

One e Commerce CORP
Form 10-Q
November 14, 2011

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

FORM 10-Q

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

For the quarterly period ended: September 30, 2011
or

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

For the transition period from: _____ to _____

Commission File Number: 001-34048

One E-Commerce Corporation
Exact name of registrant as specified in its charter

Nevada
(State or other jurisdiction
of incorporation or organization)

87-0531751
(I.R.S. Employer
Identification No.)

1370 Avenue of the Americas
Suite 902
New York, New York 10019
(Address of Principal Executive Office) (Zip Code)

(858) 699-8313
Registrant's telephone number, including area code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was Required

Edgar Filing: One e Commerce CORP - Form 10-Q

to submit and post such files). Yes No

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of November 14, 2011, there were 18,317,200 shares of the issuer's common stock outstanding.

TABLE OF CONTENTS

	Page
PART I – Financial Information	
Item 1.	F-1
Financial Statements	
Balance Sheets	F-1
Statements of Operations	F-2
Statements of Cash Flows	F-3
Condensed Notes to Financial Statements	F-4
Item 2.	4
Management’s Discussion and Analysis of Financial Condition and Results of Operations	
Item 4.	5
Controls and Procedures	
PART II – Other Information	
Item 6.	6
Exhibits	
Signatures	7

CAUTIONARY STATEMENT

All statements, other than statements of historical fact, included in this Form 10-Q, including without limitation the statements under "Management's Discussion and Analysis of Financial Condition and Results of Operation" and "Description of Business," are, or may be deemed to be, forward-looking statements, including, but not limited to, statements containing the words "believe," "anticipate," "expect" and words of similar import. These statements are based on certain assumptions and analyses made by us in light of our experience and our assessment of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. However, whether actual results will conform to the expectations and predictions of management are subject to a number of risks and uncertainties that may cause actual results to differ materially. Such risks include, among others, the following: international, national and local general economic and market conditions; our ability to sustain, manage or forecast our growth; raw material costs and availability; new product development and introduction; existing government regulations and changes in, or the failure to comply with, government regulations; adverse publicity; competition; the loss of significant customers or suppliers; fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans; business disruptions; the ability to attract and retain qualified personnel; the ability to protect technology; and other factors referenced in this filing.

Consequently, all of the forward-looking statements made in this Form 10-Q are qualified by these cautionary statements and there can be no assurance that the actual results anticipated by management will be realized or, even if substantially realized, that they will have the expected consequences to or effects on our business operations. As used in this Form 10-Q, unless the context requires otherwise, "we" or "us" or the "Company" means One E-Commerce Corporation.

The following list of important factors may not be all-inclusive, and we specifically decline to undertake an obligation to publicly revise any forward-looking statements that have been made to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events. Among the factors that could have an impact on our ability to achieve expected operating results and growth plan goals and/or affect the market price of our stock are:

- Lack of operating history, operating revenue or earnings history.
 - Dependence on key personnel.
- Fluctuation in quarterly operating results and seasonality in certain of our markets.
 - Our ability to raise capital to fund our operations.
- Our ability to successfully integrate and operate acquired or newly formed entities, ventures and or subsidiaries.
 - Changes in laws and regulations that affect our operations.

Available Information

The Securities and Exchange Commission ("SEC") maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC at www.sec.gov. The public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

PART I – FINANCIAL INFORMATION

ITEM 1.

FINANCIAL STATEMENTS

One E-Commerce Corporation
(A Development Stage Company)
Balance Sheets
(Unaudited)

