

College Tonight, Inc.
Form 10-Q
August 13, 2008
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2008

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: 00-26599

COLLEGE TONIGHT, INC.

(Exact name of registrant as specified in its charter)

Edgar Filing: College Tonight, Inc. - Form 10-Q

Delaware

(State or other jurisdiction of incorporation or organization)

26-2983120

(I.R.S. Employer Identification Number)

6380 Wilshire Boulevard, Suite 120, Los Angeles, CA
(Address of principal executive offices)

90048
(Zip Code)

(Registrant's telephone number, including area code) **323-966-5800**

Indicate by check mark whether the registrant (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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The number of shares of registrant's common stock, \$0.01 par value, outstanding at August 11, 2008: 34,406,767.

Table of Contents

COLLEGE TONIGHT, INC.

INDEX

	Page No.
<u>PART I. FINANCIAL INFORMATION</u>	
<u>Item 1.</u>	
<u>Financial Statements</u>	
<u>Condensed Consolidated Statements of Operations for the Three Months Ended June 30, 2008 and 2007 (unaudited)</u>	3
<u>Condensed Consolidated Statements of Operations for the Six Months Ended June 30, 2008 and 2007 (unaudited)</u>	4
<u>Condensed Consolidated Balance Sheets at June 30, 2008 (unaudited) and December 31, 2007</u>	5
<u>Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2008 and 2007 (unaudited)</u>	6
<u>Condensed Consolidated Statements of Preferred Stock and Shareholders' Equity / Members Deficit from July 3, 2006 to June 30, 2008 (unaudited)</u>	7
<u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>	8
<u>Item 2.</u>	
<u>Management's Discussion and Analysis of Financial Condition and Plan of Operations</u>	16
<u>Item 4.</u>	
<u>Controls and Procedures</u>	19
<u>PART II. OTHER INFORMATION</u>	
<u>Item 1.</u>	
<u>Legal Proceedings</u>	19
<u>Item 1A.</u>	
<u>Risk Factors</u>	19
<u>Item 2.</u>	
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	19
<u>Item 3.</u>	
<u>Defaults Upon Senior Securities</u>	20
<u>Item 4.</u>	
<u>Submission of Matters to a Vote of Security Holders</u>	20
<u>Item 5.</u>	
<u>Other Information</u>	20
<u>Item 6.</u>	
<u>Exhibits</u>	20
<u>SIGNATURE</u>	21
Principal Executive Officer Certification Pursuant to Rule 13a-14(a)	
Principal Financial Officer Certification Pursuant to Rule 13a-14(a)	
Principal Executive Officer Certification Pursuant to Section 1350	
Principal Financial Officer Certification, Pursuant to Section 1350	

Table of Contents**COLLEGE TONIGHT, INC.****FINANCIAL STATEMENTS****PART I FINANCIAL INFORMATION****ITEM 1 FINANCIAL STATEMENTS**

The unaudited interim financial statements included herein have been prepared by College Tonight, Inc. (the Company). In the opinion of management, the interim financial statements reflect all adjustments of a normal recurring nature necessary for a fair statement of the results for interim periods. It is suggested that these financial statements and notes to the financial statements be read in conjunction with the financial statements included in the Company's Annual Report on Form 10-KSB/A for 2007.

COLLEGE TONIGHT, INC.

(A DEVELOPMENT STAGE COMPANY)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

	Three Months Ended June 30,	
	2008	2007
Revenues	\$ 1,150	\$ 2,417
Operating Expenses:		
Development costs	59,822	9,249
Depreciation and amortization	2,250	
Marketing	66,377	5,371
Selling, general and administrative	241,210	23,406
Total operating expenses	369,659	38,026
Net Operating Loss	(368,509)	(35,609)
Interest income	665	
Interest expense		(845)
Net Loss	\$ (367,844)	\$ (36,454)
Loss per share (basic and diluted)	\$ (0.01)	\$ (0.01)
Weighted average shares outstanding:		
Basic and diluted	28,859,168	6,494,775

Table of Contents

COLLEGE TONIGHT, INC.
 (A DEVELOPMENT STAGE COMPANY)
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (UNAUDITED)

	Six Months Ended June 30,		For the Period
	2008	2007	July 3, 2006 (Inception) to June 30, 2008
Revenues	\$ 1,653	\$ 4,834	\$ 8,604
Operating Expenses:			
Development costs	129,497	12,667	253,338
Depreciation and amortization	3,529		5,688
Marketing	126,675	10,789	332,407
Selling, general and administrative	534,851	28,802	1,082,594
Total operating expenses	794,552	52,258	1,674,027
Net Operating Loss	(792,899)	(47,424)	(1,665,423)
Interest income	5,295		9,867
Interest expense		(845)	(1,507)
Net Loss	\$ (787,604)	\$ (48,269)	\$ (1,657,063)
Loss per share (basic and diluted)	\$ (0.04)	\$ (0.01)	
Weighted average shares outstanding:			
Basic and diluted	21,545,648	6,191,545	

The accompanying notes are an integral part of these financial statements.

Table of Contents

COLLEGE TONIGHT, INC.

