affect our internal controls.

Consistent with Section 10A(i)(2) of the Securities Exchange Act of 1934, as added by Section 202 of the Sarbanes-Oxley Act of 2002, we are responsible for listing the non-audit services approved by our Board of Directors to be performed by Most & Company, LLP, our external auditor. Non-audit services are defined as services other than those provided in connection with an audit or a review of our financial statements. Our Board of Directors currently has not approved Most & Company, LLP to perform any non-audit services.

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### PART II - OTHER INFORMATION

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

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

#### ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

##### (a) Exhibits.

31.1/31.2      Rule 13(a)-14(a)/15(d)-14(a) Certification of Principal Executive and Financial Officer

32.1/32.2      Rule 1350 Certification of Chief Executive and Financial Officer

##### (b) Reports on Form 8-K.

On December 15, 2003 we filed a Form 8-K dated December 10, 2003. Item 4 thereof discussed the change in our independent certifying accountant from Rogoff & Company, PC to Most & Company, LLP.

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### SIGNATURES

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

HOSTING SITE NETWORK INC.

Dated: February 11, 2004

By: /s/ Scott Vicari

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Scott Vicari  
President, Chief Executive and  
Accounting Officer

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