

Edgar Filing: COMBINED PROFESSIONAL SERVICES INC - Form 10QSB

COMBINED PROFESSIONAL SERVICES INC  
Form 10QSB  
October 04, 2002

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

FORM 10-QSB

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

For the quarterly period ended: September 30, 2002

Commission File No. 0-25675

COMBINED PROFESSIONAL SERVICES, INC. .

-----  
(Exact name of registrant as specified in its charter)

NEVADA

88-0346441

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

-----  
(IRS Employer  
Identification No.)

433 PLAZA REAL, SUITE 275, BOCA RATON, FL 33432  
PLAZA REAL, SUITE 275, BOCA RATON, FL 33432

-----  
(Address and principal executive offices)

(561) 962-4194

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

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 [ ]

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 6,687,200 shares as of September 30, 2002.

Transitional Small Business Format: NO

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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Registrant's Financial Statements are filed herewith following the signature page.

The financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with the generally accepted accounting principles have been omitted. However, in the opinion of management, all adjustments (which include only normal recurring accruals) necessary to present fairly the financial position and results of operations for the period presented have been made. The results for interim periods are not necessarily indicative of trends or of results to be expected for the full year. These financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Form 10-KSB for the fiscal year ended December 31, 2001.

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

### PLAN OF OPERATION

On September 27, 2002 we executed an agreement to acquire Patron Systems, Inc., a developmental stage company which was formed in April 2002 to provide comprehensive, end to end information security solutions to global corporations and government institutions. If we are successful in closing this acquisition, we anticipate further acquisitions in this industry which are in negotiation by Patron Systems, Inc. Although we anticipate the closing of the Patron acquisition in October 2002, there can be no assurance that we will complete this acquisition or any others. We are seeking to control our expenses during our search for an acquisition candidate.

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## PART II - OTHER INFORMATION

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

#### SALE OF UNREGISTERED SECURITIES.

On August 12, 2002 we issued to Jeff Spanier, our president and director, 4,000,000 shares of common for serving as president and director for two years. Such shares are subject to return to the company if Mr. Spanier does not meet certain employment or acquisition requirements. The shares were issued without registration under the Securities Act of 1993 pursuant to an exemption from registration under Rule 506 of Regulation D. As an officer and director of the issuer Mr. Spanier is an accredited investor. The share certificate contained a legend restricting transfer without registration under such Act or pursuant to an exemption from registration and Mr. Spanier agreed to such restrictions.

### ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits

EXHIBIT NUMBER	DESCRIPTION
-----	-----

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- 10 Share Exchange Agreement among Registrant, Patron Systems, Inc. and the shareholders of Patron Systems, Inc.
- 99.1 Certification by CEO pursuant to Section 906 of Sarbanes-Oxley Act of 2002.
- 99.2 Certification by CFO pursuant to Section 906 of Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

On July 8, 2002 Registrant filed Form 8-K (Amendment No. 1) reporting the dismissal of Kurt D. Saliger, CPA as Registrant's Independent Accountant and engagement of Grassano Accounting, P.A. as Registrant's new Independent Accountant.

On August 14, 2002, Registrant filed Form 8-K reporting change of control on Item 1 and Exhibit filed under Item 7.

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SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COMBINED PROFESSIONAL SERVICES, INC.

October 4, 2002

By: /s/ JEFF SPANIER

-----  
Jeff Spanier, President  
(Principal Executive,  
Financial and Accounting  
Officer)

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COMBINED PROFESSIONAL SERVICES, INC.  
(A Development Stage Enterprise)  
BALANCE SHEETS

September 30,  
2002  
(Unaudited)  
-----

December 31,  
2001  
-----

ASSETS

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CURRENT ASSETS		
Prepaid Expense	\$ 186	\$ --
Deferred Officer Compensation-Current Portion	200,000	--
	-----	-----
TOTAL CURRENT ASSETS	200,186	--
	-----	-----
OTHER ASSETS		
Investment - Held-to-Maturity Security	3,320	3,320
Deferred Officer Compensation-Less Current Portion	159,508	--
	-----	-----
TOTAL OTHER ASSETS	162,828	3,320
	-----	-----
TOTAL ASSETS	\$ 363,014	\$ 3,320
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$ 16,447	\$ 2,213
Due to Officer	--	600
	-----	-----
TOTAL CURRENT LIABILITIES	16,447	2,813
	-----	-----
STOCKHOLDERS' EQUITY		
Common Stock, \$.001 par value authorized		
50,000,000 shares; 6,687,200 shares		
issued and outstanding at 2002		
and 9,300,000 shares issued and outstanding at 2001	6,687	9,300
Additional Paid in Capital	418,195	4,975
Deficit Accumulated During		
Development Stage	(78,315)	(13,768)
	-----	-----
TOTAL STOCKHOLDERS' EQUITY	346,567	507
	-----	-----
TOTAL LIABILITIES AND		
STOCKHOLDERS' EQUITY	\$ 363,014	\$ 3,320
	=====	=====