	September 30, 2011 (Unaudited)	December 31, 2010 (Audited)
ASSETS		
Current assets		
Cash	\$ -	\$95
TOTAL CURRENT ASSETS		95
TOTAL ASSETS	\$ -	\$95
 LIABILITIES & STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable - related party	\$ -	\$42,527
Notes payable - related party	514,458	514,458
Accrued interest - related party	563,499	524,664
TOTAL CURRENT LIABILITIES	\$ 1,077,957	\$ 1,081,649
Stockholders' Deficit		
Preferred stock		
500,000 shares authorized, \$.001 par value, no shares issued	\$ -	\$ -
Common stock		
50,000,000 shares authorized, \$.001 par value, 18,317,200 shares issued and outstanding at June 30, 2011 and December 31, 2010	18,317	18,317
Additional paid-in capital	2,218,536	2,163,509
Accumulated deficit	(2,753,538)	(2,753,538)
Accumulated deficit during development stage	(561,272)	(509,842)
TOTAL STOCKHOLDERS' DEFICIT	\$ (1,077,957)	\$ (1,081,554)
TOTAL LIABILITIES & STOCKHOLDERS' DEFICIT	\$ -	\$95

See accompanying notes to the condensed financial statements.

One E-Commerce Corporation
(A Development Stage Company)
Statements of Operations
(Unaudited)

	For the three months ended September 30,		For the nine months ended September 30,		From December 31, 2001 (Inception) through September 30, 2011
	2011	2010	2011	2010	
REVENUE	\$-	\$-	\$-	\$-	\$-
OPERATING EXPENSES					
General and Administrative	2,565	6,085	12,595	16,570	85,177
Total Operating Expenses	2,565	6,085	12,595	16,570	85,177
LOSS FROM OPERATIONS	(2,565)	(6,085)	(12,595)	(16,570)	(85,177)
OTHER INCOME (EXPENSE)					
Other Income	-	-	-	-	-
Interest Expense	(12,111)	(12,611)	(38,835)	(37,333)	(476,095)
Total Other Income (Expense)	(12,111)	(12,611)	(38,835)	(37,333)	(476,095)
LOSS BEFORE INCOME TAXES	(14,676)	(18,696)	(51,430)	(53,903)	(561,272)
INCOME TAX EXPENSE	-	-	-	-	-
NET LOSS	\$(14,676)	\$(18,696)	\$(51,430)	\$(53,903)	\$(561,272)
NET LOSS PER SHARE, BASIC AND DILUTED	\$-	\$-	\$-	\$-	
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING BASIC AND DILUTED					
	18,317,200	18,317,200	18,317,200	18,317,200	

See accompanying notes to the condensed financial statements

One E-Commerce Corporation
(A Development Stage Company)
Statements of Cash Flows
(Unaudited)

	For the nine months ended September 30,		From December 31, 2001 (Inception) through September 30, 2011
	2011	2010	
Cash flows from operating activities:			
Net loss	\$(51,430)	\$(53,903)	\$(561,272)
Adjustment to reconcile net loss			
Changes in assets and liabilities:			
Increase in accounts payable - related party	12,500	17,015	25,027
Increase in interest payable - related party	38,835	36,833	506,245
Net cash used in operating activities	(95)	(55)	(30,000)
Cash flows from investing activities:			
	-	-	-
Cash flows from financing activities:			
	-	-	30,000
Net increase (decrease) in cash	(95)	(55)	-
Cash, beginning of period	95	165	-
Cash, end of period	\$-	\$110	\$-
Supplemental Cash Flow Information:			
Contribution of capital (forgiveness of liability)	\$55,027		
Cash paid for interest	\$-	\$-	\$-
Cash paid for income taxes	\$-	\$-	\$-

See accompanying notes to the condensed financial statements

One E-Commerce Corporation
(A Development Stage Company)
Condensed Notes to Financial Statements

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unaudited Interim Financial Statements

The interim financial statements as of September 30, 2011, and for the periods ended September 30, 2011 and 2010, are unaudited. However, in the opinion of management, the interim financial statements include all adjustments, consisting only of normal recurring adjustments, necessary to present the Company's financial position as of September 30, 2011 and the results of its operations and its cash flows for the periods ended September 30, 2011 and 2010. These results are not necessarily indicative of the results expected for the year ending December 31, 2011. The accompanying financial statements and condensed notes thereto do not reflect all disclosures required under accounting principles generally accepted in the United States of America. Refer to the Company's audited financial statements as of December 31, 2010, filed with the Securities and Exchange Commission ("SEC") for additional information, including significant accounting policies.

