

Edgar Filing: YSEEK INC - Form 10KSB

YSEEK INC
Form 10KSB
March 29, 2004

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB

(Mark One)

Annual report under section 13 or 15 (D) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2003

Transition report under section 13 or 15 (d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____

ADVANCED 3-D ULTRASOUND SERVICES, INC.

f/k/a YSEEK, INC.

(Name of small business issuer in its charter)

Florida 65-0783722

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

7732 N. Mobley Drive
Odessa, Florida 33556

(Address of principal executive offices) (Zip Code)

Issuer's telephone number, including area code: (813) 926-3298

Securities registered under Section 12(b) of the Exchange Act:

None

Name of exchange on which registered

OTC Bulletin Board

Securities registered under Section 12(g) of the Exchange Act:

Common stock, \$.0001 par value

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 X No ____

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.

The issuer's revenue for the most recent fiscal year ending December 31, 2003, was \$-0-.

The aggregate market value of the voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of February 23, 2004, was approximately \$889,778.50.

The number of shares of the Company's common stock, par value \$.0001 per

Edgar Filing: YSEEK INC - Form 10KSB

share, outstanding as of March 22, 2004, was 131,963.

Transitional Small Business Disclosure Format (Check One) Yes No

Part I

Item 1. Description of Business

The Company

The Company intends to operate 3-D ultrasound centers for elective, non-diagnostic purposes. Centers will be located in commercial office parks, malls and shopping centers, rather than primarily near hospitals. Centers will initially be located in the Tampa, Florida, area.

The Company was originally formed to develop, own and operate a chain of full-service car washes and express oil change centers. The Company is a successor to Steele Holdings, Inc., a Florida Corporation formed on August 13, 1997. Rachel Steele was the sole shareholder and President of Steele Holdings. On January 20, 1998, the Company and Steele Holdings, Inc., were reorganized with all the assets of Steele Holdings being transferred into the Company. All 6,000 authorized shares of common stock were exchanged on a one-to-one thousand basis for shares in the Company. After the reorganization, all stock in the Company was owned by the Company's president, Rachel Steele. Steele Holdings has conducted no other business, held no other assets and was dissolved on October 16, 1998. On October 22, 1999, the Company changed its name to SwiftyNet.com, Inc. On January 29, 2001, the Company changed its name to Yseek, Inc.

The Company constructed an oil change center in Palm Harbor, Florida on real property owned by the Company (the "Center"). The approximately one (1) acre site was purchased from Champion Hills by the Company's predecessor for \$312,500. The first Center was opened on January 18, 1999. The Center was sold on April 19, 2000, for a cash sales price of \$1,000,000. The sales price was determined through arms-length negotiations. The car wash was purchased by In and Out Express Lube, Inc. There were no material relationships between the purchaser and the Company or its affiliates, or any officer or director, or any associate of such officer or director.

Late in 2000, the Company launched an Internet search portal called Yseek.com based on a ten-year software license it acquired in late 2000. In January 2001, the Company used the software to begin operating the Yseek.com web site. Yseek.com provided a free search engine and links by category to other World Wide Web sites at [www.yseek.com]. During 2001 and 2002, the Company entered into several short-term revenue sharing agreements with Internet host sites to generate traffic to the site and generate revenues. The Company's management with Internet related experience resigned from the Company in September 2002. New management elected in September 2002 decided not to pursue an Internet related business and therefore recognized an impairment loss for the unamortized value of the search engine in the fourth quarter of 2002.

On March 12, 2003, the board of directors voted to amend the Company's Articles of Incorporation changing the Company's name to Advanced 3-D Ultrasound Services, Inc. The purpose of the name change is to reflect the Company's emphasis on developing 3-D ultrasound centers.

Background

Ultrasound has been used during pregnancy for diagnostic purposes since the late 1950's. Real-time scanners are currently used for such diagnostic procedures which provide a continuous picture of a moving fetus on a monitor screen.

Edgar Filing: YSEEK INC - Form 10KSB

Real-time scanners (2-D) use very high frequency sound waves between 3.5 and 7.0 megahertz and are generally used for diagnostic purposes. Sound waves are emitted from a transducer which is placed on the mother's stomach and moved to obtain an image of the fetus. The sound waves act much in the same manner as the reflection and distortion as light, changing wave length and direction as they cross the boundaries between media. Each sound wave emitted by the transducer is reflected by the mother and fetus and the reflection is recorded by the transducer. This occurs multiple times. The information obtained from different reflections are recomposed on the monitor screen.

3-D ultrasound fetal imaging was first developed in 1986, but was not practiced on a wide-spread basis until 1999, when new computer logarithms and more powerful computers were developed. 3-D ultrasound imaging systems work in a similar fashion as 2-D ultrasound systems, except that the transducer scans are processed to a greater degree and an array of micro-processor controlled transducers are used. The transducer array takes several hundreds or thousands 2-D ultrasound images over a 30-40 degree arc. Perception of a 3-D surface is achieved when these 2-D images are combined by a combination of depth shading, color mapping, texture mapping and ray tracing volume rendering, all of which are performed in a computer. While certain medical conditions are more easily diagnosed with a 3-dimensional scan, the primary purpose of such scanning is to allow mothers to see their babies prior to birth, and thus, bond with them. This use has been referred to as a "reassurance scan" or an "entertainment scan."

