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INNOFONE COM INC  
Form 8-K/A  
July 09, 2001

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

Amendment No. 1 to  
FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): MAY 3, 2001

INNOFONE.COM, INC.

(Exact name of registrant as specified in its charter)

NEVADA

(State or other jurisdiction of incorporation)

0-31949

98-020313

(Commission File Number)

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

600 NORTH PINE ISLAND ROAD, SUITE 450, PLANTATION, FLORIDA

33324

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (954) 315-0341

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(NOT APPLICABLE)

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(Former name or former address, if changed since last report)

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS; and

ITEM 5. OTHER EVENTS

On May 9, 2001, Innohone.com, Inc. (the "Company") filed a current report on Form 8-K announcing that its operating subsidiary, Innohone Canada Inc. (the "Subsidiary"), had been adjudged bankrupt by a Judge of the Bankruptcy and Insolvency Division of the Superior Court of Quebec, District of Montreal. In accordance with Item 7(a)(4) of Form 8-K, the Company did not include the required pro forma financial information with that report on Form 8-K. Item 7 herein supplements the earlier filing by providing the required pro forma financial information.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA INFORMATION AND EXHIBITS

(a) Financial statements of business acquired:

Not applicable.

(b) Pro forma financial information:

The unaudited pro forma financial information required pursuant to Regulation S-X is filed herewith beginning on page 2.

(c) Exhibits

None.

INNOFONE.COM, INCORPORATED

Pro Forma Balance Sheet  
(Stated in United States dollars)  
(unaudited)

March 31, 2001.

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March 31, 2001                      Adjustments                      March 31,  
(previously reported)              (note 1)                      Pro Form

Assets

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Current assets:

|                               |    |         |           |    |       |
|-------------------------------|----|---------|-----------|----|-------|
| Cash and cash equivalents     | \$ | --      | 578       | \$ | 57    |
| Accounts receivable           |    | 591,700 | (577,451) |    | 14,24 |
| Prepaid expenses and deposits |    | 56,098  | (54,873)  |    | 1,22  |
| <hr/>                         |    |         |           |    |       |
|                               |    | 647,798 |           |    | 16,05 |
| Fixed assets                  |    | 297,268 | (297,268) |    | --    |
| <hr/>                         |    |         |           |    |       |
|                               | \$ | 945,066 |           | \$ | 16,05 |
| <hr/>                         |    |         |           |    |       |

Liabilities and Shareholders' Deficiency

Current liabilities:

|  |    |              |             |    |            |
|--|----|--------------|-------------|----|------------|
| Bank indebtedness                        | \$ | 48,884       | (48,884)    |    | --         |
| Accounts payable and accrued liabilities |    | 1,934,550    | (1,834,038) |    | 100,51     |
| Advances from ultimate shareholders      |    | 553,879      | (400,044)   |    | 153,83     |
| Convertible debt                         |    | 500,000      | --          |    | 500,00     |
| Obligation under capital lease           |    | 1,073        | (1,073)     |    | --         |
| Current portion of long-term debt        |    | 67,334       | (67,334)    |    | --         |
| <hr/>                                    |    |              |             |    |            |
|  |    | 3,105,720    |             |    | 754,34     |
| Convertible debt                         |    | 766,000      |             |    | 766,00     |
| Shareholders' deficiency:                |    |              |             |    |            |
| Share capital:                           |    |              |             |    |            |
| Common shares                            |    | 4,707,682    | --          |    | 4,707,68   |
| Preferred shares                         |    | 2,500        | --          |    | 2,50       |
| Additional paid-in capital               |    | 7,082,162    | --          |    | 7,082,16   |
| <hr/>                                    |    |              |             |    |            |
|  |    | 11,792,344   | --          |    | 11,792,34  |
| Deficit                                  |    | (14,737,612) | 1,422,359   |    | (13,315,25 |
| Accumulated other comprehensive income   |    | 18,614       | --          |    | 18,61      |
| <hr/>                                    |    |              |             |    |            |
|  |    | (2,926,654)  |             |    | (1,504,29  |
| <hr/>                                    |    |              |             |    |            |
|  | \$ | 945,066      |             | \$ | 16,05      |
| <hr/>                                    |    |              |             |    |            |

See accompanying notes to pro forma financial statements.

INNOFONE.COM, INCORPORATED

Pro Forma Income Statement  
(Stated in United States dollars)  
Unaudited  
For the nine months ended March 31, 2001

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|   | March 31,<br>2001<br>(previously reported) | Adjustments<br>(note 1) | March 31,<br>2001<br>Pro Forma |
|---|--|-------------------------|--------------------------------|
| Revenue   | \$ 1,386,095                               | (1,384,974)             | \$ 1,121                       |
| Cost of sales   | 966,668                                    | (966,668)               | --                             |
| Gross profit  | 419,427                                    | (418,306)               | 1,121                          |
| Selling, general and administrative expenses            | 2,915,049                                  | (2,401,794)             | 513,255                        |
| Amortization  | 109,408                                    | (109,408)               | --                             |
| Additional interest                                     | 138,400                                    | --                      | 138,400                        |
| Compensation cost of options                            | 24,240                                     | --                      | 24,240                         |
| Interest on long term debt and bank charges             | 31,660                                     | (30,812)                | 848                            |
| Loss on investment                                      | 165,000                                    | (165,000)               | --                             |
|   | 3,383,757                                  | (2,707,014)             | 676,743                        |
| Net loss  | (2,964,330)                                | 2,618,708               | (675,622)                      |
| Basic net loss per common share                         | \$ (0.13)                                  |                         | \$ (0.03)                      |
| Weighted average number of common<br>shares outstanding | 23,176,500                                 |                         | 23,176,500                     |

See accompanying notes to pro forma financial statements.

