

Vican Resources, Inc.
Form 10-Q
August 09, 2013

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2013

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

For the transition period from _____ to _____

Commission File Number 333-107179 & 000-51210

VICAN RESOURCES, INC.

(Exact name of registrant as specified in its charter)

Nevada

980380519

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

11650 South State St., Ste. 240, Draper, UT 84020

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(Address of principal executive offices) (Zip Code)

(801) 816-2500

(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 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 ☐ 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 August 1, 2013, there were 89,840,019 outstanding shares of the registrant's common stock, \$0.001 par value per share.

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PART I

FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS REQUIRED BY FORM 10-Q

The Financial Statements of the Company are prepared as of June 30, 2013.

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VICAN RESOURCES, INC.
BALANCE SHEETS

ASSETS

	June 30, 2013 (Unaudited)	December 31, 2012
TOTAL ASSETS	\$—	\$—

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$578,018	\$483,352
Due to related party	343,488	331,096
Advances from third party	6,865	6,865
Convertible note payable (net of discount of \$-0- and \$22,090 respectively)	400,000	377,910
Total Current Liabilities	1,328,371	1,199,223
TOTAL LIABILITIES	1,328,371	1,199,223

STOCKHOLDERS' DEFICIT

Preferred stock, \$0.001 par value; 20,000,000 shares authorized:		
Series A Preferred Stock, \$0.001 par value; -0- shares issued and outstanding, respectively	—	—
Series B Preferred Stock, \$0.001 par value; -0- shares issued and outstanding, respectively	—	—
Series C Preferred Stock, \$0.001 par value; 1,825,000 shares issued and outstanding	1,825	1,825
Common stock, \$0.001 par value; 400,000,000 shares authorized, 89,840,019 shares issued and outstanding	89,841	89,841
Additional paid-in capital	1,369,206	1,369,206
Accumulated deficit	(2,789,243)	(2,660,095)
Total Stockholders' Deficit	(1,328,371)	(1,199,223)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$—	\$—

The accompanying notes are an integral part of these financial statements.

VICAN RESOURCES, INC.
STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2013	2012	2013	2012
NET REVENUES	\$—	\$—	\$—	\$—
OPERATING EXPENSES				
Selling, general and administrative expense	47,995	61,808	90,995	101,152
Total Operating Expenses	47,995	61,808	90,995	101,152
LOSS FROM OPERATIONS	(47,995)	(61,808)	(90,995)	(101,152)
OTHER INCOME (EXPENSES)				
Interest expense (including amortization of debt discount of \$10,325, \$11,765, \$22,090 and \$23,530, respectively)	(18,498)	(19,743)	(38,153)	(39,486)
Total Other Income (Expenses)	(18,498)	(19,743)	(38,153)	(39,486)
LOSS BEFORE INCOME TAXES	(66,493)	(81,551)	(129,148)	(140,638)
INCOME TAX EXPENSE	—	—	—	—
NET LOSS	\$(66,493)	\$(81,551)	\$(129,148)	\$(140,638)
BASIC:				
Net loss per common share	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)
Weighted average shares outstanding	89,840,019	89,840,019	89,840,019	89,840,019

The accompanying notes are an integral part of these financial statements.

VICAN RESOURCES, INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

For the Six Months
Ended
June 30,
2013 2012

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$(129,148)	\$(140,638)
Adjustments to reconcile net loss to net cash used by operating activities:		
Amortization of debt discount	22,090	23,530
Changes in operating assets and liabilities:		
Accounts payable and accrued liabilities	94,666	91,270
Net Cash Used by Operating Activities	(12,392)	(25,838)

CASH FLOWS FROM INVESTING ACTIVITIES:

— —

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from third party advances	—	6,865
Proceeds from related party advances	12,392	18,973
Net Cash Provided by Financing Activities	12,392	25,838

NET CHANGE IN CASH AND CASH EQUIVALENTS

— —

CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD

— —

CASH AND CASH EQUIVALENTS, END OF PERIOD

\$— \$—

SUPPLEMENTAL CASH FLOW INFORMATION:

Cash Payments For:

Interest	\$—	\$—
Income taxes	\$—	\$—
Non-cash investing and financing activities:		
Stock issued for services	\$—	\$—
Stock issued for conversion of debt	\$—	\$—

The accompanying notes are an integral part of these financial statements.

