

COCONNECT INC
Form 10QSB
May 21, 2007

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-QSB

(Mark One)

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

For the quarterly period ended March 31, 2007

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

For the transition period from _____ to _____

Commission File No. **0-18958**

CoConnect, Inc.

(Name of small business issuer in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

63-1205304

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

7430 S. Creek Road, Suite 102

Sandy, Utah 84093

(Address of principal executive offices) (Zip Code)

Issuer's telephone number, including area code: **(801) 262-5200**

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 S No £

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY

PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Check whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes £ No £

APPLICABLE ONLY TO CORPORATE REGISTRANTS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the last practicable date.

Class	Outstanding as of March 31, 2007
Common Stock, \$0.001	83,407,005

Transitional Small Business Disclosure Format (Check one): Yes £ No S

COCONNECT, INC.

FORM 10-QSB

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SIGNATURES



PART 1 FINANCIAL INFORMATION**Item 1. Financial Statements**

COCONNECT, INC.
CONDENSED BALANCE SHEET
As at March 31, 2007
(Unaudited)

ASSETS**CURRENT ASSETS**

Cash	\$	25
Advance		1,000
Security Deposits		7,825
Total Current Assets		8,850

FIXED ASSETS

Furniture(net of depreciation)		12,977
		12,977
Total Assets	\$	21,827

LIABILITIES AND STOCKHOLDERS' DEFICIT**Current Liabilities**

Accounts Payable	\$	55,938
Bank Overdraft		0
Accrued Interest Payable		205,490
Accrued Expenses		2,600
Advances Related Party		50,000
Note Payable-Related Party		50,000
Notes Payable		312,000
Total Current Liabilities		676,028
Total Liabilities		676,028

EQUITY

Common Stock-150,000,000 common stock par value .001

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authorized. Issued and outstanding March 31, 2007		
83,407,005		83,407
Additional paid in capital		11,054,637
Retained earnings or (Deficit accumulated during development stage)		(11,792,245)
Total Stockholder's Equity		(654,201)
Total Liabilities And Stockholders Equity	\$	21,827

See accompanying notes to financial statements.

COCONNECT, INC.
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three	
	Months Ended	
	March 31,	
	2007	2006
REVENUES	\$ 0	\$ 0
OPERATING EXPENSES		
Consulting expenses	360,000	0
Depreciation	734	0
Legal Expense	165,000	0
General and administrative	0	848
Total Operating Expenses	525,734	848
NET OPERATING LOSS	(525,734)	(848)
OTHER EXPENSES		
Interest expense	(7,678)	(10,386)
Total Other Expenses	(7,678)	(10,386)
NET LOSS BEFORE INCOME TAXES	(533,412)	(11,234)
INCOME TAX EXPENSE		0
NET LOSS	\$ (533,412)	\$ (11,234)
BASIC LOSS PER COMMON SHARE	\$ (0.01)	\$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	80,907,005	54,185,943

See accompanying notes to financial statements.

COCONNECT, INC.
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended March 31,	
	2007	2006
OPERATING ACTIVITIES		
Net Loss	\$ (533,412)	\$ (11,234)
Adjustments to reconcile net loss to cash used by operation activities:		
Stock issued for services	525,000	0
Depreciation	734	0
Changes in operating, assets & liabilities		
Increase (decrease) in accounts payable	0	2,687
Increase (decrease) in accrued interest and expenses	7,678	10,387
CASH FLOWS USED IN OPERATING ACTIVITIES	0	1,840
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances made on notes receivable	0	0
CASH FLOWS USED IN INVESTING ACTIVITIES	0	0
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in bank overdraft	0	(1,811)
Common stock issued for cash	0	0
Proceeds from Notes Payable	0	0
CASH FLOWS USED IN FINANCING ACTIVITIES	0	(1,811)
Net Increase (Decrease) in cash	0	29
Balance at beginning of period	25	0
Balance as at end of period	\$ 25	\$ 29

**SUPPLEMENTAL CASH FLOW
INFORMATION**

CASH PAID FOR:

Interest	0	0
Income Taxes	0	0

**NON-CASH INVESTING AND FINANCING
ACTIVITIES:**

Common stock issued for services rendered	525,000	
Common stock issued in satisfaction of notes payable and accrued expenses		229,646

See accompanying notes to financial statements.