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INNOFONE.COM, INCORPORATED

Pro Forma Income Statement  
(Stated in United States dollars)  
(Unaudited)  
For the year ended June 30, 2000

|  | June 30,<br>2000<br>(previously reported) | Adjustments<br>(note 1) | June 30,<br>2000<br>Pro Forma |
|--|---|-------------------------|-------------------------------|
|--|---|-------------------------|-------------------------------|

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|  |    |            |             |    |            |
|--|----|------------|-------------|----|------------|
| Revenue  | \$ | 736,127    | (735,706)   | \$ | 421        |
| Cost of sales  |    | 528,603    | (528,603)   |    | --         |
| <hr/>  |    |            |             |    |            |
| Gross profit   |    | 207,524    | (207,103)   |    | 421        |
| Selling, general and administrative expenses         |    | 2,309,523  | (2,153,237) |    | 156,286    |
| Amortization   |    | 94,585     | (94,585)    |    | --         |
| Additional interest                                  |    | 1,312,750  | --          |    | 1,312,750  |
| Compensation cost for options                        |    | 2,728,130  | --          |    | 2,728,130  |
| Interest on long-term debt and bank charges          |    | 25,083     | (23,458)    |    | 1,625      |
| <hr/>  |    |            |             |    |            |
|  |    | 6,470,071  | (2,271,280) |    | 4,198,791  |
| <hr/>  |    |            |             |    |            |
| Net loss   |    | 6,262,547  |             |    | 4,198,370  |
| <hr/>  |    |            |             |    |            |
| Basic net loss per common share                      | \$ | (0.50)     |             | \$ | (0.33)     |
| <hr/>  |    |            |             |    |            |
| Weighted average number of common shares outstanding |    | 12,542,976 |             |    | 12,542,976 |
| <hr/>  |    |            |             |    |            |

See accompanying notes to pro forma financial statements.

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INNOFONE.COM, INCORPORATED

Notes to Pro Forma Financial Statements  
(Stated in United States dollars)  
(Unaudited)  
For the nine months ended March 31, 2001

Innofone.com, Incorporated (the "Company") is incorporated under the laws of the State of Nevada. The Company, through its legal subsidiary Innofone Canada Inc. ("Innofone Canada"), operated in Canada in the telecommunications business of providing long distance telephone services, cellular services and internet services until May 3, 2001 as described below.

1. BASIS OF PRESENTATION:

The unaudited pro forma balance sheet has been prepared by management to give effect to the effective disposition of the assets of Innofone Canada as at March 31, 2001 as a result of it being deemed bankrupt on

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May 3, 2001. The pro forma income statement has been adjusted to exclude the operations of Innofone Canada commencing from July 1, 1999. These pro forma adjustments reflect only direct costs and assets and liabilities of Innofone Canada. On February 26, 2001, a Petition for a Receiving Order ("Petition") under the Bankruptcy and Insolvency Act (Canada) was filed by 9024-9574 Quebec Inc. against Innofone Canada Inc. The effect of issuing a Receiving Order against Innofone Canada Inc. could render the company bankrupt as determined by the bankruptcy courts. On April 11, 2001, Innofone Canada filed a Notice of Intent to File a Proposal ("NOI") to its creditors, and subsequently filed a cash flow statement with the bankruptcy authorities. The effect of filing the NOI staid the hearing of the petition, and gave the company time to consider how it intended to restructure its debt. On May 2, 2001, the company attended a hearing at which a creditor was filing a motion to have the stay of the NOI lifted and have Innofone Canada declared bankrupt. The company was unsuccessful in defeating the motion and on May 3, 2001, Innofone Canada Inc. was declared bankrupt. The trustee, Raymond Chabot Inc. is in the process of liquidating the assets of Innofone Canada Inc.

As a result of the bankruptcy of Innofone Canada, the Company has lost control of the assets of its legal subsidiary. These pro forma financial statements have been prepared to give effect to the disposition of the operating assets of Innofone Canada.

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INNOFONE.COM, INCORPORATED

Notes to Consolidated Financial Statements  
(Stated in United States dollars)  
(Unaudited)  
For the nine months ended March 31, 2001

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1. BASIS OF PRESENTATION (CONTINUED)

During the period from January 15, 2001 to May 3, 2001, Innofone Canada Inc. was delayed in billing all of its customers for long distance, cellular and internet services rendered. The Trustee has now rendered these bill runs and has paid the claims of Innofone Canada's secured and preferred creditors, leaving funds to be disbursed to the unsecured creditors. Innofone.com, Incorporated is a major unsecured creditor and has submitted a claim in the amount of CDN\$5,481,467.27 representing approximately 2/3 of the total unsecured claims against Innofone Canada. At this time it cannot be determined the extent of any recoveries that may be available to Innofone.com, Inc. from the realization of the disposition of the assets of Innofone Canada Inc.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this amended report to be signed on its behalf by the undersigned hereunto duly authorized.

INNOFONE.COM, INC.

Date: July 9, 2001

By: /s/ Richard G. Quinney

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Richard G. Quinney  
Chief Financial Officer