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VICAN RESOURCES, INC.

Notes to the Financial Statements

June 30, 2013

(Unaudited)

1. ORGANIZATION AND BASIS OF PRESENTATION

The accompanying unaudited interim financial statements of Vican Resources, Inc. ("the Company") have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission, and should be read in conjunction with the audited financial statements and notes thereto contained in the Company's annual report filed with the SEC on Form 10-K for the year ended December 31, 2012. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. Operating results for the six months ended June 30, 2013 are not necessarily indicative of the results to be expected for the year ended December 31, 2013. Notes to the financial statements which would substantially duplicate the disclosures contained in the audited financial statements for the most recent year 2012 as reported in Form 10-K have been omitted.

2. GOING CONCERN

The Company has a working capital deficit at June 30, 2013 and has not established a recurring source of revenues sufficient to cover its operating costs. These conditions raise substantial doubt as to the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is contingent upon its ability to obtain capital through the sales of equity and attaining additional profitable operations. Currently the Company is receiving cash advances from related parties, including stockholders and their affiliates, to cover operating expenses. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

3. SUBSEQUENT EVENTS

The Company has evaluated subsequent events for the period of June 30, 2013 through the date the financial statements were issued, and concluded there were no other events or transactions occurring during this period that required recognition or disclosure in its financial statements.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

This report contains forward-looking statements that involve risks and uncertainties. We use words such as anticipate, believe, plan, expect, future, intend and similar expressions to identify such forward-looking statements. You should not place too much reliance on these forward-looking statements. Our actual results are likely to differ materially from those anticipated in these forward-looking statements for many reasons.

Plan of Operation

Vican Resources, Inc. (hereafter, “we”, “our”, “us”, or the “Company”) was incorporated in the State of Nevada on September 5, 2002. From July 2009 until May 2011, we operated as a real estate services firm, seeking to capitalize on the real estate opportunities resulting from the dislocation in the credit markets, and by extension, the multifamily housing market, by acquiring, rehabilitating, stabilizing and selling distressed multifamily properties in the southern United States, predominantly in Texas.

On May 26, 2011, we changed our business when we sold our real estate services division and acquired all of the outstanding shares of Vican Trading, Inc., a Montreal-based purchaser and seller of metals, ores, and other commodities (hereafter, “Vican Trading”). Upon the acquisition of Vican Trading, there was an implied option for either party to rescind the original acquisition. During the year that option was exercised and on December 20, 2011, we again changed our business when we unwound the acquisition of Vican Trading and acquired all of the assets of Med Ex Direct, Inc., a Florida-based provider of management services in respect of the distribution of diabetic supplies, principally to Hispanic patients (hereafter, “Med Ex Florida”). On March 21-22, 2012, we again changed our business to become an oil & gas exploration, development, and distribution company when we unwound the purchase of the assets of Med Ex Florida and received assignments for three separate working interests in two oil & gas wells located in Jefferson County, Mississippi. We expect that oil and gas exploration and development activities will constitute the principal business of the Company in the future.

Liquidity and Capital Resources

As of June 30, 2013, the Company’s primary source of liquidity consisted of \$-0- in cash and cash equivalents. Since inception, the Company has financed its operations through a combination of short and long-term loans, and through the private placement of its common stock.

The Company has sustained significant net losses which have resulted in a total stockholders' deficit at June 30, 2013 of \$1,328,371 and is currently experiencing a substantial shortfall in operating capital which raises doubt about the Company's ability to continue as a going concern. The Company anticipates a net loss for the year ended December 31, 2013 and with the expected cash requirements for the coming months, without additional cash inflows from an increase in revenues combined with continued cost-cutting or a receipt of cash from capital investment, there is substantial doubt as to the Company's ability to continue operations.

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There is presently no agreement in place with any source of financing for the Company and there can be no assurance that the Company will be able to raise any additional funds, or that such funds will be available on acceptable terms. Funds raised through future equity financing will likely be substantially dilutive to current shareholders. Lack of additional funds will materially affect the Company and its business, and may cause the Company to cease operations. Consequently, shareholders could incur a loss of their entire investment in the Company.

