

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

MULTI TECH INTERNATIONAL CORP
Form 10QSB
April 22, 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 March 31, 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 44136-2516

(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, 20,000,000 outstanding as of April 20, 2004

Preferred Non-Voting Stock, \$0.001 par value per share, none outstanding as of April 20, 2004

Transactional Small Business Disclosure Format

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

Yes [] No [X]

Multi-Tech International, Corp.
TABLE OF CONTENTS

Item 1.	Financial Statements	
	Balance Sheet (unaudited).....	3- 4
	Statement of Operations (unaudited).....	5
	Statement of Cash Flows (unaudited).....	6
	Notes to Financial Statements.....	12-14
Item 2.	Management's Discussion and Analysis of Plan of Operation.....	14-16
Item 3.	Controls and Procedures.....	16
PART II. OTHER INFORMATION		
Item 1.	Legal Proceedings.....	17
Item 2.	Changes in Securities	17
Item 3.	Defaults upon Senior Securities.....	17
Item 4.	Submission of Matters to a Vote of Security Holders.....	17
Item 5.	Other Information.....	17
Item 6.	Exhibits and Reports on Form 8-K.....	17
	Signatures.....	17

Page Two

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS AND EXHIBITS

The unaudited financial statements of registrant for the three months ended September 30, 2003, follow. The financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim period presented.

MULTI-TECH INTERNATIONAL, CORP.
(DEVELOPMENT STAGE COMPANY)
INTERIM BALANCE SHEET
AS AT MARCH 31, 2004

March 31, 2004 (UNAUDITED)	DECEMBER 31, 2003 (AUDITED)
----------------------------------	-----------------------------------

ASSETS

CURRENT

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

Cash	\$	313	\$	19
Prepaid assets and sundry assets		23		23

Total Current Assets		336		42

FIXED				
Equipment		-		-
Office furniture		-		-
Leasehold improvements		-		-
Vehicle		-		-

TOTAL FIXED ASSETS		-		-

OTHER				
Patents rights		-		-

Total Other Assets		-		-

TOTAL ASSETS	\$	336	\$	42

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

Page Three

MULTI-TECH INTERNATIONAL, CORP.
(A DEVELOPMENT STAGE COMPANY)
INTERIM BALANCE SHEET
AS AT MARCH 31, 2004

	March 31, 2004 (UNAUDITED)	DECEMBER 31, 2003 (AUDITED)
	-----	-----
LIABILITIES		
CURRENT		
Accounts payable	\$ 122,023	\$ 124,559
Loans payable	10,951	10,951
Accrued Payroll	187,500	150,000
Notes payable	31,390	15,275

Total Current Liabilities	351,864	300,785

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 - 20,000,000		

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

(Dec 31, 2003 - 16,851,920)	20,000	16,852
Additional Paid in Capital	9,978,992	9,975,845
Donated Capital	818,871	818,871
Deficit accumulated during development stage	(11,169,391)	(11,112,311)
Total Stockholders' Equity	(351,528)	(300,743)
Total Liabilities and Stockholders' Equity	\$ 336	\$ 42

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

Page Four

MULTI-TECH INTERNATIONAL, CORP.
(DEVELOPMENT STAGE COMPANY)
STATEMENT OF OPERATIONS
(UNAUDITED)

	THREE MONTHS ENDED March 31, 2004	THREE MONTHS ENDED March 31, 2003	FROM SEPT 21, 1998 (INCEPTION) TO March 31, 2004
REVENUE	\$ -	\$ 4,280	\$ 4,477
EXPENSES			
Selling, general and Administrative expenses	57,080	13,462	(11,359,708)
Total Operating Expenses	57,080	13,462	(11,359,708)
NET LOSS BEFORE UNDERNOTED ITEM	(57,080)	(9,182)	(11,355,231)
GAIN ON SETTLEMENT OF DEBT	-	-	300,000
NET (LOSS) FROM OPERATIONS	\$ (57,080)	(9,182)	\$ (11,055,231)
Weighted average number of shares outstanding	18,576,579	40,366,267	

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

 Net income loss per share \$ (0.03) \$ (0.00)

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

Page Five

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

	THREE MONTHS ENDED March 31, 2004	THREE MONTHS ENDED March 31, 2003	FROM SEPT 21, 1998 (INCEPTION) TO March 31, 2004

CASH FLOW FROM OPERATING ACTIVITIES			
Net Income (Loss)	\$ (57,080)	\$ (9,182)	\$ (11,169,391)

