

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

MULTI TECH INTERNATIONAL CORP  
Form 10QSB  
August 12, 2004

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

FORM 10-QSB

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

For quarterly period ended June 30, 2004

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: 0-25909

Multi-Tech International, Corp.

-----  
(Exact name of Small Business Issuer in its Charter)

Nevada

86-0931332

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

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

9974 Huntington Park Drive, Strongsville, OH 44136

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

(440) 759-7470

-----  
(Issuer's telephone number)

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 (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

State the number of shares outstanding for each of the issuer's classes of  
Common Stock as of the last practical date:

Common Stock, \$0.001 par value per share, 80,000,000 outstanding as of August 2,  
2004

Preferred Non-Voting Stock, \$0.001 par value per share, none outstanding as of  
August 2, 2004

Transactional Small Business Disclosure Format

Yes  No

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

Multi-Tech International, Corp.  
TABLE OF CONTENTS

Item 1. Financial Statements

Balance Sheet (unaudited)..... F-1  
 Statements of Operations (unaudited)..... F-2  
 Statements of Cash Flows (unaudited)..... F-3  
 Notes to Financial Statements..... F-4 to F-8

Item 2. Management's Discussion and Analysis of Plan  
of Operation

Item 3. Controls and Procedures

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Item 2. Changes in Securities

Item 3. Defaults upon Senior Securities

Item 4. Submission of Matters to a Vote  
of Security Holders

Item 5. Other Information

Item 6. Exhibits and Reports on Form 8-K

Signatures

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS AND EXHIBITS

MULTI -TECH INTERNATIONAL, CORP  
(A DEVELOPMENT STAGE COMPANY)  
INTERIM BALANCE SHEET  
(UNAUDITED)

ASSETS	JUNE 30, 2004 ---- (UNAUDITED) -----	DECEMBER 31, 2003 ---- (AUDITED) -----
CURRENT		
Cash	\$-	\$
Prepaid assets and sundry assets		
Total Current Assets	\$-	
FIXED		

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

	Equipment	-	
	Office furniture	-	
	Leasehold improvements	-	
	Vehicle	-	
		-----	
	Total Fixed Assets	-	
		-----	
	OTHER		
	Patent rights	-	
		-----	
	Total Other Assets	-	
		-----	
TOTAL ASSETS		\$-	\$
		=====	
	LIABILITIES	2004	2003
		----	----
	CURRENT		
	Accounts payable	\$503	\$124,5
Accrued Expenses and Other Current Liabilities		-	150,0
	Loans payable	-	10,9
Loan from a shareholder		1,822	
	Note payable	-	15,2
		-----	
	Total Current Liabilities	2,325	300,7
		-----	
	STOCKHOLDERS' EQUITY		
	Preferred Stock, authorized 5,000,000 shares, par value \$0.001 - issued and outstanding - none	-	
	Common Stock, authorized 100,000,000 shares, par value \$0.001 - issued and outstanding - 80,000,000 (12-31-03 - 16,851,920)	80,000	16,8
	Additional paid in capital	10,358,992	9,975,8
	Donated Capital	818,871	818,8
Deficit accumulated during development stage		(11,260,188)	(11,112,31
		-----	
Total Stockholders' Equity		(2,325)	(300,74
		-----	
	Total Liabilities and Stockholders' Equity	\$-	\$
		=====	

F-1

MULTI TECH INTERNATIONAL CORP.  
(A DEVELOPMENT STAGE COMPANY)

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

INTERIM STATEMENT OF OPERATIONS  
(UNAUDITED)

	THREE MONTHS ENDED JUNE 30, 2004 -----	THREE MONTHS ENDED JUNE 30, 2003 -----	SIX MONTHS ENDED JUNE 30, 2004 -----
REVENUE	\$-	\$-	\$-
-----			
	EXPENSES		
Selling, general and administrative expenses	90,797	127,414	147,877
-----			
Total Operating Expenses	90,797	127,414	147,877
-----			
NET LOSS BEFORE UNDERNOTED ITEM	(90,797)	(127,414)	(147,877)
GAIN ON SETTLEMENT OF DEBT	-	-	-
-----			
NET INCOME (LOSS) FROM OPERATIONS	\$ (90,797)	\$ (127,414)	\$ (147,877)
=====			
Weighted average number of shares outstanding	18,950,640	40,366,267	17,901,270
-----			
Net income (loss) per share	\$ (0.00)	\$ (0.00)	\$ (0.01)