(A DEVELOPMENT STAGE COMPANY)

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2008 (Unaudited)	December 31, 2007
Assets		
Current Assets:		
Cash	\$ 453,624	\$ 722,402
Restricted cash		5,843
Prepaid expenses	365,625	
Other current assets	4,353	7,074
Total Current Assets	823,602	735,319
Property, plant and equipment, net	18,054	19,526
Intangible assets	15,870	4,487
Other assets	28,040	14,588
Total Assets	\$ 885,566	\$ 773,920
Liabilities and Shareholders Equity		
Current Liabilities:		
Accounts payable	\$ 38,582	\$ 10,971
Accrued expenses	53,308	130,086
Total Current Liabilities	91,890	141,057
Convertible preferred stock \$.001 par value; 5,000,000 shares authorized; 2,412,800 shares issued and outstanding at December 31, 2007 (converted to common stock in March 2008, see Note 6)		602,613
Commitments and contingencies		
Shareholders Equity:		
Common stock; \$.001 par value; 100,000,000 shares authorized 34,406,767 and 33,919,786 shares issued and outstanding, respectively	34,407	33,920
Additional paid in capital	2,416,332	865,789
Deficit accumulated during the development stage	(1,657,063)	(869,459)
Total Shareholders Equity	793,676	30,250
Total Liabilities and Shareholders Equity	\$ 885,566	\$ 773,920

The accompanying notes are an integral part of these financial statements.

Edgar Filing: College Tonight, Inc. - Form 10-Q

Table of Contents

COLLEGE TONIGHT, INC.

(A DEVELOPMENT STAGE COMPANY)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(UNAUDITED)

	Six Months Ended June 30,		For the Period
	2008	2007	July 3, 2006 (Inception) to June 30, 2008
Cash Flows from Operating Activities:			
Net loss	\$ (787,604)	\$ (48,269)	\$ (1,657,063)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	2,523		4,681
Non-cash compensation charge	58,824		59,824
Change in assets and liabilities:			
Prepaid expenses	(90,625)	(860)	(96,468)
Accounts payable and accrued expenses	(38,201)	1,776	102,856
Net cash used in operating activities	(855,083)	(47,353)	(1,586,170)
Cash Flows from Investing Activities:			
Change in restricted cash	5,843		5,843
Other assets	(13,451)		(33,337)
Purchases of property and equipment	(1,087)	(5,574)	(22,771)
Net cash used in investing activities	(8,695)	(5,574)	(50,265)
Cash Flows from Financing Activities:			
Proceeds from issuance of common stock, net of issuance and other direct costs of \$144,441			895,059
Proceeds from sale of common stock pursuant to subscription agreements	595,000	450,050	1,195,000
(Payments) proceeds from related party loans		(26,673)	
Net cash provided by financing activities	595,000	423,377	2,090,059
Net change in cash	(268,778)	370,450	453,624
Cash at beginning of the period	722,402	355	
Cash at end of the period	\$ 453,624	\$ 370,805	\$ 453,624
Supplemental disclosure of noncash investing and financing activities:			
Conversion of convertible Series A preferred shares to common shares	\$ 602,613		\$ 602,613
Issuance of common stock	\$ 353,417		\$ 353,417
Issuance of convertible Series A preferred shares in the merger transaction			\$ 602,613
Issuance of common stock upon conversion of notes payable and related accrued interest			\$ 190,641
Conversion of LLC to corporation			\$ 68,676
Common stock acquired upon merger with SIMEX			\$ 160,086

Edgar Filing: College Tonight, Inc. - Form 10-Q

The accompanying notes are an integral part of these financial statements.

Edgar Filing: College Tonight, Inc. - Form 10-Q

Table of Contents

COLLEGE TONIGHT, INC.

(A DEVELOPMENT STAGE COMPANY)

CONDENSED CONSOLIDATED STATEMENTS OF PREFERRED STOCK AND SHAREHOLDERS EQUITY / MEMBERS DEFICIT

	Preferred Stock Shares	Preferred Stock Amount	Members Deficit Accumulated during the Development Stage	Common Stock Shares	Common Stock Amount	Additional Paid in Capital	Deficit Accumulated during the Development Stage	Total Shareholders Equity
Balance at July 3, 2006 (inception)		\$	\$		\$	\$	\$	\$
Net loss for the period from July 3, 2006 to December 31, 2006			(44,384)					(44,384)
Balance at December 31, 2006		\$	\$ (44,384)		\$	\$	\$	\$ (44,384)
Net loss for the period from January 1, 2007 through June 7, 2007, date of conversion from an LLC to a corporation			(24,292)					(24,292)
Effect of conversion from LLC to corporation			68,676	1,612,500	1,613	(25,905)	(44,384)	
Issuance of common stock from subscription agreements				340,300	340	599,660		600,000
Shares of College Tonight issued to director and placement agents				460,000	460	540		1,000
Conversion of common stock to preferred stock upon merger with Simex	2,412,800	602,613		(2,412,800)	(2,413)	(600,200)		(602,613)
Issuance of common stock, net of issuance costs				10,395,000	10,395	884,664		895,059
Common stock acquired upon merger with Simex				19,711,969	19,712	(179,798)		(160,086)
Issuance of common shares for conversion of notes payable				3,812,817	3,813	186,828		190,641
Net loss for the period from June 7, 2007 to December 31, 2007							(825,075)	(825,075)
Balance at December 31, 2007	2,412,800	\$ 602,613	\$	33,919,786	\$ 33,920	\$ 865,789	\$ (869,459)	\$ 30,250
Conversion of preferred stock to common stock at a rate of forty shares of common stock for each share of preferred stock	(2,412,800)	(602,613)		96,512,000	96,512	506,101		602,613
Reverse stock split at a conversion rate of four for one				(97,823,840)	(97,824)	97,824		
				311,331	311	353,106		353,417