Adjustments to reconcile net income (loss) to net cash in operating activities:			
Stock issued for services	6,295	(1,300)	9,758,894
Depreciation and Amortization	-	2,293	3,825
Loss on disposal of fixed assets	-	-	721
Changes in assets and liabilities			
(Increase) Decrease in prepaid expenses	-	5,348	(23)
Increase in accrued wages	37,500	-	187,500
Increase (Decrease) in accounts payable	(2,536)	-	122,023

Cash Used In Operating Activities	(15,821)	(2,841)	(1,096,451)

Cash Flow From Financing Activities			
Increase in loans payable	-	176	10,951

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

Note payable on account of purchase of assets	-	(4,528)	-
Other notes payable	16,115	-	31,390
Issuance of common stock for cash	-	-	239,398
Donated capital	-	-	818,871

Cash Provided by Financing Activities	16,115	(4,352)	1,100,610

Cash Flow From Investing Activities			
Purchase of fixed assets	-	-	(11,133)
Disposal of fixed assets	-	7,287	7,287
Acquisition of marketable securities	-	-	-
Acquisition of patents rights	-	-	-

Cash Used In Investing Activities	-	7,287	(3,846)

Increase In Cash	294	94	313

Cash and cash equivalents - beginning of period	19	-	-
Cash and cash equivalents - end of period	313	94	313

Balance at end of period	78	-	78

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

Page Six

MULTI-TECH INTERNATIONAL, CORP.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
AS AT MARCH 31, 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 OTCBB as MLTI.

On November 13, 2003 the Company agreed to mutually void the transaction of November 15, 2002, whereby the Company acquired all the assets of AlphaCom, Inc., setting a new strategic direction for the Company. The Company's principal business was in the field of spectrum technologies for communications.

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 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.

Page Seven

MULTI-TECH INTERNATIONAL, CORP.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
AS AT MARCH 31, 2004
(UNAUDITED)

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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. 45, "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 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.

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

MULTI-TECH INTERNATIONAL, CORP.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
AS AT MARCH 31, 2004
(UNAUDITED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Standards (continued)

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 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.

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.

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

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

Page Nine

MULTI-TECH INTERNATIONAL, CORP.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
AS AT MARCH 31, 2004
(UNAUDITED)

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 MARCH 31, 2004 all securities were classified as trading securities.

As part of the purchase price of the assets of Alphacom, Inc as more particularly described in Note 7 the Company received 277,698 shares of American Millenium Corporation trading on OTCBB under the symbol of AMCI.OB. This Company has approximately 45 million shares outstanding to date. The current market value of the stock is \$0.16 per share or \$44,432. However, as a result of the voiding of the Asset Purchase Agreement effective November 13, 2003, the asset was returned to AlphaCom, Inc. and it is no longer owned by MLTI.

4. CAPITAL STOCK TRANSACTIONS

On September 22, 1998, the Company issued 3,000,000 shares of its \$0.001 par value common stock for cash of \$8,016.

On February 28, 1999, the Company completed a public offering that was registered with the State of Nevada pursuant to N.R.S. 90.490 and was exempt from federal registration pursuant to Regulation D, Rule 504 of the Securities Act of 1933 as amended. The Company sold 767,000 shares of Common Stock at a price of \$0.05 per share for a total amount raised of \$38,360.

On March 10, 2000, the Company issued 3,000,000 shares of its \$0.001 par value common stock for cash of \$30,000.

On March 28, 2000, the Company filed Form S-8 with the U.S. Securities and Exchange Commission and issued an additional 1,675,000 shares of its \$0.001 par value common stock for services to the Company for a total consideration of \$2,931,250.

On April 24, 2000, by Board Resolution the company issued 1,000,000 restricted 144 shares to BuckBuilders.com, Inc., for advertising the Company's website and auction partners plan for a total consideration of \$1,200,000.

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

On June 5, 2000, by Board Resolution the Company issued 200,000 restricted 144 shares to OTC Live, Inc for services for a total consideration of \$ 120,000.

On June 15, 2000, by Board Resolution the Company issued 944,220 restricted 144 shares to Myfreestore.com for services rendered for a total consideration of \$377,688.

On July 14, 2000, the Company filed Form S-8 with the U.S. Securities and Exchange Commission and issued an additional 575,000 shares of its \$0.001 par value common stock for services to the Company for a total consideration of \$155,250.

Page Ten

MULTI-TECH INTERNATIONAL, CORP.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
AS AT MARCH 31, 2004
(UNAUDITED)

4. CAPITAL STOCK TRANSACTIONS (CONTINUED)

On July 21, 2000, by Board Resolution the company issued 500,000 restricted 144 shares to Rodney Schoemann, Sr. for services rendered for a total consideration of \$135,000.