F-2

MULTI-TECH INTERNATIONAL, CORP.  
(A DEVELOPMENT STAGE COMPANY)  
STATEMENT OF CASH FLOWS  
(UNAUDITED)

	THREE MONTHS ENDED 6/30/2003 -----	THREE MONTHS ENDED 6/30/2002 -----	JU -----
CASH FLOW FROM OPERATING ACTIVITIES:			
Net Income (Loss)	\$ (127,414)	\$ (9,315)	
-----			

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

Adjustments to reconcile net income (loss) to net cash in operating activities:			
Services received for Common Shares	3,800	-	
Depreciation and Amortization	2,293	-	
Changes in assets and liabilities			
(Increase) Decrease in prepaid expenses	(523)	-	
(Decrease) in Loans Payable	-	8,694	
Increase (Decrease) in Accrued Expenses	91,663	-	
Increase (Decrease) in accounts payable	30,163	-	
	-----		
Cash Used In Operating Activities	(18)	(621)	
	-----		
Cash Flow From Financing Activities			
Increase in loans payable	(51)	-	
Stock issued on account of purchase of assets	-	-	
Note payable on account of purchase of assets	-	-	
Issuance of common stock for cash	-	-	
Donated capital	-	546	
Loan from Shareholder	-	-	
	-----		
Cash Provided by Financing Activities	(51)	546	
	-----		
Cash Flow From Investing Activities			
Purchase of fixed assets	-	-	
Disposal of fixed assets	-	-	
Acquisition of marketable securities	-	-	
Acquisition of patent rights	-	-	
	-----		
Cash Used In Investing Activities	-	-	
	-----		
Increase (Decrease) In Cash	\$ (69)	\$ (75)	
	-----		
Cash Balance at beginning of period	\$94	\$112	
Net increase (decrease) in cash	\$ (69)	(75)	
	-----		
Balance at end of period	\$25	\$37	
	=====		
	FROM		
	SEP 21, 1998		RE
	(INCEPTION)	YEAR	
	TO	ENDED	E
	JUNE 30, 2004	12/31/2002	12/
	-----	-----	-----
CASH FLOW FROM OPERATING ACTIVITIES:			
Net Income (Loss)	\$ (11,260,188)	\$87,033	\$ (6,
	-----		

Adjustments to reconcile net income (loss) to net

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

cash in operating activities:			
Services received for Common Shares	9,759,594	8,174	6
Depreciation and Amortization	-		
Changes in assets and liabilities			
(Increase) Decrease in prepaid expenses	-	120,982	
(Decrease) in Loans Payable	-	-	
Increase (Decrease) in Accrued Expenses	-	-	
Increase (Decrease) in accounts payable	503	18,434	
-----			
Cash Used In Operating Activities	(1,500,091)	234,623	(
-----			
Cash Flow From Financing Activities			
Increase in loans payable	-	10,826	
Stock issued on account of purchase of assets	-	30,321	
Note payable on account of purchase of assets	-	4,301,776	
Issuance of common stock for cash	679,398		
Donated capital	818,871	-	
Loan from Shareholder	1,822	(300,000)	
-----			
Cash Provided by Financing Activities	1,500,091	4,042,923	
-----			
Cash Flow From Investing Activities			
Purchase of fixed assets	-	(37,070)	
Disposal of fixed assets	-	-	
Acquisition of marketable securities	-	(36,100)	
Acquisition of patent rights	-	(4,204,744)	
-----			
Cash Used In Investing Activities	-	(4,277,914)	
-----			
Increase (Decrease) In Cash	\$-	\$ (368)	\$ (
-----			
Cash Balance at beginning of period	\$-	\$368	
Net increase (decrease) in cash	-	(368)	
-----			
Balance at end of period	\$-	\$-	
=====			