Nature of Business

One E-Commerce Corporation (the "Company") was organized under the laws of the State of Nevada on September 14, 1994, under the name Arianne Co. The Company changed its name on March 30, 1999 to One E-Commerce Corporation in connection with the acquisition of One Commerce Corporation on March 30, 1999 and an associated reverse merger and forward stock split.

One Commerce Corporation was founded in 1995 and was headquartered in central Texas. In 1999, the Company acquired One Commerce Corporation, One Commerce Corporation's wholly owned subsidiary, Corridor Technologies, Inc. (incorporated within the state of Texas), Corridor Voice & Data Services, LLC and Corridor Telecom, LLC (both limited liability companies having been registered in the state of Texas). One Commerce Corporation also had been known formerly by doing business as Altcomm.

The business of the Company was carried out through its Texas subsidiary, One Commerce Corporation. None of the subsidiaries of One E-Commerce Corporation was active after December 31, 2000.

During 2000, the subsidiaries of One Commerce Corporation (Corridor Technologies, Inc., Corridor Voice & Data Services, LLC and Corridor Telecom, LLC) ceased to do business, or never did any business, and were dissolved at the direction of the Company's board of director's.

As a result of unfavorable business conditions, One Commerce Corporation (as debtor) filed for Chapter 7 bankruptcy in the Western District of Texas (Austin) on April 23, 2001. One Commerce Corporation was discharged on October 25, 2001. There were no assets transferred nor were any payments made on the outstanding shareholder notes as the debtor had no assets at the time of filing. As a result, the Company was forced to write off all of its investment in One Commerce Corporation in 2001.

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

Use of Estimates

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

F-4

One E-Commerce Corporation
 (A Development Stage Company)
 Condensed Notes to Financial Statements

Development Stage Activities

Since coming out of bankruptcy at the close of the 2001 calendar year, the Company has been in the development stage and has not realized any significant revenue from operations. It is primarily engaged in pursuing a merger or other acquisition with an unidentified company or companies.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturity of three months or less when purchased to be cash equivalents.

Loss per Common Share

Basic earnings (loss) per share is computed by dividing income or loss available to common stockholders by the weighted-average number of common shares issued and outstanding for the period. The computation of diluted earnings (loss) per share is similar to basic earnings per share, except that the weighted average number of common shares is increased to include the number of additional common shares that would have been outstanding if the potentially dilutive common shares had been issued. For the three and nine months ended September 30, 2011 and 2010, the 30,573,664 potential common stock shares to be issued upon conversion of the notes payable to a stockholder (see Note 3) have not been included in the determination of loss per share because the effect would be anti-dilutive.

NOTE 2 - GOING CONCERN

The accompanying condensed financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America which contemplate continuation of the Company as a going concern. However, the Company has suffered recurring losses from operations and currently has no revenue or assets.

The Company has inadequate working capital to maintain or develop its operations, and is dependent upon funds from private investors and the support of certain stockholders. These factors raise substantial doubt about the ability of the Company to continue as a going concern. The condensed financial statements do not include any adjustments that might result from the outcome of this uncertainty. In this regard, the Company's management may raise any necessary additional funds through loans, additional sales of its common stock, or through the possible acquisition of other companies. There is no assurance that the Company will be successful in raising additional capital.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company is currently indebted to Islet Sciences, Inc., the majority shareholder of the Company per the schedule of notes below:

Issue Date	Interest Rate	Maturity Date	Conversion Rate	Amount
December 31, 1999	10%	December 31, 2000	\$ 0.1000	\$ 190,010
December 31, 1999	10%	December 31, 2000	\$ 0.1000	72,580
April 27, 2000	10%	July 27, 2000	\$ 0.0054	98,168