On July 21, 2000, by Board Resolution the company issued 2,000,000 restricted shares to BuckBuilders.com, Inc. for services rendered for a total consideration of \$540,000.

On August 17, 2000 the Company filed Form S-8 with the U.S. Securities and Exchange Commission and issued an additional 660,000 shares of its \$0.001 par value common stock for services to the Company for a total consideration of \$ 184,800.

On September 13, 2000, by Board Resolution, the Company issued 760,000 restricted 144 shares to Washington Hamilton Group, for services to the Company for a total consideration \$ 212,800.

On November 9, 2000, by Board Resolution, the Company issued 5,000,000 shares of restricted 144 shares to Bry Behrmann and Larry E. Hunter for services rendered for a total consideration of \$1,400,000.

On December 22, 2000, the Company issued 5,720,500 shares of restricted 144 shares to Stephen Bishop for services rendered for a total consideration of \$1,601,740.

On March 2, 2001, the Company filed Form S-8 with the U.S. Securities and Exchange Commission and issued an additional 10,890,000 shares of its \$0.001 par value common stock for services to the Company.

On April 11, 2001, the Company filed Form S-8 with the U.S. Securities and Exchange Commission and issued an additional 22,625,000 shares of its \$0.001 par value common stock for services to the Company.

On April 11, 2001 the Company issued 12,500,000 shares of its

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

\$0.001 par value common stock for \$70,000 cash, to a qualified investor.

On May 15, 2001 the Company issued 12,500,000 shares of its \$0.001 par value common stock for \$70,000 cash, to a qualified investor.

On June 1, 2001, the Company filed Form S-8 with the U.S. Securities and Exchange Commission and issued an additional 3,500,000 shares of its \$0.001 par value common stock for services to the Company for a total consideration of \$175,000.

During various times of the year 2001, the Company issued a total of 6,601,633 shares of its \$0.001 par value common stock for services to the Company.

On November 20, 2002 the Company filed Form 8-K with the U.S. Securities and Exchange Commission indicating that at a Board Of Directors' meeting held on October 25, 2002 the Board announced a 14.525 to 1 reverse stock split, after which there were six million five hundred thousand and three hundred and eighty-two (6,500,382) common shares outstanding.

Page Eleven

MULTI-TECH INTERNATIONAL, CORP.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
AS AT MARCH 31, 2004
(UNAUDITED)

4. CAPITAL STOCK TRANSACTIONS (CONTINUED)

On November 20, 2002 the Company filed Form 8-K with the U.S. Securities and Exchange Commission indicating that the Company had acquired all of the assets of AlphaCom, Inc. in exchange for 30,320,552 of its \$0.001 par value of common stock and a note for \$4,319,000.

On December 9, 2002 the Company issued 3,087,000 of its \$0.001 par value common stock in exchange for services to the Company for a total consideration of \$6,174.

On December 12, 2002 the Company filed Form S-8 with the U.S. Securities and Exchange Commission and issued one million (1,000,000) of its \$0.001 par value common stock in exchange for services to the Company for a total consideration of \$2,000.

On January 15, 2003, certain consulting agreements were cancelled which resulted in the cancellation of 650,000 shares of common stock.

On April 4, 2003 the Company filed Form S-8 with the U.S. Securities and Exchange Commission and issued one hundred and thirty-five thousand (135,000) of its \$0.001 par value common stock in exchange for services to the Company for a total consideration of \$270.

On April 8, 2003 the Company issued 35,000 shares of its \$0.001 par value common stock in exchange for services to the Company for a total consideration of \$70.

On May 19, 2003 the Company filed Form S-8 with the U.S. Securities

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

and Exchange Commission and issued two million three hundred and thirty thousand (2,330,000) shares of its \$0.001 par value stock in exchange for services to the Company for a total consideration of \$4,660.

On June 9, 2003 the Company cancelled a certain consulting agreement, which resulted in the cancellation of 2,000,000 shares of common stock.

On June 2, 2003 the Company filed Form S-8 with the U.S. Securities and Exchange Commission for two million (2,000,000) shares of its \$0.001 par value common stock in exchange for services to the company for a total consideration of \$4,000. The agreement called for scheduled issuance of shares based upon performance, and the Company issued 500,000 shares of common stock as its initial payment, in exchange for services to the Company for a total consideration of \$1,000.

On June 28, 2003 the Company issued 400,000 shares of its \$0.001 par value common stock as consideration for entering into an employment agreement with the Secretary/Treasurer/CFO, for a total consideration of \$800.