F-3

MULTI-TECH INTERNATIONAL, CORP.  
(A DEVELOPMENT STAGE COMPANY)  
NOTES TO FINANCIAL STATEMENTS  
AS AT JUNE 30, 2004  
(UNAUDITED)

1. ORGANIZATION AND BASIS OF PRESENTATION

Nature of Business Multi-Tech International, Corp. (the "Company") was incorporated on September 21, 1998 under the laws of the State of Nevada. The

## Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

Company was originally incorporated under the name of Oleramma Inc.

On April 28, 1999, the Company changed its name to BuckTV,Com, Inc. on the basis that the Company would market consumer products through an Interactive Web site. The Company's primary business operations are to engage in any lawful activity. The Company again changed its name in November 2002 to Multi-Tech International, Corp to more accurately describe the direction in which the Company has taken which is more accurately described below reflecting the acquisition made on November 15, 2002 as set out in Note 7 below.

The Company trades on the OTC-BB as "MLTI".

The Company is focused on acquiring profitable businesses so that it can move forward positively.

The Company's fiscal year end is December 31.

### Development Stage Enterprise

The Company has no revenues and has just commenced operations. The Company's activities are accounted for as those of a "Development Stage Enterprise" as set forth in Financial Accounting Standards Board Statement No. 7 ("SFAS 7"). Among the disclosures required by SFAS 7 are that the Company's financial statements be identified as those of a development stage company, and that the statements of operations, stockholders' equity(deficit) and cash flows disclose activity since the date of the Company's inception.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

These financial statements are presented on the accrual method of accounting in accordance with generally accepted accounting principles accepted in the United States. In the opinion of management, these interim financial statements include all adjustments necessary in order to make them not misleading.

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities

F-4

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

### Cash and Cash Equivalents

The Company considers all highly liquid debt instruments and investments, purchased with an original maturity date of three months or less, to be cash equivalents.

### Income Taxes

## Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

The Company accounts for income taxes under SFAS No. 109, which requires the asset and liability approach to accounting for income taxes. Under this method, deferred assets and liabilities are measured based on differences between financial reporting and tax bases of assets and liabilities measured using enacted tax rates and laws that are expected to be in effect when differences are expected to reverse.

Net earnings (loss) per share

Basic and diluted net loss per share information is presented under the requirements of SFAS No. 128, Earnings per Share. Basic net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding for the period, less shares subject to repurchase. Diluted net loss per share reflects the potential dilution of securities by adding other common stock equivalents, including stock options, shares subject to repurchase, warrants and convertible preferred stock, in the weighted-average number of common shares outstanding for a period, if dilutive. All potentially dilutive securities have been excluded from this computation, as their effect is anti-dilutive.

Fair Value of Financial Instruments

The carrying amount of cash, marketable securities, prepaid expenses and sundry assets, accounts payable, loans payable, and notes payable are considered to be representative of their respective fair values because of the short-term nature of these financial instruments

Recently Issued Accounting Standards

In November 2002, the FASB issued Interpretation, or FIN, No. 5, "Guarantor's Accounting and Disclosure Requirements for Guarantees, including Indirect Guarantees of Indebtedness of Others." FIN 45 elaborates on the existing disclosure requirements for most guarantees, including residual value guarantees issued in conjunction with operating lease agreements. It also clarifies that at the time a company issues a guarantee, the company must recognize an initial

F-5

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

liability for the fair value of the obligation it assumes under the guarantee and must disclose that information in its interim and annual financial statements. The initial recognition and measurement provisions apply on a prospective basis to guarantees issued or modified after December 31, 2002. The disclosure requirements are effective for the financial statements of interim or annual periods ending after December 15, 2002. Our adoption of FIN 45 will not have a material impact on our results of operations and financial position.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation -- Transition and Disclosure." This statement amends SFAS 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this statement amends the disclosure requirements of SFAS 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based accounting for employee compensation and the effect of the method used on reported results.