Equipment

The Company intends to purchase imaging equipment from National Ultrasound, Inc. of Norcross, Georgia at an approximate price of \$50,000 per imaging system. The imaging equipment will be purchased for cash. The imaging equipment is not proprietary to the Company and will be purchased from third party suppliers. There are at least 6 suppliers of comparable equipment. As a result, the Company believes it will be able to obtain adequate equipment from numerous sources.

Employees

The Company anticipates that each center will have 3 full-time employees being comprised of a technician and 2 persons to operate the office.

Governmental Regulations

Because the Company believes its market will be primarily elective, non-diagnostic 3-D ultrasound scans, it does not anticipate significant Medicare or insurance billing. While imaging equipment will be operated by licensed technicians specifically trained in the operation of ultrasound equipment, the operation through the ultrasound equipment per se is not otherwise regulated. Government regulation of the operation of an elective, non-diagnostic 3-D ultrasound center could have an adverse impact on the profitability of the Company's centers.

Locations

The Company's centers will be primarily housed in malls and strip shopping centers. The Company does not anticipate purchasing any of its offices, rather renting them. Each center will be comprised of approximately 1,000 sq. ft. which will include two examining rooms, a waiting room and a business office. The Company has not yet entered into a lease for its first center, but believes that leases suitable for use as a center can be obtained on terms favorable to the Company, and does not anticipate any difficulty in obtaining suitable space for its ultrasound centers.

Edgar Filing: YSEEK INC - Form 10KSB

On March 12, 2004, the Company rented offices located at 14502 North Dale Mabry Highway, Tampa Florida for its corporate headquarters. The lease is for a term of six months and on a month-to-month basis thereafter. The rental under the lease is \$600 per month. The leased space is approximately 183 square feet.

Competition

The Company will compete with existing medical imaging centers. The Company believes many of these centers do not yet have 3-D ultrasound equipment. The Company will also compete with other companies which target the same elective, non-diagnostic 3-D ultrasound market as the Company, such as Clearview Ultrasound, Inc., FetalFotos, Inc. and BabyInsight, Inc. Since barriers to entry in the elective, non-diagnostic 3-D ultrasound market are comparatively low, it is anticipated that the Company will experience increased competition.

Item 2. Description of Property

None.

Item 3. Legal Proceedings

The Company is not a party to any pending legal proceedings.

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

None

Part IIIItem 5. Market for Common Equity and Related Stockholder MattersThe Company's common stock are traded on the Over-the-Counter Bulletin Board under the symbol AVDU.OB. The high and low sales prices for each quarter since 2000 are as follows:

	Common Stock	
	High*	Low*
1st quarter 2000	\$1,600.00	\$625.20
2nd quarter 2000	1,425.32	600.00
3rd quarter 2000	737.60	350.00
4th quarter 2000	550.00	137.60
1st quarter 2001	287.60	287.60
2nd quarter 2001	152.00	75.20
3rd quarter 2001	136.00	32.00
4th quarter 2001	92.00	24.00
1st quarter 2002	18.12	16.64
2nd quarter 2002	8.04	7.80
3rd quarter 2002	6.80	6.56
4th quarter 2002	5.56	5.36
1st quarter 2003	24.00	4.00
2nd quarter 2003	20.00	8.00
3rd quarter 2003	24.00	12.00
4th quarter 2003	24.00	8.00

*All share prices adjusted to reflect 1-for-400 reverse stock split effective December 29, 2003.

The approximate number of holders of record of common stock is 110. No dividends have been declared to date. The future dividend policy will depend upon the Company's earnings, capital requirements, financial condition and other factors considered relevant by the Company's Board of Directors.

Recent Sales of the Company's Securities.

Edgar Filing: YSEEK INC - Form 10KSB

From September 2003 to March 2004, the Company sold a total of 21,959 common shares as follows:

Name	Number Common Shares Purchased	Date	Price/Share
W.L. Blakely	5001	10-02-03	\$6.00
David/Jacqueline Halpern	2,5001	10-07-03	\$6.00
William Kapner	6251	11-24-03	\$6.00
David/Jacqueline Halpern	2,5001	11-26-03	\$6.00
Steven Sattinger	8341	12-10-03	\$6.00
Glenn M. Noble	2,000	01-30-04	\$5.00
Elmer R./Maria Oma Orozco	2,000	02-02-04	\$5.00
Douglas W. Kile	1,000	02-11-04	\$5.00
Timothy Minnehan	10,000	03-04-04	\$5.00

1Adjusted for 1-for-400 reverse split.

All sales were made pursuant to Section 4(2) of the 1933 Act. The proceeds of the sale of these securities to provide operating capital and development costs.