See accompanying notes to financial statements

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	Three Months Ended Sept. 30, 2002	Sept. 30, 2001	Nine Months En Sept. 30, 2002
	-----	-----	-----
INCOME			
Revenue	\$ 0	\$ 0	\$ 0
	-----	-----	-----
TOTAL INCOME	0	0	0
	-----	-----	-----
EXPENSES			
General and Administrative	19,141	1,013	24,055
Officer Compensation	40,492	--	40,492
	-----	-----	-----
TOTAL EXPENSES	59,633	1,013	64,547
	-----	-----	-----
INCOME (LOSS) FROM OPERATIONS	(59,633)	(1,013)	(64,547)
OTHER INCOME	0	0	0
	-----	-----	-----
NET INCOME (LOSS)	\$ (59,633)	\$ (1,013)	\$ (64,547)
	=====	=====	=====
NET INCOME (LOSS) PER SHARE	\$ (0.01)	\$ (0.00)	\$ (0.01)
	=====	=====	=====
WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK OUTSTANDING			
	7,198,400	4,650,000	8,591,769
	=====	=====	=====

See accompanying notes to financial statements

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	Nine Months Ended		October 11, 1995
	Sept. 30,	Sept. 30,	(Inception)
	2002	2001	to Sept. 30,
	-----	-----	-----
CASH FLOWS FROM			
OPERATING ACTIVITIES			
Net (Loss)	\$ (64,547)	\$ (1,013)	\$ (78,315)
Officer Compensation	40,492	--	40,492
Prepaid Expense	(186)	--	(186)
Accounts Payable	14,234	--	16,447
Due to Officer	(600)	1,013	--
	-----	-----	-----
NET CASH USED IN			
OPERATING ACTIVITIES	(10,607)	0	(21,562)
	-----	-----	-----
CASH FLOWS FROM			
INVESTING ACTIVITIES	0	0	0
	-----	-----	-----
CASH FLOWS FROM			
FINANCING ACTIVITIES			
Contributions from Officers	10,607	--	10,607
Issue Common Stock	--	--	11,100
Purchase Treasury Stock	--	--	(145)
	-----	-----	-----
NET CASH PROVIDED BY			
FINANCING ACTIVITIES	10,607	0	21,562
	-----	-----	-----
Net increase			
(decrease) in cash	--	--	--
Cash, Beginning of Period	--	296	--
	-----	-----	-----
Cash, End of Period	\$ --	\$ 296	\$ --
	=====	=====	=====

SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS

On July 18, 2002, the Company issued 4,000,000 shares of common stock to its President as compensation for two years. The stock was valued at \$400,000.

See accompanying notes to financial statements

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(A Development Stage Enterprise)  
NOTES TO FINANCIAL STATEMENTS  
(UNAUDITED)

## 1. Basis of Presentation

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-QSB and Regulation S-B of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements and should be read in conjunction with Notes to Financial Statements contained in the Company's Annual Report on Form 10-KSB for the year ended December 31, 2001. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine months ended September 30, 2002 are not necessarily indicative of the results that may be expected for the year ended December 31, 2002.

The preparation of financial statements in accordance 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 the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

## 2. Related Party Transactions

During the nine months ended September 30, 2002, the Company's two presidents have paid all of the administrative expenses for the Company. This total amount of \$10,421 has been contributed to the Company and added to additional paid in capital.

## 3. Stock Transactions

On July 18, 2002, the Company elected a new director and president. On that same day, the Company cancelled the outgoing president's 4,500,000 shares of common stock and issued 4,000,000 shares to the new president. The 4,000,000 shares represent compensation to the president over the next two years and are valued at \$0.10 per share. Such shares are restricted and are subject to return to the Company under certain circumstances.

## 4. Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has sustained recurring operating losses and has minimal assets. These factors raise substantial doubt as to the Company's ability to continue as a going concern. The future of the Company is dependent upon its ability to raise additional working capital and to seek potential merger candidates.

## 5. Subsequent Event

On September 27, 2002, the Company executed a share exchange agreement with Patron Systems, Inc. (a Delaware privately-owned corporation) and the shareholders of Patron Systems, Inc. Patron Systems, Inc. is a development stage corporation which has been organized to provide information security solutions. The agreement is scheduled to close during early October 2002.