Edgar Filing: College Tonight, Inc. - Form 10-Q

Issuance of common stock, net of issuance costs								
Issuance of common stock from subscription agreements			1,487,500		1,488		593,513	595,000
Net loss							(787,604)	(787,604)
Balance at June 30, 2008 (Unaudited)	\$	\$	34,406,778	\$	34,407	\$	2,416,332	\$ (1,657,063) \$ 793,676

The accompanying notes are an integral part of these financial statements.

Table of Contents

COLLEGE TONIGHT, INC.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

Note 1 - Nature of Business and Basis of Presentation

The Company conceptualized and designed a website that provides college students and alumni with a social networking medium via the Internet. The website informs people of nightlife options in their community and school as well as promotes social interaction within the student body and alumni.

Since its inception, the Company has devoted substantially all of its efforts to research and development of its technology, business and financial planning, recruiting management and technical staff, acquiring assets and raising capital. Accordingly, the Company is considered to be in its development stage as defined in Statement of Financial Accounting Standards No. 7.

The interim financial statements included herein have been prepared by the Company, without audit pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. The interim financial statements reflect, in the opinion of management, all adjustments necessary (consisting only of normal recurring adjustments) to present a fair statement of results for the interim periods presented. The operating results for any interim period are not necessarily indicative of the results that may be expected for the year ending December 31, 2008. The accompanying financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company's Annual Report on Form 10-KSB, as amended, for the year ended December 31, 2007.

Note 2 - History and Liquidity

Background

On November 29, 2007, Simex Technologies, Inc., the predecessor to College Tonight, Inc. (Simex) completed an acquisition of College Tonight, Inc. (the Reverse Merger). Simex had been an inactive public shell for the two years preceding the Reverse Merger. As part of the acquisition, Simex issued to the stockholders of College Tonight, Inc., 2,412,800 shares of Series A Preferred Stock in exchange for all of the issued and outstanding capital stock of College Tonight. Since Simex did not have sufficient authorized common shares at the date of the transaction to effect the conversion of the Series A Preferred shares to common, the value of the preferred stock was classified as a liability at December 31, 2007 until the March 5, 2008 share authorization approval noted below. As a result of the Reverse Merger transaction, College Tonight became Simex's wholly-owned subsidiary and the former stockholders of College Tonight became Simex's controlling stockholders.

Edgar Filing: College Tonight, Inc. - Form 10-Q

Under generally accepted accounting principles in the United States of America, the Reverse Merger was considered to be a capital transaction in substance, rather than a business combination. That is, the acquisition was equivalent to the issuance of stock by College Tonight, Inc. for the net monetary assets of Simex, accompanied by a recapitalization, and was accounted for as a change in capital structure. Accordingly, the accounting for the acquisition was identical to that resulting from a reverse acquisition, except that no goodwill was recorded. Under reverse takeover accounting, the comparative historical financial statements of the legal acquirer (Simex) are those of the accounting acquirer (College Tonight). Earnings (loss) per share are calculated to reflect the company's change in capital structure for

Edgar Filing: College Tonight, Inc. - Form 10-Q

Table of Contents

all periods presented. Costs associated with the merger were expensed as incurred by College Tonight, Inc. The net monetary assets acquired from the Simex business was \$5,843.

College Tonight was originally formed as a California limited liability company, College Tonight LLC, on July 3, 2006, and all member units were exchanged for stock in College Tonight Inc. on June 7, 2007 when the Company converted into a Delaware corporation.

On December 14, 2007, the Board of Directors of Simex approved and adopted by written consent resolutions to amend the Certificate of Incorporation of Simex. Pursuant to this Written Consent, the Company's Certificate of Incorporation was amended to (i) increase the Company's total authorized stock from 50,000,000 to 100,000,000 shares of Common Stock (ii) effect a 1-for-4 Reverse Split of the Company's issued and outstanding Common Stock, and (iii) change the Company's name to College Tonight, Inc. to more accurately reflect our business operations. On March 5, 2008 the share increase reverse split, and name change became effective. The Company applied for a change in its trading symbol, and now trades under the ticker symbol CGEG on the NASD Bulletin Board.

Upon the closing of the Reverse Merger, Simex's directors, Kjell I. Jagelid and Warren L. Traver, resigned from all offices of Simex that they held effective immediately and also submitted letters of resignation from their positions as Simex directors. Their resignations as directors became effective after dissemination on February 11, 2008 of a definitive information statement pursuant to Sections 14(c) and (f) of the Securities Exchange Act relating to the aforementioned amendments made to the Company's Certificate of Incorporation. Zachary Suchin and Jason Schutzbank were appointed to our Board of Directors, with Mr. Suchin being appointed Chairman. In addition, Messrs. Suchin and Schutzbank were appointed officers of Simex (and directors and officers of College Tonight, Inc. when the name change became effective).