On February 1, 2003, the Company entered into a consulting agreement with an individual to investigate a potential business opportunity for a period of ninety days. In exchange for services, the consultant will receive \$10,000 and 2,500 common shares.

Special Note Regarding Forward Looking Statements.

This annual report on Form 10-KSB of Advanced 3-D Ultrasound Services, Inc., f/k/a Yseek, Inc. for the year ended December 31, 2003 contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. To the extent that such statements are not recitations of historical fact, such statements constitute forward-looking statements which, by definition, involve risks and uncertainties. In particular, statements under the Sections; Description of Business, Business Strategy and Management's Discussion and Analysis of Financial Condition and Results of Operations contain forward-looking statements. Where, in any forward-looking statement, the Company expresses an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the statement of expectation or belief will result or be achieved or accomplished.

The following are factors that could cause actual results or events to differ materially from those anticipated, and include but are not limited to: general economic, financial and business conditions; changes in and compliance with governmental regulations; changes in tax laws; and the costs and effects of legal proceedings.

Item 6. Management's Discussion and Analysis or Plan of Operation

The following discussion and analysis should be read in conjunction with the Financial Statements and the related Notes thereto included elsewhere in this report. This report contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in "Special Note Regarding Forward-Looking Statements."

Edgar Filing: YSEEK INC - Form 10KSB

PLAN OF OPERATION

During the first eight months of 2002, the Company's board of directors and officers were affiliated with companies and individuals with substantial experience in the internet industry. Prior to 2002, strategic alliances and consulting agreements had allowed the Company to acquire management and marketing expertise with these individuals and companies. In September 2002 these officers and directors elected new officers and directors and then resigned. The new officers and directors have been involved with the company since its inception, except for the period from April 2001 to September 2002.

In late 2000, the Company acquired a ten-year software license for the use of a keyword biddable search engine and related domain names. The Company entered into two traffic promotion agreements whereby each promoter provided hits to the Company web site. The Company issued stock in exchange for these agreements enabling the Company to move forward on its plans without the use of any funds. The stock issued under the traffic promotion agreements was returned in September 2002. New management elected in September 2002 decided not to pursue an Internet related business and therefore recognized an impairment loss for the unamortized value of the search engine in the fourth quarter of 2002. Management will attempt to sell the remaining term of the license however there is no ready market and the ultimate proceeds, if any, cannot be determined.

The Company's plans include acquiring or developing profitable business ventures. On February 1, 2003, the Company entered into a consulting agreement with an individual to investigate a potential business opportunity for a period of ninety days. In exchange for these services, the consultant will receive \$10,000 and 2,500 common shares. Currently the Company is actively pursuing the business of 3-D fetal photography. 3-D fetal photography provides clear color photographs of an unborn child. The Company believes recent improvements make this technology practical and desired by parents. In response to the Company's decision to pursue this business venture, the Company received shareholder approval to pursue this venture and therefore changed its name to Advanced 3-D Ultrasound Services, Inc. at its shareholders meeting on May 2, 2003.

The Company is currently working on the business model for a 3-D fetal photography center and a marketing plan for the first center. The Company has determined the design of the first center and has negotiated with vendors to provide equipment. The Company is also pursuing trademark protection. The Company is currently working on a business and marketing plan.

The Companies' plans to develop a profitable 3-D fetal photography business will require additional funds.

The Company adopted a subscription agreement to raise \$300,000 of which \$200,000 was to be used for fetal photography development and \$100,000 for working capital. From September 2002 through December 2002, the Company received \$138,730 from sales of common stock, of which \$35,000 was from one of the new officers who is a major stockholder. This initial funding was used primarily to pay off debts and to fund minimal administrative costs. In 2003, the Company received \$164,300 from sales of common stock. This funding was used to fund administrative costs and to fund the consulting agreement noted in a preceding paragraph. The Company plans to fund its near-term operations through additional sales of common stock.

As of December 31, 2003 the Company had little available cash. However, the Company's operations are currently minimal and the cash outflows have been substantially reduced. Additionally the Company's officers and board members have agreed to fund the Company's current level of operations if necessary. Additionally, the Company sold stock subsequent to December 31, 2003 as noted below.

Edgar Filing: YSEEK INC - Form 10KSB

In January 2004, the Company issued a private placement memorandum to issue up to 1,000,000 common shares at \$5.00 per share to raise up to \$5,000,000 to develop and operate imaging centers to provide ultrasound pictures of fetuses. These centers will be for elective, non-diagnostic purposes and will be located in commercial office parks, malls and shopping centers. The funds raised will be used for development costs, equipment, salaries, marketing and future public offering costs.

In October 2002 the Company entered into employment agreements with its vice president and treasurer. The employment agreements are for the period October 1, 2002 through September 30, 2003. Compensation under both agreements will be 11,250 common shares valued at \$.01 per share. Bonuses can be paid at the discretion of the Board.

Item 7. Financial Statements

Advanced 3-D Ultrasound Services, Inc. (Formerly Yseek, Inc.)

FINANCIAL STATEMENTS

December 31, 2003

[letterhead for Ferlita, Walsh, & Gonzalez, P.A.]