Edgar Filing: One e Commerce CORP - Form 10-Q

May 16, 2000	10%	July 27, 2000	\$ 0.1000	75,000
July 19, 2000	10%	September 19, 2000	\$ 0.0054	33,700
September 28, 2000	10%	December 28, 2000	\$ 0.0054	15,000
October 2, 2009	10%	October 2, 2011	\$ N/A	10,000
August 9, 2010	10%	May 18, 2011	\$ N/A	20,000
				\$ 514,458

F-5

One E-Commerce Corporation
(A Development Stage Company)
Condensed Notes to Financial Statements

In the event Islet Sciences, Inc. elects to exercise its conversion rights under the various notes, the potential additional shares to be issued would be dilutive to the existing shares outstanding by an additional 30,573,664 shares. The convertible notes are all unsecured demand notes with maturity dates in 2000 and they are all in a state of default. As of September 30, 2011, and through this date, Islet Sciences, Inc. has not demanded to accelerate immediate payment of these notes. While the notes carry the same conversion option for the accrued interest as for the principal amount of each note, the conversion option for the accrued interest was waived by the holder. Islet Sciences, Inc. also holds two notes issued by the Company, which are not convertible to equity, in the principal amount of \$10,000 and \$20,000, respectively. Both notes carry an interest rate of 10%. The \$10,000 note is due on October 2, 2011. The \$20,000 note matured on May 18, 2011.

Accrued interest for all related party notes was \$563,499 and \$524,664 at September 30, 2011 and December 31, 2010, respectively.

During the nine months ended September 30, 2011, Mr. Welch, the former majority shareholder of the Company paid expenses on behalf of the Company in the amount of \$12,500. Upon the change of control of the Company (see Note 4), Mr. Welch released the Company from all liabilities, claims and obligations that he had against the Company. As a result, the balance of accounts payable to the related party in the amount of \$55,027 was written off to paid-in capital.

NOTE 4 – CHANGES IN CONTROL OF THE COMPANY

On September 22, 2011, Islet Sciences, Inc. purchased from Mr. John Welch, (a) 9,902,180 shares of the Company's common stock representing approximately 54.06% of the issued and outstanding shares of Common Stock, and (b) notes payable in the aggregate principal amount of \$514,458 (see description of the notes payable in Note 3-Related Party Transactions), and the accrued interest of \$563,499, for an aggregate purchase price of \$250,000. The Notes are convertible into 30,573,664 shares of Common Stock. The transaction resulted in the change of control of the Company. The Company did not receive any proceeds as a result of this transaction.

Islet Sciences, Inc. intends to cause the Company to enter into a share exchange agreement with the shareholders of Islet Sciences, Inc. as a result of which the Company will control Islet Sciences, Inc. As of the date of this report, the transaction has not occurred yet and no agreement has been entered into by the Company and Islet Sciences, Inc.

NOTE 5 – CORPORATE OVERHEAD

Since emerging from bankruptcy in 2001 (see Note 1), the Company has not been charged corporate overhead for service performed by its officers, for office rent, professional fees and other administrative expenses.

ITEM 2.MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The accompanying interim financial statements have been prepared by management without audit, pursuant to the rules and regulations of the Securities and Exchange Commission, in accordance with the accounting policies described in our Annual Report on Form 10-Q for the period ended September 30, 2011, and reflect all adjustments which are, in the opinion of management, necessary to present a fair statement of the results for the interim period on a basis consistent with the annual audited consolidated financial statements. All such adjustments are of a normal recurring nature. The condensed financial statements include the accounts of One E-Commerce Corporation (“ONCE”, “we”, “our” or the “Company”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been omitted. These condensed financial statements should be read in conjunction with the audited financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2010.

GENERAL

One E-Commerce Corporation (the “Company”) was originally incorporated on September 14, 1994, under the laws of the State of Nevada.

The company has had no material business since the cessation of the operations of its wholly owned subsidiary, One Commerce Corporation at the end of 2001. Since coming out of bankruptcy at the close of the 2001 calendar year, the Company has been in the development stage and has not realized any significant revenue from operations.