COCONNECT, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

MARCH 31, 2007

GENERAL

CoConnect, Inc. (the Company) has elected to omit substantially all footnotes to the financial statements for the three months ended March 31, 2007, since there have been no material changes (other than indicated in other footnotes) to the information previously reported by the Company in their Annual Report filed on the form 10 KSB for the twelve months ended December 31, 2006.

EQUITY TRANSACTIONS

On January 17, 2007, the Company issued 10,000,000 shares of its common stock at market value of \$.01 for deferred compensation for 2006.

On February 16, 2007, the Company canceled 1,500,000 shares of its common stock that had been issued in 2006.

On February 16, 2007, the Company issued 1,750,000 shares of its common stock at market value of \$.01 for consulting services rendered.

On February 16, 2007, the Company issued 5,500,000 shares of its common stock at market value of \$.01 for legal services rendered.

On February 16, 2007, the Company issued 250,000 shares of its common stock at market value of \$.01 for consulting services rendered.

UNAUDITED INFORMATION

The information furnished herein was taken from the books and records of the Company without audit. However, such information reflects all adjustments which are, in the opinion of management, necessary to properly reflect the results of the interim period presented. The information presented is not necessarily indicative of the results from operations expected for the full fiscal year.

Item 2. Plan Of Operations

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION OR PLAN OF OPERATION

PLAN OF OPERATION

The Company is seeking to acquire assets or shares of an entity actively engaged in business which generates revenues. The Company has several acquisitions in mind and is investigating the candidates to determine whether or not they will add value to the Company for the benefit of its shareholders. The Board of Directors intends to obtain certain assurances of value of the target entity's assets prior to consummating such a transaction. Any business combination or transaction will likely result in a significant issuance of shares and substantial dilution to present stockholders of the Company.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2007, the Company had current assets of \$8,850 and current liabilities of \$676,028, resulting in a working capital deficiency of \$667,178. Through payment of accrued compensation obligations and notes payable with its common stock and through the sale of its common stock in private placements, the Company had a stockholders' deficit of \$654,201 at March 31, 2007.

As of March 31, 2007, the Company's total assets in the amount of \$21,827 consisted of \$25 in cash, \$1,000 in advances, \$7,825 in security deposits, and \$12,977 in fixed assets. The Company's liabilities were \$676,028 consisting of \$55,938 in accounts payable, \$205,490 in accrued interest payable, \$2,600 in accrued expenses, \$100,000 in advances and notes payable to related parties, and \$312,000 in other notes payable.

During the three-months ended March 31, 2007, the Company used net cash of \$0 in operating activities as compared to \$1,840 for the same period in 2006.

During the three-months ended March 31, 2007 and 2006, the Company did not use any cash for investing activities.

During the three-months ended March 31, 2007, net cash provided by financing activities was \$0 compared to \$1,811 in a decrease in the bank overdraft for the same period in 2006.

RESULTS OF OPERATIONS

During the periods ended March 31, 2007 and 2006, the Company had no revenues from operations.

Total operating expenses of \$525,734 for the three-months ended March 31, 2007 consisted of \$360,000 in consulting expenses, \$734 in depreciation, and \$165,000 in legal fees. Total operating expenses for the three-months ended March 31, 2006 were \$848 consisting solely of general and administrative expenses. The net loss for the three-months ended March 31, 2007 was \$533,412 compared to a net loss of \$11,234 for the same period in 2006.

The Company accrued interest expense for the three-months ended March 31, 2007 and 2006 of \$7,678 and \$10,386, respectively, on the notes payable to a former director and a former president.

For the current fiscal year, the Company anticipates incurring a loss as a result of legal and accounting expenses, and expenses associated with locating and evaluating acquisition candidates. The Company anticipates that until a business combination is completed with an acquisition candidate, it will not generate revenues, and may continue to operate at a loss after completing a business combination, depending upon the performance of the acquired business.

NEED FOR ADDITIONAL FINANCING

Additional funding will be required in order for the company to survive as a going concern and to finance growth and to achieve our strategic objectives. Management is actively pursuing additional sources of funding. In addition, management is expecting an increase in cash flows through anticipated increases in revenue as a result of the executions of current tactical and strategy plans.