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors and Stockholders
Advanced 3-D Ultrasound Services, Inc.
f/k/a YSEEK, Inc.

We have audited the accompanying balance sheet of Advanced 3-D Ultrasound Services, Inc. as of December 31, 2003, and the related statement of operations, stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

The financial statements for the year ended December 31, 2002, were audited by other accountants, and they expressed an unqualified opinion on them in their report dated March 6, 2003, but they have not performed any auditing procedures since that date. As discussed in Note 8 to the financial statements, the Company has restated its 2002 financial statements during the current year to reflect a reverse stock split in conformity with accounting principles generally accepted

Edgar Filing: YSEEK INC - Form 10KSB

in the United States of America. The other auditors reported on the 2002 financial statements before the restatement.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advanced 3-D Ultrasound Services, Inc. at December 31, 2003, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

/S/

Ferlita, Walsh & Gonzalez, P.A.

Tampa, Florida
March 27, 2004

[letterhead for B2D Semago]

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Advanced 3-D Ultrasound Services, Inc.
(Formerly known as Yseek, Inc)
Tampa, Florida

We have audited the accompanying balance sheet of Advanced 3-D Ultrasound Services, Inc. (formerly known as Yseek, Inc.) as of December 31, 2002, and the related statements of operations, changes in stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the management of Advanced 3-D Ultrasound Services, Inc. (formerly known as Yseek, Inc.) Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly the financial position of Advanced 3-D Ultrasound Services, Inc. (formerly known as Yseek, Inc.) as of December 31, 2002, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

/S/

CERTIFIED PUBLIC ACCOUNTANTS

Edgar Filing: YSEEK INC - Form 10KSB

Tampa, Florida
March 6, 2003

Advanced 3-D Ultrasound Services, Inc. (Formerly Yseek, Inc.)
BALANCE SHEET

December 31, 2003

ASSETS

Current assets

Cash

Total Assets

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

Current liabilities

Accounts payable and accrued expenses

Commitments and contingencies

Stockholders' equity (deficit)

Common stock; \$.0001 par value; 50,000,000 shares
authorized; 116,963 shares issued and outstanding

Paid-in capital

Accumulated deficit

Total stockholders' equity (deficit)

Total Liabilities and Stockholders' Equity (Deficit)

Edgar Filing: YSEEK INC - Form 10KSB

Advanced 3-D Ultrasound Services, Inc. (Formerly Yseek, Inc.)
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Revenues

Expenses

Selling, general and administrative
Total expenses

Other income (expense)

Interest expense
Total other income (expense)

Loss from continuing operations

Discontinued operations
Loss from discontinued operations
of internet business

Net loss

Loss per common share

From continuing operations
Discontinued operations - loss
from operations

Total loss per share

Weighted average common

shares outstanding

Advanced 3-D Ultrasound Services, Inc. (Formerly Yseek, Inc.)
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Edgar Filing: YSEEK INC - Form 10KSB

	Common Stock Shares	Amount	Paid-in Capital	
Balance, December 31, 2001	55,836	\$ 6	\$ 8,154,787	\$
Common stock issued for services	22,500	2	89,998	
Common stock issued for cash	23,042	2	138,728	
Common stock returned	(14,300)	(1)	1	
Net loss	-	-	-	
Balance, December 31, 2002	87,078	9	8,383,514	
Common stock issued for services	2,500	-	15,000	
Common stock issued for cash	27,385	3	164,297	
Net loss	-	-	-	
Balance, December 31, 2003	116,963	\$ 12	\$ 8,562,811	\$

Advanced 3-D Ultrasound Services, Inc. (Formerly Yseek, Inc.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Cash flows from operating activities

Net loss
Adjustments to reconcile net loss to net cash
used in operating activities:
Stock issued to consultants and employees

Edgar Filing: YSEEK INC - Form 10KSB

Depreciation and amortization

Writedown of software license due to impairment

Decrease in other receivables

Increase (decrease) in accounts payable and accrued expenses

Total adjustments

Net cash used in operating activities

Cash flows from financing activities

Proceeds from issuance of loans payable

Payments on notes payable

Proceeds from sale of common stock

Net cash provided by financing activities

Net increase (decrease) in cash

Cash, beginning of year

Cash, end of year

Supplemental disclosures of noncash investing and financing activities:

In 2003 and 2002, the Company issued stock amounting to \$15,000 and \$90,000 respectively, for consultant services and employee compensation.

Cash flow information:

Cash paid for interest

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

(1) Significant Accounting Policies:

The following is a summary of the more significant accounting policies and practices of Advanced 3-D Ultrasound, Inc. (the Company) which affect the accompanying financial statements.

(a) Organization--Advanced 3-D Ultrasound, Inc. was incorporated on

Edgar Filing: YSEEK INC - Form 10KSB

September 23, 1997. The Company was formerly know as Yseek, Inc. On March 12, 2003, the board of directors voted to amend the Company's Articles of Incorporation changing the Company's name to Advanced 3-D Ultrasound Services, Inc. The purpose of the name change was to reflect the Company's emphasis on developing 3-D ultrasound centers.