Liquidity

The Company is a development stage company which has generated negative cash flows from operations, and a deficit accumulated during the development stage of \$1,657,063 at June 30, 2008. Those factors, as well as the uncertain conditions that the Company faces regarding its future raising of capital and ultimately successfully commercializing its business plan raise substantial doubt about the Company's ability to continue as a going concern. Management of the Company has a plan to increase capital through issuance of additional stock, however there can be no assurance that this plan can be successfully implemented.

The Company's financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The financial statements of the Company do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Note 3 - Summary of Significant Accounting Policies

Use of Estimates

Edgar Filing: College Tonight, Inc. - Form 10-Q

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

Table of Contents

Revenue Recognition

Revenue for sponsorships and placement of advertising are recognized when the events to which they pertain occur. Revenue for sale of products is recognized upon delivery and customer acceptance.

Depreciation and amortization

Property and equipment are stated at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Estimated useful lives of five years are used for furniture, fixtures, and equipment, and three years for computer hardware and software.

Advertising

The Company expenses all advertising costs as incurred and such costs amounted to \$126,675 and \$10,789 for the six months ended June 30, 2008 and 2007, respectively.

Loss Per Share

Basic loss per share is calculated by dividing the net loss by the weighted-average number of common shares outstanding during the period. Diluted loss per share is calculated by dividing the net loss by the weighted-average number of common shares and dilutive potential common shares outstanding during the period. Our diluted loss per share is the same as the basic loss per share for 2008 and 2007. At June 30, 2008 2,000,000 of the common shares each issued to Zachary R. Suchin and Jason A. Schutzbank are subject to cancellation in the event certain Company-related performance targets are not met. These shares have been excluded from the earnings (loss) per share calculation, as they are not considered outstanding for such purpose.

Income taxes

Deferred taxes are calculated using the liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Edgar Filing: College Tonight, Inc. - Form 10-Q

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, an Interpretation of SFAS 109, Accounting for Income Taxes (FIN 48). This interpretation clarifies the accounting for uncertainty in income taxes recognized in an entity s financial statements in accordance with SFAS 109 by prescribing the minimum recognition threshold and measurement attributable to a tax position taken or expected to be taken on a tax return is required to be met before being recognized in the financial statements. The adoption of FIN 48 had no material impact on the Company s financial statements for the year ended December 31, 2007 and the six months ended June 30, 2008. The Company can not reasonably estimate uncertainties in tax positions for the years ended 2003 through 2006 because Simex has not filed tax returns and, thus, has not yet determined its tax positions. Presumably, due to the existence of probable, as yet not determined loss carryovers, any such positions, if challenged, would presumably simply reduce the amount of the loss carryovers, and resultant deferred income tax assets. For tax positions taken by Simex for filed open years, including 2002 and possibly years previous to 2002, the Company can not reasonably estimate uncertainties in tax positions because of insufficient information. It is also possible that the Company

Table of Contents

could be liable for unassessed penalties for Simex's failure to timely file tax returns. The amount of such penalties can not be currently determined but it is not believed they would have a material impact on the Company's financial statements.

Capitalized website development costs

The Company capitalized eligible costs associated with software developed or obtained for internal use in accordance with the American Institute of Certified Public Accountants, or AICPA, Statement of Opinion No. 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use and Emerging Issues Task Force, or EITF, Issue No. 00-02, Accounting for Website Development Costs. Costs incurred in the development phase are capitalized and will be amortized in cost of revenues over the product's estimated useful life once placed into service. Costs related to the planning and post implementation phases of the website and related applications development efforts are recorded as operating expenses. There were no such costs for the six months ending June 30, 2008 and 2007, respectively.

New accounting pronouncements

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements (SFAS No. 157). SFAS 157 defines fair value, establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America and expands disclosures about fair value measurements. SFAS 157 applies only to fair-value measurements that are already required or permitted by other accounting standards and is expected to increase the consistency of those measurements. SFAS 157 emphasizes that fair value is a market-based measurement that should be determined based on the assumptions that market participants would use in pricing an asset or liability. The Company will be required to disclose the extent to which fair value is used to measure assets and liabilities, the inputs used to develop the measurements, and the effect of certain of the measurements on earnings (or changes in net assets) for the period. SFAS 157 is effective for fiscal years beginning after December 15, 2007, and the Company's adoption of SFAS 157 as of January 1, 2008 did not have a material impact on its financial statements.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Liabilities, including an amendment of FASB Statement No. 115 (SFAS No. 159). This statement permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. SFAS No. 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and the Company's adoption of SFAS No. 159 as of January 1, 2008 did not have a material impact on its financial statements.

Note 4 Acquisitions

On April 11, 2008, the Company acquired certain assets and assumed no liabilities of OnFIREbeerpong, Inc. (Onfire) for \$12,500. Onfire is based in San Diego, California and is an online e-commerce business that specializes in designing, manufacturing and selling beer pong tables through a website with the domain name of Onfirebeerpong.com. The acquisition was funded through the issuance of 10,000 shares of common stock, valued at \$1.25 per share, which was the market price of the Company's common stock on the date of the transaction. Onfire has limited assets and liabilities and limited sales activity.