If we do not raise sufficient funds in the future, we may not be able to fund expansion, take advantage of future opportunities, meet our existing debt obligations or respond to competitive pressures or unanticipated requirements. Financing transactions in the future may include the issuance of equity or debt securities, obtaining credit facilities, or other financing mechanisms.

All forward-looking statements contained herein are deemed by the Company to be covered by and to qualify for the safe harbor protection provided by the Private Securities Litigation Reform Act of 1995. Prospective shareholders should understand that several factors govern whether any forward-looking statement contained herein will be or can be achieved. Any one of those factors could cause actual results to differ materially from those projected herein. These forward-looking statements include plans and objectives of management for future operations, including plans and objectives relating to the products and the future economic performance of the Company. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions, future business decisions, and the time and money required to successfully complete development projects, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Company. Although the Company believes that the assumptions underlying the forward-looking statements contained herein are reasonable, any of those assumptions could prove inaccurate and, therefore, there can be no assurance that the results contemplated in any of the forward-looking statements contained herein will be realized. Based on actual experience and business development, the company may alter its marketing, capital expenditure plans or other budgets, which may in turn affect the Company's results of operations. In light of the significant uncertainties inherent in the forward-looking statements included therein, the inclusion of any such statement should not be regarded as a representation by the Company or any other person that the objectives or plans of the company will be achieved.

Item 3. Controls And Procedures

(a) Evaluation of Disclosure Controls and Procedures. The Company's management, with the participation of the chief executive officer/chief financial officer, carried out an evaluation of the effectiveness of the Company's disclosure, controls and procedures (as defined in the Securities Exchange Act of 1934 (the Exchange Act) Rules 13a-15(e) and 15-d-15(e) as of the end of the period covered by this quarterly report (the Evaluation Date). Based upon that evaluation, the chief executive officer/chief financial officer concluded that, as of the Evaluation Date, the Company's disclosure, controls and procedures are effective, providing them with material information relating to the Company as required to be disclosed in the reports the Company files or submits under the Exchange Act on a timely basis.

(b) Changes in Internal Control over Financial Reporting. There were no changes in the Company's internal controls over financial reporting, known to the chief executive officer/chief financial officer, that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

During 2006 the Company was involved in several lawsuits. In January 2007, the Company and Heritage Communications, Inc., parties to consolidated lawsuits in the State of Utah, Third District Court, Civ. Nos. 05-091-1718 and 05-091-2224, have agreed that all allegations about the parties made in prior filings with the Securities and Exchange Commission and all allegations made in lawsuits between the parties have been completely settled and resolved by all parties, and the lawsuits have been settled with prejudice.

Item 2. Unregistered Sales Of Equity Securities And Use Of Proceeds.

On January 17, 2007, the Company issued 10,000,000 shares of its common stock at market value of \$.01 for deferred compensation for 2006.

On February 16, 2007, the Company canceled 1,500,000 shares of its common stock that had been issued in 2006.

On February 16, 2007, the Company issued 1,750,000 shares of its common stock at market value of \$.01 for consulting services rendered.

On February 16, 2007, the Company issued 5,500,000 shares of its common stock at market value of \$.01 for legal services rendered.

On February 16, 2007, the Company issued 250,000 shares of its common stock at market value of \$.01 for consulting services rendered.

Item 3. Defaults Upon Senior Securities.

None; not applicable.

Item 4. Submission Of Matters To A Vote Of Security Holders.

None; not applicable

Item 5. Other Information.

None; not applicable.

Item 6. Exhibits And Reports On Form 8-K.

(a) Exhibits

Copies of the following documents are included as exhibits to this report pursuant to Item 601 of Regulation S-B.

Exhibit No.	Title of Document	Location
31.1	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Attached
31.2	Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Attached
32.1	Certification of the Principal Executive Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Attached

32.2

Certification of the Principal Financial Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Attached

(b) Reports on Form 8-K

None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

CoConnect, Inc.

Date: May 19, 2007

By: /s/ Richard Ferguson

Richard Ferguson

Chief Executive Officer

Date: May 21, 2007

By: /s/ Dean Becker

Dean Becker

Chief Financial Officer