(b) Operations--The Company intends to operate ultrasound centers for elective, non-diagnostic purposes Centers will be located in commercial office parks, malls and shopping centers The initial center is expected to be located in Tampa, Florida

In late 1999, the Company acquired a company that developed a web site to provide comparative statistical analysis of Internet advertising. This web site and its technology was abandoned in early 2001. Late in 2000, the Company launched an Internet search portal called Yseek.com. The Internet search portal was abandoned as an operating asset in late 2002 and internet operations were discontinued.

Originally the Company was formed to develop, own and operate a chain of full-service car wash and express oil change centers. The Company owned and operated one such center from January 1999 through April 2000. The center was sold in April 2000. The Company discontinued this segment of business.

(c) Use of estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(d) Cash--For the purposes of reporting cash flows, the Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

(e) Loss per common share--Loss per share is based on the weighted average number of common shares outstanding during each period in accordance with Statement of Financial Accounting Standards No. 128, Earnings Per Share. In computing diluted earnings per share, warrants were excluded because the effects were antidilutive.

(f) Deferred income taxes-- Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective income tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income in the period that included the enactment date.

(g) Long-lived assets--Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over fair value of the asset and long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

(2) Loss from Impairment of Software License and Discontinued Operations:

Late in 2000, the Company launched an Internet search portal called Yseek.com

Edgar Filing: YSEEK INC - Form 10KSB

based on a ten-year license it acquired in late 2000. During 2001 and 2002, the Company entered into several short-term revenue sharing agreements with internet host sites to generate traffic to the site and generate revenues. The Company's management with internet related experience resigned from the Company in September 2002.

In December 2002, current management determined they would dispose of their software license for an Internet search portal called Yseek.com due to the lack of revenues, experience of current management with internet businesses and due to the lack of funds available to generate sufficient revenues from the site. Management will attempt to sell the license however there is not an active market for such an asset, and no buyer is presently identified. As of December 31, 2002, the net book value of the license was \$517,754. The Company recognized a loss from impairment of \$517,754 in 2002 which is included in loss from discontinued operations in the statement of operations. The Company discontinued internet operations in December 2002.

Amortization expense on software license, which is included in loss from discontinued operations was \$65,400 in 2002.

Summarized results of internet operations for the years ended December 31, 2003 and 2002, are as follows:

		Year Ended December 31,	
		2003	2002
Net sales	\$	-	\$ 254
Operating loss	\$	-	(593,558)
Loss from discontinued operations	\$	-	(593,558)

(3) Income Taxes:

No provision for income taxes has been recorded for 2003 or 2002 due to net losses incurred.

Temporary differences giving rise to the deferred tax assets consist primarily of donated services recognized for financial statement purposes. Management has established a valuation allowance equal to the amount of the deferred tax assets due to the uncertainty of realization of the benefit of the net operating losses against future taxable income. The components of deferred tax assets at December 31, 2003, consist of the following:

Deferred tax assets:	
Net operating loss	\$ 2,207,000
Other temporary differences	27,000
Valuation allowance	(2,234,000)
Net deferred tax asset	-
	\$ -

The Company has operating losses of approximately \$8,056,000 which can be used to offset future taxable income. These losses begin to expire in the year 2018 and expire in full in the year 2023.

(4) Stock Transactions:

Edgar Filing: YSEEK INC - Form 10KSB

During 2003, the Company sold 27,385 shares of common stock for cash of \$164,300. During 2002, the Company sold 23,042 shares of common stock for cash of \$138,730.

In 2000, the Company issued 14,300 shares of common stock under two traffic promotion agreements, with two companies related to then officers or directors of the Company. These agreements expired one year later. The Company recognized an expense of \$1,287,000 related to these agreements. In September 2002, the two companies returned the entire 14,300 common shares. The companies executed mutual releases from any future claims, losses or rights. The shares received by the Company were recorded at cost, which was zero.

On January 15, 2003, the Company issued 2,500 shares of common stock under a consulting agreement. The Company recognized an expense of \$15,000 related to this agreement which represents the market value of the shares issued. Market value was determined based on recent sales of stock for cash as noted above.

On October 1, 2002, the Company issued 22,500 shares of common stock under one-year employment agreements with two officers of the Company. The Company recognized an expense of \$90,000 related to these agreements, which represents the market value of the shares less a discount because the shares are unregistered and are not easily marketable.

(5) Commitments and Related Party Transactions:

The Company entered into several agreements with related parties as described in Note 4.

During 2003, an officer and stockholder of the Company loaned the Company \$6,368. This amount was repaid in 2003 without interest.

The above related party agreements are not necessarily indicative of the agreements that would have been entered into by independent parties.

(6) Warrants:

At December 31, 2002, the Company had outstanding exercisable warrants to purchase 249,000 shares of the Company's common stock at various prices based upon expiration dates. Warrants expiring in 2003 were exercisable at \$7.00. Prior to expiration, the warrants may be redeemed by the Company at a price of \$.01.