Note 5 Property and Equipment

Property and equipment, net of accumulated depreciation are as follows:

Edgar Filing: College Tonight, Inc. - Form 10-Q

Table of Contents

	Estimated Useful Life		June 30, 2008		December 31, 2007
Furniture and fixtures	5	\$	15,819	\$	15,819
Computer equipment	3		6,952		5,865
			22,771		21,684
Less: accumulated depreciation			(4,717)		(2,158)
		\$	18,054	\$	19,526

Depreciation and amortization expense for the six months ended June 30, 2008 and 2007 was \$3,529 and \$0, respectively.

Note 6 Shareholder s Equity

Common Stock

On June 7, 2007, upon the exchange of all member units for stock in College Tonight Inc., the Company had authorized capital of 10,000,000 shares of common stock. The Company issued 806,250 shares each to Zachary R. Suchin and Jason A. Schutzbank, officers of the Company. In addition 100,000 shares were issued to a director (resulting in a compensation charge of \$1,000, representing the approximate fair value of such shares at the date of issuance) and 360,000 shares were issued to stock placement agents. In July and September 2007 the Company received \$450,000 and \$150,000, respectively, in exchange for the sale of 340,300 shares of common stock pursuant to stock subscription agreements. All share amounts have been adjusted to reflect the 1,000 for 1 split which occurred at the date of the Reverse Merger. As discussed above, all of these issued shares to the shareholders of College Tonight Inc. (2,412,800 in the aggregate) were cancelled and 2,412,800 shares of Simex Series A preferred stock were issued to the shareholders as part of the Reverse Merger transaction.

On November 29, 2007, in connection with the reverse merger acquisition Simex closed a private placement pursuant to which Simex issued and sold to certain accredited investors 10,395,000 shares of common stock for \$895,059, net of issuance and other direct costs of \$144,441. At the time of the merger, there were 19,711,969 shares of common stock held by the Simex shareholders in the public shell.

On November 29, 2007, in connection with the reverse merger acquisition, Simex issued 3,812,817 shares of common stock resulting from the conversion of five convertible notes with an original balance of \$182,000 plus accrued interest. The notes were convertible into common stock at \$0.05 per share, representing the approximate quoted value of the underlying common stock at the date of the transaction.

On March 5, 2008, Simex Technologies, Inc. amended its articles of incorporation to change its name to College Tonight, Inc., increase its authorized capital from 50,000,000 to 100,000,000 common shares and initiate a one for four reverse split. All share amounts in the above consolidated financial statements have been adjusted to reflect the one for four reverse split.

During the second quarter of June 2008 the Company received \$595,000 in exchange for the sale of 1,487,500 shares of common stock pursuant to various stock subscription agreements.

Edgar Filing: College Tonight, Inc. - Form 10-Q

The Company issued an additional 311,331 unregistered shares of its common stock from January 1, 2008 through and including June 30, 2008. These issuances were as follows:

Table of Contents

- 250,000 shares issued in consideration of a third party providing marketing, promotional and endorsement services. The Company recorded \$275,000 as a prepaid marketing asset as of June 30, 2008 (Note 8).
- 10,000 shares provided in consideration of the purchase of substantially all of OnFire's assets. The Company recorded \$12,500 for the acquisition of OnFire's assets (Note 4).
- 18,250 shares provided to former employees as additional compensation for services. The Company recorded \$20,250 as compensation expense in the six months ended June 30, 2008 related to these share issuances.
- 8,081 shares issued in consideration of a third party providing marketing and promotional services. The Company recorded \$10,667 as marketing expense in the six months ended June 30, 2008 related to this share issuance.
- 25,000 shares issued in consideration of a third party providing investor relation services. The Company recorded \$35,000 as professional fees expense in the six months ended June 30, 2008 related to this share issuance.

At June 30, 2008 2,000,000 of the common shares each issued to Zachary R. Suchin and Jason A. Schutzbank are subject to cancellation in the event certain performance targets are not met in the future. These shares have been excluded from the earnings (loss) per share calculation, as they are not considered outstanding for such purpose. When the restriction is released, the fair value of the shares will be measured and a compensatory charge recorded.

Preferred Stock

The Company may issue up to 5,000,000 shares of preferred stock in one or more classes or series within a class as may be determined by the Board of Directors, who may establish the number of shares to be included in each class or series, may fix the designation, powers, preferences and rights of the shares of each such class or series and any qualifications, limitations or restrictions thereof. Any preferred stock so issued by the Board of Directors may rank senior to the common stock with respect to the payment of dividends or amounts upon liquidation, dissolution or winding up of the Company. Moreover, under certain circumstances, the issuance of preferred stock or the existence of the un-issued preferred stock might tend to discourage or render more difficult a merger or other change in control.

Series A Convertible Preferred Stock

In connection with the reverse merger acquisition of College Tonight Inc. on November 29, 2007, Simex issued 2,412,800 shares of Series A Preferred Stock for all the outstanding shares of College Tonight, Inc. The Series A Preferred Stock has the following features:

- Each share of Series A Preferred Stock is entitled to dividends in an amount equal to any cash dividend declared on each share of Common Stock multiplied by the 40:1 conversion factor.