The Company is currently evaluating whether to adopt the fair



## Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

value based method.

In January 2003, the FASB issued FIN No. 46, "Consolidation of Variable Interest Entities." FIN No. 46 requires that unconsolidated variable interest entities be consolidated by their primary beneficiaries. A primary beneficiary is the party that absorbs a majority of the entity's expected losses or residual benefits. FIN No. 46 applies immediately to variable interest entities created after January 31, 2003 and to existing variable interest entities in the periods beginning after June 15, 2003. Our adoption of FIN No. 46 will not have a material impact on our results of operations and financial position.

On April 30, 2003 the FASB issued Statement No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." The Statement amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under Statement 133. The amendments set forth in Statement 149 improve financial reporting by requiring that contracts with comparable characteristics be accounted for similarly. In particular, this Statement clarifies under what circumstances a contract with an initial net investment meets the characteristic of a derivative as discussed in Statement 133. In addition, it clarifies when a derivative contains a financing component that warrants special reporting in the statement of cash flows. This Statement is effective for contracts entered into or modified after June 30, 2003.

F-6

On May 15, 2003 the FASB issued Statement No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity". The Statement improves the accounting for certain financial instruments that, under previous guidance, issuers could account for as equity. The new Statement requires that those instruments be classified as liabilities in statements of financial position. In addition to its requirements for the classification and measurement of financial instruments in its scope, Statement 150 also requires disclosures about alternative ways of settling the instruments and the capital structure of entities, all of whose shares are mandatorily redeemable. Most of the guidance in Statement 150 is effective for all financial instruments entered into or modified after May 31, 2003.

The company believes that none of the recently issued accounting standards will have a material impact on the financial statements.

### 3. MARKETABLE SECURITIES

Management determines the appropriate classification of investments in debt and equity securities at the time of purchase and re-evaluates such designation as of each subsequent balance sheet date. Securities for which the Company has the ability and intent to hold to maturity are classified as "held to maturity". Securities classified as "trading securities" are recorded at fair value. Gains and losses on trading securities, realized and unrealized, are included in earnings and are calculated using the specific identification method. Any other securities are classified as "available for sale."

At June 30, 2004 the Company had no Marketable Securities.

### 4. CAPITAL STOCK TRANSACTIONS

On May 6, 2004 60,000,000 shares of common stock were issued to a qualified investor for \$440,000.

## Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

### 5. INCOME TAXES

There has been no provision for U.S. federal, state, or foreign income taxes for any period because the Company has incurred losses in all periods and for all jurisdictions.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of deferred tax assets are as follows:

F-7

### 5. INCOME TAXES (CONTINUED)

Deferred tax assets	
Net operating loss carry forwards	\$11,260,188
Valuation allowance for deferred tax assets	(11,260,188)
	-----
Net deferred tax assets	\$ -
	-----

Realization of deferred tax assets is dependent upon future earnings, if any, the timing and amount of which are uncertain.

Accordingly, the net deferred tax assets have been fully offset by a valuation allowance. As of June 30, 2004, the Company had net operating loss carry forwards of approximately \$11,260,188 for federal and state income tax purposes. These carry forwards, if not utilized to offset taxable income begin to expire in 2013.

Utilization of the net operating loss may be subject to substantial annual limitation due to the ownership change limitations provided by the Internal Revenue Code and similar state provisions. The annual limitation could result in the expiration of the net operating loss before utilization.

### 6. GOING CONCERN

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplates continuation of the Company as a going concern.

The future success of the Company is likely dependent on its ability to attain additional capital to develop its proposed technologies and ultimately, upon its ability to attain future profitable operations. There can be no assurance that the Company will be successful in obtaining financing, or that it will attain positive cash flow from operations.