As of December 31, 2003 no warrants had been redeemed and all outstanding warrants expired.

(7) Stock Options:

The Company granted options to consultants under various consulting agreements. These agreements grant to the consultants the option to purchase shares of Company common stock at a fixed price of \$.50 per share. Management has determined these per share prices equal or exceed fair market value. These options expire on the third anniversary date of the execution date of the respective agreement and are immediately vested.

A summary of consultant option activity follows:

	Year Ended	

	December 31,	
	2003	2002
Outstanding, beginning of year	3,075,000	3,075,000

Edgar Filing: YSEEK INC - Form 10KSB

Issued	-	-
Expired	(3,075,000)	-
	-----	-----
Outstanding, end of year	-	3,075,000

The Company follows SFAS 123 in accounting for stock options issued to nonemployees. The fair value of each option granted is estimated using the Black-Scholes stock option pricing model. The following assumptions were made in estimating fair value: risk-free interest rate of 5.38% in 2001; no dividend yield; expected life of one and one-half years; 9.53% volatility in 2001. There was no compensation cost related to these options.

(8) Reverse Stock Split:

The Company authorized a reverse stock split of its common shares on a 1-for-400 basis effective December 29, 2003. All references in the accompanying financial statements to the number of common shares and per-share amounts for 2002 and 2003 have been restated to reflect the reverse stock split.

(9) Subsequent Events:

Subsequent to December 31, 2003, the Company sold 15,000 shares of common stock for \$75,000.

On March 12, 2003, the Company entered into an operating lease agreement for office space located in Tampa, Florida. The term of the lease is for six months and commenced March 18, 2003, and continues thereafter on a month-to-month basis for \$50 per month. The total rent for the six months is \$3,600 and the prorated rent for the fourteen days in March is \$271 and is payable in advance in equal monthly installments of \$600 plus applicable sales tax. In addition, a \$600 deposit is due and payable in three equal installments upon the execution of the lease agreement.

(10) Going Concern:

As shown in the accompanying financial statements, the Company has incurred recurring losses from operations and at December 31, 2003, the Company's cash balance was \$3 and its current liabilities exceeded its total assets by \$33,943.

Management has taken several actions to ensure that the Company will continue as a going concern through December 31, 2004, including obtaining written commitments from certain officers of the Company to fund future operations as needed. In addition, the Company expects a substantial increase in funds from the sale of its common stock within the quarter ending June 30, 2004. Management believes that these actions will enable the Company to continue as a going concern through December 31, 2004. There can be no assurance, however, that the Company will raise funds from the sale of its securities beyond those disclosed in these financial statements.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

On October 31, 2003, Advanced 3-D Ultrasound Services, Inc. (hereinafter,

Edgar Filing: YSEEK INC - Form 10KSB

the "Registrant") engaged Ferlita, Walsh & Gonzalez, P.A., as its independent auditors for the year ending December 31, 2003 to replace the firm of B2d Semago, which was dismissed as its auditors effective October 31, 2003. The decision to change auditors was approved by the Registrant's Board of Directors.

The reports of B2d Semago, on the financial statements of the Registrant for the years ended December 31, 2001 and December 31, 2002, did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles.

There were no disagreements with B2d Semago, which disagreements, if not resolved to the satisfaction of B2d Semago, would have caused it to make reference to the subject matter of the disagreement in the report, on any matters of accounting principles or practices, financial statement disclosure or auditing scope and procedures in connection with the audits of the Registrant's consolidated financial statements for the two-year period ended December 31, 2002, or with regard to the Company's most recent 10-QSB filed August 14, 2003.

Part III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance With Section 16(a) of the Exchange Act.

The following is a brief description of the educational and business experience of each director, executive officer and key employee of the Company:

Name of Director	Age	Principal Occupations During Past Five Years; Certain Directorships
David Weintraub	40	1998-2000: Vice President-Marketing - Swifty Car Wash & Quik-Lube, Inc. 2000-2001: Sales, Marketing - SwiftyNet.com, Inc. 2003-Present: CEO, Director - Yseek, Inc.
Rachel Steele	37	1998-2000: President, Secretary - Swifty Car Wash & Quik-Lube, Inc. 2000-2002: President - SwiftyNet.com, Inc. 2000-2001: Director - SwiftyNet.com, Inc. 2002-Present: Vice President, Director - Yseek, Inc.
Glen Ostrowski	38	1998-2002: Vice President-Marketing - Animagic Animation 2002-Present: President - Yseek, Inc.
Tanya Ostrowski	27	1995-2002: Administrative Assistant, Processor - Compass Bank 2002-Present: Secretary, Treasurer, Director - Yseek, Inc.

No voting arrangements exist between the officers and directors. Mr. Weintraub and Ms. Steele live together. The above persons were selected pursuant to provisions in the Company's By-Laws, all holding office for a period of one year or until their successors are elected and qualified. None of the officers or directors of the Company have been involved in legal proceedings during the past five years which are material to an evaluation of the ability or integrity of any director, person nominated to become a director, or executive officer of the issuer, including any state or Federal criminal and bankruptcy proceedings.