- Each share of Series A Preferred Stock is entitled to receive its share of assets distributable upon the liquidation, dissolution or winding up of the affairs of Simex equal to the amount distributable to each share of Common Stock multiplied by the 40:1 conversion factor.
- Each share of Series A Preferred Stock is convertible into forty shares of Common Stock, subject to adjustment under certain circumstances, and will be mandatorily converted into Common Stock at any time that the Company has sufficient authorized but unissued shares of Common Stock to issue common stock on conversion of all outstanding shares of preferred stock. The 2,412,800 shares issued in connection with the reverse acquisition converted into Common Stock on the first trading day following the effective date of the aforementioned amendments to the Company's Certificate of Incorporation.

Table of Contents

- Each share of Series A Preferred Stock is entitled to that number of votes equal to the number of shares of Common Stock into which it is convertible.

The Company has authorized the issuance of up to 5,000,000 shares of Preferred Stock. At December 31, 2007, the Company had 2,412,800 shares of Series A Preferred Stock issued and outstanding. On March 5, 2008, the 2,412,800 shares of Series A Preferred Stock issued to the new controlling stockholders were converted into Common Stock in the Company at the rate of forty (40) shares of Common Stock for each share of Series A Preferred Stock and were subject to a one for four reverse split.

Note 7 Income Taxes

The Company had no income tax liability for the six months ended June 30, 2008 and 2007 as the Company generated a loss in all periods and the resultant deferred tax assets have been fully reserved.

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company has net operating losses of approximately \$1,115,000 from the activities of College Tonight, Inc. since conversion to a C corporation. Simex had significant net operating losses prior to the merger, however, the amount has not yet been calculated since Simex has not filed tax returns in recent years, and also utilization of the net operating losses would be significantly restricted, if available at all. The utilization of net operating losses would be limited under section 382 of the Internal Revenue Code due to a change in ownership of more than 50%. The significant components of the Company's deferred tax assets (liabilities) are as follows:

	June 30, 2008
Deferred tax assets:	
Net operating loss carryforward	\$ 587,134
Start up costs	63,092
Total gross deferred tax assets	650,226
Deferred tax liabilities:	
Depreciation	(506)
Total gross deferred tax liabilities	(506)
Valuation allowance	(649,720)
Net deferred tax asset (liability)	\$

The difference between the tax provision at the statutory federal income tax rate and the tax provision attributable to income before taxes was as follows:

Table of Contents

	June 30, 2008
Statutory federal income tax rate	34.0%
State taxes, net of federal benefits	8.7%
Valuation allowance	(42.7)%
Income tax rate	0.0%

See Note 3 for discussion of the adoption of Fin 48.

Note 8 Commitments and Contingencies

Claims and assessments

In the normal course of business, the Company is subject to certain claims and assessments. Management believes that there are no claims or assessments outstanding which would materially affect the financial position of the Company.

Employment agreements

The Company has employment agreements with Jason A. Schutzbank, Milton B. Suchin and Zachary R. Suchin. Milton B. Suchin is Chairman of the Board of Directors and Chief Operating Officer of College Tonight. Mr. Suchin is the father of Zachary Suchin, the Company's chief executive officer. The material terms of these agreements are as follows:

- Annual compensation for Mr. Zachary R. Suchin of \$100,000 per year, Mr. Milton B. Suchin of \$100,000 per year, and Mr. Schutzbank of \$70,000 per year;
- Subject to earlier termination, the term of each agreement will expire on June 30, 2010;
- Reimbursement of health insurance expenses up to \$250 per month for Mr. Zachary R. Suchin and Mr. Schutzbank, and reimbursement of the actual costs of health insurance for Mr. Milton B. Suchin;
- In the event of a termination without cause, severance equal to the salary due under the employment contract for a period equal to the greater of one year or the remaining term of the employment contract;
- In the event College Tonight does not employ the employee following the expiration of the term of the employment contract, either because of College Tonight's decision not to renew the employment contract or the inability of College Tonight and the employee to negotiate a mutually acceptable new employment contract, severance equal to one year's salary under the employment contract;

Edgar Filing: College Tonight, Inc. - Form 10-Q

- A confidentiality covenant prohibiting the employee from disclosing any information that is owned, used or maintained by College Tonight and which provides College Tonight with an advantage over competitors who do not know or use the information;
- A non-compete covenant preventing the employee from rendering services or owning more than 5% of any other company whose business is the operation of a social networking website for as long as the employee is receiving severance under the employment contract.

Endorsement agreement

In April 2008, the Company entered into a one year agreement with Blue-Eyed Girl, Inc. (Blue-Eyed Girl) on behalf of Lauren Conrad, Ms. Conrad, star of the MTV series, The Hills and an emerging

Table of Contents

talent in the world of fashion design, has agreed to provide endorsements of College Tonight's website and related services. The Company issued Blue-Eyed Girl 250,000 shares of its common stock as partial consideration for Ms. Conrad's agreement to make various promotional appearances and to authorize the Company to use her endorsement for the purpose of promoting and publicizing the Company's website and services. Blue-Eyed Girl will be eligible to receive additional consideration, a portion of which will consist of additional shares of common stock, if the Company's website achieves certain amounts of new registered users. The Company recorded the fair value of the shares issued to Blue-Eyed Girl as prepaid marketing expenses, which is being amortized on a straight-line basis to expense over the one year term of the agreement. Additional consideration, if any, earned by Blue-Eyed Girl will be recognized as an expense upon attainment of the contractual milestones.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND PLAN OF OPERATIONS

Plan of Operations / Overview

Our business is the operation and marketing of a website at www.CollegeTonight.com. The website displays events in and around college campuses, including special deals that may appeal to the cost-conscious college student. The Company is young, having been formed in 2006, and our anticipated plan of operation for the next twelve months is to continue marketing and adding features to our Website to enhance its attractiveness and utility to college students, to expand our Website to additional metropolitan areas and college campuses, and to continue our efforts to create and capture revenue opportunities available from the traffic we generate to our Website. The Company believes that cash on hand is sufficient for at least the next six months in light of anticipated operating expenses. Additional financing efforts are expected within the next six months, though the Company is unable to provide information as to the terms of any such financing or whether its efforts to obtain additional funds will be successful.