RESULTS OF OPERATIONS

The Company has had no revenue since inception (December 31, 2001). During the three and nine month periods ended September 30, 2011, general and administrative expenses totaled \$2,565 and \$12,595, respectively. This compares to \$6,085 and \$16,570 in general and administrative expenses during the three and nine month periods, respectively, which ended September 30, 2010.

Interest expense for the nine month period ended September 30, 2011 and 2010 was \$38,835 and \$37,333, respectively, and \$476,095 from inception (December 21, 2001) to September 30, 2011. Interest expense for the three month period ended September 30, 2011 and 2010 was \$12,111 and \$12,611, respectively. Interest expense is simple interest calculated at 10% on the outstanding balances of related party notes. See Note 3 of the Condensed Notes to Financial Statements.

PLAN OF OPERATIONS

The Company's current purpose is to assess and effectuate a reverse merger with Islet Sciences, Inc., its current majority shareholder, which is in the business of developing new treatments for diabetes. As of the date of this filing, no transaction has occurred yet and no agreement has been entered into by the Company and Islet Sciences, Inc.

LIQUIDITY AND CAPITAL RESOURCES

It is the intent of management and the majority stockholder to provide sufficient working capital necessary to support and preserve the integrity of the corporate entity. However, there is no legal obligation for either management or the majority stockholder to provide additional future funding.

The Company is currently indebted to Islet Sciences, Inc., the holder of 54.06% of its common stock per the schedule of notes below:

Issue Date	Interest Rate	Maturity Date	Conversion Rate	Amount
December 31, 1999	10%	December 31, 2000	\$ 0.1000	\$ 190,010
December 31, 1999	10%	December 31, 2000	\$ 0.1000	72,580
April 27, 2000	10%	July 27, 2000	\$ 0.0054	98,168
May 16, 2000	10%	July 27, 2000	\$ 0.1000	75,000
July 19, 2000	10%	September 19, 2000	\$ 0.0054	33,700
September 28, 2000	10%	December 28, 2000	\$ 0.0054	15,000
October 2, 2009	10%	October 2, 2011	\$ N/A	10,000
August 9, 2010	10%	May 18, 2011	\$ N/A	20,000
				\$ 514,458

In the event Islet Sciences, Inc. elects to exercise its conversion rights under the various notes, the potential additional shares to be issued would be dilutive to the existing shares outstanding by an additional 30,573,664 shares. The notes are all unsecured demand notes which have matured. As of September 30, 2011, and through this date, Islet Sciences, Inc. has not demanded to accelerate immediate payment of these notes. While the notes carry the same conversion option for the accrued interest as for the principal amount of each note, the conversion option for the accrued interest was waived by the holder. The notes carry the accrued interest of \$563,499 (as of September 30, 2011), which is owed to Islet Sciences, Inc. as the holder of the notes.

During the nine months ended, the former majority shareholder of the Company paid expenses on behalf of the Company in the amount of \$12,500. Upon the change of control of the Company (see Note 4), Mr. Welch released the Company from all liabilities, claims and obligations that he had against the Company. As a result, the balance of accounts payable to the related party in the amount of \$55,027 was written off to paid-in capital.

Off Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

ITEM 4.

CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures.

As of the end of the period covered by this quarterly report on Form 10-Q, the Company's Chief Executive Officer and Chief Financial Officer conducted an evaluation of the Company's disclosure controls and procedures (as defined in Rules 13a-15 and 15d-15 of the Securities Exchange Act of 1934). Based upon this evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are ineffective due to the limited resources of the Company.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the period ended September 30, 2011, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 6.

EXHIBITS

Exhibit Description
No.

31.1 Certifications by the Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certifications by the Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certifications by the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101 Interactive Data Files.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on behalf by the undersigned, thereunto duly authorized.

One E-Commerce Corporation

November 14, 2011

By: /s/ John Steel
John Steel
President and Chief Executive
Officer
(principal executive officer)

By: /s/ Richard Egan
Richard Egan
Chief Financial Officer
(principal financial and
accounting officer)