Item 10. Executive Compensation

Edgar Filing: YSEEK INC - Form 10KSB

Summary Compensation Table

(a) Name and Principal Position	Long Term Compensation							(h) LT Payou
	Annual Compensation			Awards	Payouts		(g) Securities Underlying Options/ SARs (#)	
	(b) Year	(c) Salary (\$)	(d) Bonus (\$)	(e) Other Annual Compen sation	(f) Restricted Stock Awards (\$)	(g) Securities Underlying Options/ SARs (#)		
David Weintraub Chief Executive Officer	0	0	0	0	0	0	0	0
Glen Ostrowski President	0	0	0	0	0	0	0	0
Tanya Ostrowski Secretary-Treasurer	0	0	0	0	0	0	0	0
Rachel Steele Vice President	0	0	0	0	0	0	0	0

(1) Reflects issuance of 4,500,000 shares.

(2) Reflects issuance of 4,500,000 shares.

Committees of the Board of Directors

The Company's bylaws provide that the board may designate an executive committee and other committees, each of which shall consist of one or more directors. The board does not have an audit committee.

Compensation of Directors

Directors serve without compensation. Some directors are also employees of the Company: Ms. Steele and Ms. Ostrowski have each received 11,250* common shares for their services as Vice-President and Secretary-Treasurer, respectively. During 2003, Mr. Ostrowski received compensation of \$47,099.71, Ms. Ostrowski received compensation of \$17,548.20 and Ms. Steele received compensation of \$7,671.00.

Ms. Steele donated her 2000 and 2001 salary to the Company. No other officer or directors have been compensated for their services in those capacities. At this time, the Company does not plan on paying its Board of Directors in return for their services as Directors.

Executive Compensation and Employment Arrangements

On October 1, 2002, the Company entered into identical employment agreements with Rachel Steele and Tanya Ostrowski (the "Employment Agreements"), which provided for annual compensation of 11,250* shares of Company's common stock. Under the Employment Agreements, Ms. Steele and Ms. Ostrowski were eligible for bonuses as determined by the Board of Directors. Both Employment Agreements expired September 30, 2003. At present there are no written employment or consulting agreements with any officer or director. During 2003, Mr. Ostrowski received compensation of \$47,099.71, Ms. Ostrowski received

Edgar Filing: YSEEK INC - Form 10KSB

compensation of \$17,548.20 and Ms. Steele received compensation of \$7,671.00.

Item 11. Security Ownership of Certain Beneficial Owners and Management

There are no officer or director groups. As a group, the officers and directors of the Company own 27,282 common shares or 23.33% of the outstanding shares of the Company. As of March 22, 2004, the stock ownership of the Officers and Directors and 10% Shareholders was as follows.

Title Of Class	Name and Address of Beneficial Owner	Amt and Nature of Beneficial Ownership	Percent of Class
Common Stock	Glen Ostrowski 3645 Kings Road Bldg 6, #104 Palm Harbor, FL 34685	250	0.19%
Common Stock	Rachel Steele 7732 N. Mobley Road Odessa, FL 33556	16,682	12.64%
Common	David Weintraub 7732 N. Mobley Road Odessa, FL 33556	0	0%
Common Stock	Tanya Ostrowski 3645 Kings Road Bldg 6, #104 Palm Harbor, FL 34685	10,350	07.84%
Common Stock	Total	27,282	23.33%

Item 12. Certain Relationships and Related Transactions

Item 13. Exhibits and Reports on Form 8-K

Exhibit Description	Number
(2) Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession	
(3) Articles of Incorporation and By-Laws	
*(3.1) Articles of Incorporation	
**(3.2) By-Laws	
++(3.3) Articles of Amendment Name Change	
(4) Instruments Defining the Rights of Security Holders	
(a) Subscription Agreement	
*(b) Warrant Agreement	
++(c) Warrant Resolution dated March 2, 2000	
(9) Voting Trust Agreement	
(10) Material Contracts	
*(10.1) Equipment Purchase Contract	
*(10.2) Construction Contract	
*(10.3) Architect Contract	
*(10.4) Consulting Contract-Donald Hughes	

Edgar Filing: YSEEK INC - Form 10KSB

*(10.5)Employment Contract-Stanley Rabushka *(10.6)Promissory Note - Swifty
*(10.7)Promissory Note - Steele *(10.8)Consulting Contract-John Oster
*(10.9)Raymond Lipsch Contract *(10.10)Land Purchase Contract

** (10.11) Stanley Rabushka Employment and Stock Agreement
** (10.12) Tampa Bay Buccaneers Agreement

*** (10.13)Edgar Arvelo Consulting Contract
*** (10.14)Richard Kleinberg Employment Contract
*** (10.15)Vladimir Rafalovich
*** (10.16)Martinez Consulting Contract