Results of Operations

From July 2009 until May 2011, we operated as a real estate services firm, seeking to capitalize on the real estate opportunities resulting from the dislocation in the credit markets, and by extension, the multifamily housing market, by acquiring, rehabilitating, stabilizing and selling distressed multifamily properties in the southern United States, predominantly in Texas.

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Revenues. For the three and six months ended June 30, 2013, net revenues were \$-0- compared to \$-0- for the three and six months ended June 30, 2012.

Selling General and Administrative Expenses .. Selling, general and administrative expenses for the three months ended June 30, 2013 were \$47,995 compared to \$61,808 for the three months ended June 30, 2012. For the six months ended June 30, 2013, selling, general and administrative expenses were \$90,995 compared to \$101,152 for the six months ended June 30, 2012. The Company expects selling, general and administrative expenses to increase in the future.

Other Income (Expenses). Other expenses for the three months ended June 30, 2013 were \$18,498 compared to \$19,743 for the three months ended June 30, 2012. Other expenses for the six months ended June 30, 2013 were \$38,153 compared to \$39,486 for the six months ended June 30, 2012. Included in this category is interest expense

related to promissory notes issued by the Company and the amortization of debt discount in the amount of \$22,090 and \$23,530, respectively, for the six months ended June 30, 2013, and 2012.

Net Income (Loss). Net loss for the six months ended June 30, 2013 was \$129,148 compared to a net loss of \$140,638 for the six months ended June 30, 2012.

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Off-Balance Sheet Arrangements

We do not have any 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 investors.

Personnel

Vican Resources has no full-time employees, but utilizes other project-based contract personnel to carry out our business. We utilize contract personnel on a continuous basis, primarily in connection with the filing of reports with the Securities and Exchange Commission which require a high level of specialization for one or more of the service components offered.

Liquidity and Capital Resources

Since inception, the Company has financed its operations through a series of loans and advances from related parties and third parties. As of June 30, 2013, our primary source of liquidity consisted of \$-0- in cash and cash equivalents. We may seek to secure additional debt or equity capital to finance substantial business development initiatives.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not Required.

Item 4. Controls and Procedures.

The Securities and Exchange Commission defines the term “disclosure controls and procedures” to mean a Company's controls and other procedures of an issuer that are designed to ensure that information required to be disclosed in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information

required to be disclosed by an issuer in the reports that it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. The Company maintains such a system of controls and procedures in an effort to ensure that all information which it is required to disclose in the reports it files under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified under the SEC's rules and forms and that information required to be disclosed is accumulated and communicated to principal executive and principal financial officers to allow timely decisions regarding disclosure.

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, the chief executive officer and chief financial officer concluded that the disclosure controls and procedures are designed to provide reasonable assurance of achieving the objectives of timely alerting them to material information required to be included in the

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Company's periodic SEC reports and of ensuring that such information is recorded, processed, summarized and reported within the time periods specified. The Company's chief executive officer and chief financial officer also concluded that the disclosure controls and procedures were effective as of the end of the period covered by this report to provide reasonable assurance of the achievement of these objectives.

Changes in Internal Control over Financial Reporting

There have been no significant changes in our internal controls over financial reporting that occurred during the second quarter ended June 30, 2013 that have materially or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently subject to any legal proceedings, and to the best of our knowledge, no such proceeding is threatened, the results of which would have a material impact on our properties, results of operation, or financial condition. Nor, to the best of our knowledge, are any of our officers or directors involved in any legal proceedings in which we are an adverse party.

Item 1A. Risk Factors

Since we are a smaller reporting company, we are not required to provide the information required by this Item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

None.

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Item 6. Exhibits.

The following exhibits are filed with or incorporated by referenced in this report:

<u>Item No.</u>	<u>Description</u>
3.1	Amended and Restated Articles of Incorporation (incorporated by reference from our report on form 8-K filed on March 22, 2012).
3.2	Amended and Restated Bylaws (incorporated by reference from our report on form 8-K filed on March 22, 2012).
31.1*	<u>Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Chene Gardner.</u>
32.1*	<u>Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Chene Gardner.</u>

* filed herewith

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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.

VICAN RESOURCES, INC.

By: /s/ Chene Gardner

Date: August 9, 2013 Name: Chene Gardner

Title: Chief Financial Officer and Principal Executive Officer

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