In light of the Reverse Merger and the new direction of College Tonight, and the accounting rules with respect to a reverse merger, we have not consolidated revenues or other financial information for our predecessor, Simex, with College Tonight's operations. Simex had been essentially inactive since 2006. College Tonight is considered a development stage company.

Results of Operations Three Months Ended June 30, 2008 and 2007

Revenues

College Tonight's revenues from operations for the three months ended June 30, 2008 and 2007 were \$1,150 and \$2,417, respectively. During these periods College Tonight focused on developing our business plan, promotional events, advertising and developing our website. The decrease in revenue was primarily attributable to sponsorship of a promotional event by a single customer in 2007 compared to advertising revenue in 2008 and product sales revenue generated from the Company's new revenue stream as result of the acquisition of OnFire in April 2008. Overall, we generated minimal revenue from the few events that were run during the initial roll-out of the service offering during 2008 and 2007. Accordingly, our revenues during this period are not reflective of the revenues we expect to generate in the future.

Development Costs

College Tonight incurred development costs of \$59,822 and \$9,249 for the three months ended June 30, 2008 and 2007, respectively. The \$50,573 increase in development costs was used to further develop our Website in preparation for the national rollout of our online services on college campuses across the

Table of Contents

country. None of these costs met the criteria for capitalization as they did not represent enhancements of the functionality of the Company's website.

Marketing Expenses

College Tonight incurred marketing expenses of \$66,377 and \$5,371 for the three months ended June 30, 2008 and 2007, respectively. The increase of \$61,006 was attributable to the advertisement and promotion costs necessary to launch our business as well as to create brand awareness for our services and Company name.

Selling, General and Administrative Expenses

College Tonight incurred selling, general and administrative expenses of \$241,210 and \$23,406 for the three months ended June 30, 2008 and 2007, respectively. The increase of \$217,804 was incurred in building the corporate infrastructure necessary to launch our new business. Approximately \$104,905 of the 2008 expenses was attributable to the compensation of College Tonight officers and employees, and \$50,445 was incurred for professional fees associated with legal and accounting costs of being a public company. The remaining selling, general and administrative expenses of \$85,860 was primarily attributable to rent, insurance and travel related costs associated with the running of the business.

Interest Income and Expense

Net interest income, (expense) was \$665 and \$(845) for the three months ended June 30, 2008 and 2007, respectively, resulting from earnings on cash invested in interest bearing bank accounts, and interest incurred on related party loans.

Net Loss

During the three months ended June 30, 2008 and 2007, we incurred a net loss of \$367,844 and \$36,454, respectively. The net losses experienced by the Company reflect the Company's expenses to research and develop its technology, create business and financial plans, promote its service offerings and recruit management and other staff.

Results of Operations Six Months Ended June 30, 2008 and 2007

Revenues

Edgar Filing: College Tonight, Inc. - Form 10-Q

College Tonight's revenues from operations for the six months ended June 30, 2008 and 2007 were \$1,653 and \$4,834, respectively. During these periods College Tonight focused on developing our business plan, promotional events, advertising and developing our website. The decrease in revenue was primarily attributable to sponsorship of a promotional event by a single customer in 2007 compared to advertising revenue in 2008 and product sales revenue generated from the Company's new revenue stream as a result of the acquisition of OnFire in April 2008. Overall, we generated minimal revenue from the few events that were run during the initial roll-out of the service offering during 2008 and 2007. Accordingly, our revenues during these periods are not reflective of the revenues we expect to generate in the future.

Development Costs

College Tonight incurred development costs of \$129,497 and \$12,667 for the six months ended June 30, 2008 and 2007, respectively. The \$116,830 increase in development costs was used to further develop

Edgar Filing: College Tonight, Inc. - Form 10-Q

Table of Contents

our Website in preparation for the national rollout of our online services on college campuses across the country. None of these costs met the criteria for capitalization as they did not represent enhancements of the functionality of the Company's website.

Marketing Expenses

College Tonight incurred marketing expenses of \$126,675 and \$10,789 for the six months ended June 30, 2008 and 2007, respectively. The increase of \$115,886 was attributable to the advertisement and promotion costs necessary to launch our business as well as to create brand awareness for our services and Company name.

Selling, General and Administrative Expenses

College Tonight incurred selling, general and administrative expenses of \$534,851 and \$28,802 for the six months ended June 30, 2008 and 2007, respectively. The increase of \$506,049 was incurred in building the corporate infrastructure necessary to launch our new business. Approximately \$208,681 of the 2008 expense was attributable to the compensation of College Tonight officers and employees, and \$167,370 was incurred for professional fees associated with legal and accounting costs of being a public company. The remaining selling, general and administrative expenses of \$158,800 was primarily attributable to rent, insurance and travel related costs associated with the running of the business.