On June 30, 2003 the Company issued 500,000 shares of its \$0.001 par value stock as agreed in the separation agreement with its President, for a total consideration of \$1,000.

On July 10, 2003 the Company issued 125, 000 shares of its \$0.001 par value stock pursuant to the June 2, 2003 registration statement.

On August 10, 2003 the Company issued 125, 000 shares of its \$0.001 par value stock pursuant to the June 2, 2003 registration statement.

Page Twelve

MULTI-TECH INTERNATIONAL, CORP.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
AS AT MARCH 31, 2004
(UNAUDITED)

4. CAPITAL STOCK TRANSACTIONS (CONTINUED)

On September 10, 2003 the Company issued 125, 000 shares of its \$0.001 par value stock pursuant to the June 2, 2003 registration statement.

On November 11, 2003 the Company issued 100,000 shares of its \$ 0.001 par value stock pursuant to the June 2, 2003 for services valued at \$200.

On November 13, 2003 the Company issued 4,604,538 at a price of \$ 0.005 per share in order to settle debts totaling \$ 23,023.

On November 13, 2003 the Company issued 150,000 shares of its \$ 0.001 par value stock as a loan incentive to advance funds to the Company for a loan of \$15,440 at 10% annual interest rate.

On December 30, 2003 the Company cancelled a total of 265,000 shares that were returned by consultants.

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

On February 11, 2004 3,128,080 shares of common stock were issued to consultants for services rendered totaling \$6,256.

On March 5, 2004 20,000 shares of common stock were issued as an incentive for a loan advance.

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:

Deferred tax assets	
Net operating loss carry forwards	\$11,169,391
Valuation allowance for deferred tax assets	(11,169,391)

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 MARCH 31, 2004, the Company had net operating loss carry forwards of approximately \$11,169,391 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.

Page Thirteen

MULTI-TECH INTERNATIONAL, CORP.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2003
(UNAUDITED)

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

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

Company will be successful in obtaining financing, or that it will attain positive cash flow from operations.

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

Caution

Certain statements in this Quarterly Report on Form 10-QSB, our audited financial statements for the fiscal year ended December 31, 2002 as filed in our amended annual report on Form 10-KSB/A, 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 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 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 September 30, 2003, we had 42,582,934 shares of Common Stock outstanding, no Preferred Stock issued or outstanding, options to purchase 50,000 shares of Common Stock at \$1.00 per share and options to purchase 50,000 shares of Common Stock at \$1.50 per share.

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 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

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

actively pursuing profitable companies to acquire, merge or otherwise enter into a business combination.

Page Fourteen

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

At present, the Company is utilizing the resources of its major shareholders and directors to fund operations. Nominal funds have been received from sales to date of \$4,280 and from the sale of some of the Company's equipment totaling \$7,287 and will not increase significantly over the next twelve months.

The Company has no current operations and will continue to experience

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

losses until it finds a suitable merger candidate. Even after merging with a suitable entity there is no certainty that the merged entity will be profitable. For the time being the Company will have to rely upon its officers and directors to fund the Company or the raising of capital from share sales in order to sustain its operations. 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.

Page Fifteen

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 three months ended March 31, 2004 was \$15,821 compared to \$2,841 for the three months ended March 31, 2003.

The Company's working capital deficiency is currently \$351,841 compared with \$300,762 at the year end.

The ability of the Company to meet its business objectives as described above depend upon the Company raising additional capital or depending on the resources of its officers and directors or shareholders.

The Company has no material commitments for capital expenditures nor does it foresee the Company raising the required capital. The Company is exploring a number of funding opportunities at the moment. On April 13, 2004 the Company received and accepted a non-binding letter of intent to make an investment in the Company. The Company's officers are currently negotiating specifics, however, there is no assurance that the proposed transaction will be completed

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.

Page Sixteen

Edgar Filing: MULTI TECH INTERNATIONAL CORP - Form 10QSB

ITEM 1. Legal Proceedings

Not Applicable.

ITEM 2. Changes in Securities and Use of Proceeds

Not Applicable.

ITEM 3. Defaults upon Senior Securities

Not Applicable.

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. It is possible that such a transaction may represent a change in control of the Company.

ITEM 5. Other Information

Not Applicable.

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits

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

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: April 20, 2004

Multi-Tech International, Corp.

By: /s/ David F. Hostelley

David F. Hostelley
Interim President

Date: April 20, 2004

By: /s/ Dr. David F. Hostelley

Dr. David F. Hostelley
Principal Financial Officer