F-8

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

Certain statements in this Quarterly Report on Form 10-QSB, our audited financial statements for the fiscal year ended December 31, 2003 as filed in our annual report on Form 10-KSB, as well as statements made by us in periodic press releases, oral statements made by our officials to analysts and shareholders in the course of presentations about ourselves, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act

## Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

of 1995. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance or achievements of us to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Such factors include, among other things, (1) general economic and business conditions; (2) interest rate changes; (3) the relative stability of the debt and equity markets; (4) competition; (5) the availability and cost of our products; (6) demographic changes; (7) government regulations particularly those related to automatic vehicle location industry; (8) required accounting changes; (9) equipment failures, power outages, or other events that may interrupt Internet communications; (10) disputes or claims regarding our proprietary rights to our software and intellectual property; and (11) other factors over which we have little or no control.

### Background and Organization

Multi-Tech International, Corp., a developmental stage company, hereinafter referred to as "the Company", "we" or "us", was originally organized by the filing of Articles of Incorporation with the Secretary of State of the State of Nevada on September 21, 1998 under the name Oleramma, Inc. The Articles of Incorporation authorized the issuance of one hundred five million (105,000,000) shares, consisting of one hundred million (100,000,000) shares of Common Stock at par value of \$0.001 per share and five million (5,000,000) shares of Preferred Stock at par value of \$0.001. As of June 30, 2004, we had 80,000,000 shares of Common Stock outstanding, and no Preferred Stock issued or outstanding.

We were a company that hoped to develop a genetically engineered Pima cotton seed, with a virus fatal to the bollworm. It was our hope to enter the marketplace as the first genetically engineered Pima cotton, which is genetically superior in combating infestations. Unfortunately we were not able to achieve our original goals and on December 31, 2000 we changed our name to BUCKTV.COM, Inc. pursued and began a new direction. At this time our principal business strategy was to market consumer products through an Interactive Website, and to promote this Website through commercial radio promotions, and Internet search engines, utilizing the talent and skills of a famous radio/television personality. However, this was unsuccessful and we began a search for new opportunities.

On November 15, 2002, pursuant to an Asset Purchase Agreement (the "Agreement") we acquired all the assets of AlphaCom, Inc. ("AlphaCom"), setting a new strategic direction for the Company, and changed the name of the Company

F-9

to Multi-Tech International, Inc. ("Multi-Tech" OTCBB:MLTI) and new management joined the Company. ON November 13, 2003 it was mutually agreed to void this agreement. In connection with this, the Company is now actively pursuing companies to acquire, merge or otherwise enter into a business combination.

### Asset Purchase Agreement

Pursuant to the Agreement we issued a total of 30,320,552 shares of our Common Stock (the "Shares") and a promissory note in the amount of \$4,319,000 payable to AlphaCom representing 74.1 percent of our outstanding shares of Common Stock in exchange for all of the assets of AlphaCom including all business and technologic developments and licensing and marketing rights to such assets. The Shares are being held in escrow for 12 months pursuant to the terms of the Agreement, and are subject to downward adjustment based upon financial contingencies set forth in the Agreement. The acquisition has been accounted for under purchase method accounting. As a condition to the closing we affected a

## Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

1-for-14.525 reverse split of our Common Stock in November 2002.

This Agreement was voided by both parties on November 13, 2003 and the note was cancelled and the issuance of the shares was also cancelled.

### Lack of Liability Coverage

We do not maintain any liability coverage. In the event of any claim against us or any of our assets we may not have the resources to defend the Company, which could have a material adverse effect on the future prospects.

### Pursuit of Strategic Acquisitions and Alliances

We believe there are numerous opportunities to acquire other businesses with established bases, compatible operations, experience with additional synergistic aspects, and experienced management. We believe, that these acquisitions, if successful, will result in mutually beneficial opportunities, and could lead to an increase in our revenue and income growth. We intend to seek opportunities to acquire businesses, services and/or technologies that we believe will complement our business operations. We plan to seek opportunistic acquisitions that may provide complementary services, expertise or access to certain markets. No specific acquisition candidates have been identified, and no assurance can be given that any transactions will be effected, or if effected, will be successful.