Interest Income and Expense

Net interest income, (expense) was \$5,295 and \$(845) for the six months ended June 30, 2008 and 2007, respectively, resulting from earnings on cash invested in interest bearing bank accounts and interest incurred on related party loans.

Net Loss

During the six months ended June 30, 2008 and 2007, we incurred a net loss of \$787,604 and \$48,269, respectively. The net losses experienced by the Company reflect the Company's expenses to research and develop its technology, create business and financial plans, promote its service offerings and recruit management and other staff.

Liquidity and Capital Resources

Edgar Filing: College Tonight, Inc. - Form 10-Q

At June 30, 2008, we had \$453,624 in cash, current liabilities of \$91,890 and working capital of \$731,712. While we had positive working capital at June 30, 2008, we currently have minimal revenues and it is likely that we will spend all of our cash on product development and marketing expenses before we achieve a breakeven level of operations. The Company believes that cash on hand is sufficient for at least the next six months in light of anticipated operating expenses. Additional financing efforts are expected within the next six months, though the Company is unable to provide information as to the terms of any such financing or whether its efforts to obtain additional funds will be successful. If so, we will likely need to raise additional capital in order to continue to operate and grow the business in accordance with our business plan. We may sell additional common or preferred shares in the Company and are actively exploring other alternatives to the issuance of additional equity capital. There is no assurance that we will be able to obtain additional capital or that the terms necessary to attract additional investors will be beneficial to existing shareholders.

Table of Contents

At December 31, 2007, we had \$728,245 in cash and restricted cash, current liabilities of \$141,057, and working capital of \$594,262.

Going Concern

College Tonight's financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying financial statements, College Tonight incurred net operating losses for the three months ended June 30, 2008 and during the period from July 3, 2006 (Inception) to June 30, 2008. These factors create substantial doubt about our ability to continue as going concern. Our ability to continue as a going concern is dependent, for the foreseeable future, on our continued success in raising capital. The financial statements do not include any adjustments that might be necessary if College Tonight is unable to continue as a going concern.

Off-Balance Sheet Arrangements

College Tonight does not have any off-balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

ITEM 4. CONTROLS AND PROCEDURES

The Company's Chief Executive Officer and Vice President of Finance and Business Development have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of June 30, 2008. Based on such evaluation, the Company's Chief Executive Officer and Vice President of Finance and Business Development, have concluded that, as of June 30, 2008, the Company's disclosure controls and procedures were effective.

In connection with the evaluation by management, including the Company's Chairman & Chief Executive Officer and Vice President of Finance and Business Development, no changes in the Company's internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) during the quarter ended June 30, 2008 were identified that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

Not provided in accordance with Commission rule concerning smaller reporting companies.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USES OF PROCEEDS

The Company made the following unregistered sales of its common stock from April 1, 2008 through and including June 30, 2008: (i) 250,000 shares issued in consideration for a third party providing marketing, promotional and endorsement services, (ii) 10,000 shares provided in consideration for the purchase of substantially all of OnFIREbeerpong, Inc.'s assets, (iii) 6,250 shares provided to a former employee as additional compensation for services, (iv) 25,000 shares for providing investor relation services and

Table of Contents

(v), 1,487,500 shares sold for \$0.40 per share to accredited investors pursuant to a private placement memorandum. All of the sales by the Company of its unregistered securities were made in reliance upon Section 4(2) of the Securities Act of 1933 as these offerings were without public solicitation or advertising.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Index

Exhibit Number	Description
3.1	Articles of Incorporation of College Tonight, Inc., as amended. Incorporated by reference to Form 10-QSB for Simex Technologies, Inc., filed July 2, 1999 and by reference to Exhibit 3.1 of Form 8-K for Simex Technologies, Inc., dated March 5, 2008 and filed March 11, 2008.
3.2*	Amended and Restated Bylaws of College Tonight, Inc.
16	February 16, 2008 letter from Connolly, Grady and Cha, P.C. concerning its dismissal as the Company's independent registered public accountant. Incorporated by reference to Form 8-K of Simex Technologies, Inc., dated February 12, 2008 and filed February 19, 2008.
22.2	

Edgar Filing: College Tonight, Inc. - Form 10-Q

Definitive Information Statement pursuant to Sections 14(C) and (F) of the Securities Exchange Act of 1934 on Form DEF 14C for Simex Technologies, Inc., dated February 6, 2008 and filed February 14, 2008.

- 31.1* Certification by the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.2* Certification by the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1* Certification by the Principal Executive Officer pursuant to 18 U.S.C. Section 1350 Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2* Certification by the Principal Financial Officer pursuant to 18 U.S.C. Section 1350 Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COLLEGE TONIGHT, INC.

(FORMERLY KNOWN AS SIMEX
TECHNOLOGIES, INC.)

Dated: August 13, 2008

By: */s/ Zachary R. Suchin*
Zachary R. Suchin, President, CEO and
Principal Executive Officer

By: */s/ Aaron Samel*
Aaron Samel, Vice President of Finance
and Business Development, and Principal
Financial Officer