**** (10.17)Purchase and Sale Contract between Jim Malak and/or Assigns and
SwiftyNet.com, Inc.

dated April 6, 2000

+ (10.18)Consulting Agreement with Netelligent Consulting
dated October 11, 2000
+ (10.19)Consulting Agreement with Frank Pinizzotto
dated September 19, 2000
+ (10.20)Consulting Agreement with Gigi Pinizzotto
dated September 19, 2000
+ (10.21)Professional Services Agreement with
Laurie Stern dated July 31, 2000
+ (10.22)Consulting Agreement with Mark Daniel White
dated September 19, 2000
++ (10.23)Consulting Agreement with Nick Trupiano
dated November 25, 2000
++ (10.24)Consulting/Option Agreement with CandidHosting.com, Inc.
dated December 1, 2000
++ (10.25)Consulting/Option Agreement with David S. Goldman
dated December 19, 2000
++ (10.26)Consulting/Option Agreement with Voice Media, Inc.
dated December 1, 2000
++ (10.27)Public Relations Agreement with Shoreliner
Capital Ltd. Partnership dated January 17, 2001
++ (10.28)Traffic Promotion Agreement with Voice Media, Inc.
dated November, 2000
++ (10.29)Traffic Promotion Agreement with CandidHosting.com, Inc.
dated December 1, 2000
++ (10.30)Consulting Agreement with Paul Runyon
dated November 25, 2000
++ (10.31)Non-Exclusive License Agreement with Norman J. Jester, III
dated November, 2000
++ (10.31)Client Services Agreement with Markham/Novell
Communications, Ltd. dated January 9, 2001
++ (10.32)Client Services Agreement with Novell Markham
Communications, Ltd. dated January 9, 2001
++ (10.33)Stock Option Agreement with Mark P. Dolan
dated January 10, 2001
++ (10.34)Assignment of Contract with Netelligent
dated December 7, 2000
++ (10.35)Consulting Agreement with Marlene Trupiano
dated January 3, 2000
++ (10.36)Consulting Agreement with Marlene Trupiano
dated November 25, 2000
+++ (10.37)Promissory Note to 2D&H, Inc.
+++ (10.38)Guaranty Agreement
+++ (10.39)Termination Agreement Reformation Agreement with NeuTelligent, Inc.,
f/k/a CandidHosting.com, Inc.*
+++ (10.40)Termination Agreement Reformation Agreement with Voice Media, Inc.

Edgar Filing: YSEEK INC - Form 10KSB

++++(10.41)Employment Agreement with Rachel L. Steele dated October 1, 2002

++++(10.42)Employment Agreement with Tanya Ostrowski dated October 1, 2002

(11)Statement re: computation of per share earnings Note 1 to
Financial
Statements

(13)Annual or Quarterly Reports, Form 10Q None

(16)Letter regarding Changes in Certifying Accountant None

(18)Letter on change in accounting principles None

(21)Subsidiaries of the registrant None

(22)Published report regarding matters submitted to vote None

(23)Consents of Experts and Counsel None

(24)Power of Attorney None

(99)Additional Exhibits None

+++++99.1 Certification of Chief Executive Officer and Chief Financial Officer

+++++99.2 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Previously filed with Form 10-SB on November 23, 1998.

** Previously filed with Form 10-SBA No. 1 on February 2, 1999.

*** Previously filed with Form 10-KSB filed on March 30, 2000.

**** Previously filed with Form 10-QSB filed May 15, 2000.

+ Previously filed with Form 10QSB filed 11-17-00.

++ Previously filed with Form 10KSB filed March 29, 2001.

+++ Previously filed with Form 8-K filed September 16, 2002.

++++ Previously filed with Form 10-QSB filed November 14, 2002.

+++++ Filed herewith.

Reports on Form 8-K

Report on Form 8-K, filed November 4, 2003, Item 4. Change In Independent Accountants.

Item 14. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

Our Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of our "disclosure controls and procedures" (as defined in the Securities Exchange Act of 1934 Rules 13a-14(c) and 15d-14(c) as of a date (the "Evaluation Date") within 90 days before the filing of this annual report, have concluded that, as of the Evaluation Date, our disclosure controls and procedures were adequate and designed to ensure that the information required to

Edgar Filing: YSEEK INC - Form 10KSB

be disclosed in the reports filed or submitted by us under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported with in the requisite time periods.

(b) Changes in internal controls.

There were no significant changes in our internal controls or in other factors that could significantly affect our internal controls subsequent to the Evaluation Date.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Company caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on March 29, 2004.

ADVANCED 3-D ULTRASOUND SERVICES, INC.
f/k/a Yseek, Inc.

By: _____/s/_____
DAVID WEINTRAUB,
Chief Executive Officer

In accordance with the requirements of the Exchange Act, this report has been signed by the following persons in the capacities indicated on March 29, 2004.

SIGNATURE	TITLE
_____/s/_____ DAVID WEINTRAUB	Chief Executive Officer, Director
_____/s/_____ GLEN OSTROWSKI	President, Director
_____/s/_____ RACHEL STEELE	Vice President, Director
_____/s/_____ TANYA OSTROWSKI	Secretary, Treasurer, Director