In addition, we may execute strategic alliances with partners who have established operations. As part of these joint venture agreements, we may make investments in or purchase a part ownership in these joint ventures. We believe that joint venture relationships, if successful, will result in synergistic opportunities, allowing us to gain additional insight, expertise and penetration in markets where joint venture partners already operate, and may increase our revenue and income growth. No specific joint venture agreements have been

F-10

signed, and no assurance can be given that any agreements will be effected, or if effected, will be successful.

The Company has not achieved revenues or profitability to date, and the Company anticipates that it will continue to incur net losses for the foreseeable future. As of June 30, 2004, the Company had an accumulated deficit of Eleven million two hundred and sixty thousand one hundred and eighty-eight (\$11,260,188) dollars. The Company expects that its operating expenses will increase significantly during the next several months, especially in the areas of business development and sales and marketing. Thus, the Company will need to generate increased revenues to achieve profitability. To the extent that increases in its operating expenses precede or are not subsequently followed by commensurate increases in revenues, or that the Company is unable to adjust operating expense levels accordingly, the Company's business, results of operations and financial condition would be materially and adversely affected. There can be no assurances that the Company can achieve or sustain profitability or that the Company's operating losses will not increase in the future.

### Liquidity and Capital Resources

The Company's capital requirements have historically consisted of funding operations and capital expenditures through the sale of common stock and the exchange of common stock for services. The Company has no significant revenue from operations.

Net cash used in operating activities for the six months ended June 30,2004 was

## Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

\$(441,841) compared with cash used in operating activities for the six months ended June 30, 2003 of \$(2,859).

The Company's working capital deficiency is currently \$2,325 compared with \$300,743 at the year-end. The greatest portion of the deficiency relates to accounts payable and accrued operating expenses.

The ability of the company to meet its business objectives as described above depends upon the Company raising the required capital.

The Company has no material commitments for capital expenditures nor does it foresee the Company raising the required capital.

### CURRENT BOARD OF DIRECTORS AND OFFICERS

Dr. David F. Hostelley, CPA President, Secretary/Treasurer, and CFO.	Board of Directors	Interim
Dr. Dennis Byrne Secretary	Board of Directors	Assistant

The Board of Directors is actively seeking other Board members and a President with a business development background.

F-11

### ITEM 3. CONTROLS AND PROCEDURES

Within 90 days prior to the date of this report under the supervision and participation of certain members of the Company's management, including the President and the Principal Financial Officer, the Company completed an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rules 13a - 14 and 15d - 14c to the Securities Exchange Act of 1934, as amended). Based on this evaluation, the Company's President and Principal Financial Officer believe that the disclosure controls and procedures are effective with respect to timely communicating to them and other members of management responsible for preparing periodic reports all material information required to be disclosed in this report as it relates to the Company.

## PART II OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

Not Applicable.

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

The sale of sixty million (60,000,000) common shares (restricted) on May 6, 2004 for \$440,000 cash allowed the Company to pay all of its then outstanding debts as well as costs of the transaction. Upon completion of the transaction the Company had no assets and no liabilities. As a result of this stock sale Mr. Jeffrey Reade now controls seventy-five percent (75%) of the Company's voting stock.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not Applicable.

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

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

On April 4, 2004 management sought approval to sell either common stock, preferred stock, or a combination to raise capital for the company. Written approval was received from shareholders representing 14,172,580 shares or 70.8629% of the outstanding shares. On May 6, 2004 the Company was able to sell sixty million (60,000,000) restricted common shares to a qualified investor.

ITEM 5. OTHER INFORMATION

Not Applicable.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

31.1 Certification by Dr. David F. Hostalley, President and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification by Dr. David F. Hostalley, President and Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

On May 12, 2004, the Company reported on Form 8-K the issuance of 60,000,000 shares of restricted common stock to Mr. Jeffrey Revell-Reade in exchange for \$440,000. As a result of such stock issuance Mr. Reade now controls 75% of the Company's voting stock.

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.

Date: August 2, 2004

Multi-Tech International, Corp.

By: /s/ Dr. David F. Hostalley

-----  
Dr. David F. Hostalley,  
President and Principal  
Financial Officer