

CYTATION CORP
Form 10QSB/A
December 19, 2005

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB/A

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

For the quarterly period ended March 31, 2005

Commission file Number 00114800

CYTATION CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

16-0961436
(I.R.S. Employer Identification Number)

251 Thames Street, No. 8, Bristol, RI 02809
(Address of Principal Executive Offices) (Zip Code)

(401) 254-8800
(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 the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date:

Common Stock, \$.001 Par Value - 437,831 shares as of May 12, 2005.

FORWARD-LOOKING INFORMATION

THIS FORM 10-QSB/A AND OTHER STATEMENTS ISSUED OR MADE FROM TIME TO TIME BY CYTATION CORPORATION OR ITS REPRESENTATIVES CONTAIN STATEMENTS WHICH MAY CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE SECURITIES ACT OF 1933 AND THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED BY THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. FIFTEEN U.S.C.A. SECTIONS 77Z-2 AND 78U-5 (SUPP. 1996). THOSE

STATEMENTS INCLUDE STATEMENTS REGARDING THE INTENT, BELIEF OR CURRENT EXPECTATIONS OF CYTATION CORPORATION AND MEMBERS OF ITS MANAGEMENT TEAM AS WELL AS THE ASSUMPTIONS ON WHICH SUCH STATEMENTS ARE BASED. PROSPECTIVE INVESTORS ARE CAUTIONED THAT ANY SUCH FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE AND INVOLVE RISKS AND UNCERTAINTIES, AND THAT ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE CONTEMPLATED BY SUCH FORWARD-LOOKING STATEMENTS. THE COMPANY UNDERTAKES NO OBLIGATION TO UPDATE OR REVISE FORWARD-LOOKING STATEMENTS TO REFLECT CHANGED ASSUMPTIONS, THE OCCURRENCE OF UNANTICIPATED EVENTS OR CHANGES TO FUTURE OPERATING RESULTS OVER TIME.

LETTER OF INTENT TO MERGE

ON APRIL 8, 2005, THE COMPANY ENTERED INTO A BINDING LETTER OF INTENT WITH EVOLVE ONCOLOGY, INC. ("EVOLVE") (PINK SHEETS: "EVON") TO EFFECT A MERGER WITH EVOLVE. THE COMPANY WILL BE THE SURVIVING CORPORATION. UNDER THE PROPOSED MERGER, THE COMPANY WOULD AUTHORIZE ADDITIONAL SHARES OF COMMON STOCK TO BE ISSUED IN THE TRANSACTION, DECLARE A 2.5 FOR ONE FORWARD STOCK SPLIT, AND ISSUE TO EVOLVE'S STOCKHOLDERS APPROXIMATELY 20,800,000 NEWLY ISSUED SHARES OF ITS COMMON STOCK. EVOLVE AGREED TO ASSUME AND TO PAY APPROXIMATELY \$115,000 OF THE COMPANY'S LIABILITIES AT THE CLOSING OF THE TRANSACTION. AFTER THE TRANSACTION, STOCKHOLDERS OF EVOLVE WOULD OWN APPROXIMATELY 95% OF THE TOTAL ISSUED AND OUTSTANDING COMMON STOCK OF THE COMPANY.

UPON THE CLOSING OF THIS TRANSACTION, THE CURRENT OFFICERS AND DIRECTORS OF THE COMPANY WILL RESIGN. EVEN THOUGH THE COMPANY WILL BE THE SURVIVING CORPORATION IN THE MERGER, THE COMPANY WILL BE ENGAGED IN A COMPLETELY DIFFERENT BUSINESS WITH NEW MANAGEMENT AND DIRECTORS. CURRENT STOCKHOLDERS OF THE COMPANY WILL ONLY OWN A 5% OF THE MERGED BUSINESS INITIALLY, WHICH OWNERSHIP COULD BE FURTHER DILUTED IN THE EVENT THAT THE COMPANY, AFTER THE MERGER, ISSUES ADDITIONAL EQUITY TO RAISE CAPITAL OR FOR ACQUISITIONS.

PART 1 FINANCIAL INFORMATION

Item 1. Financial Statements.

Cytation Corporation

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Cytation Corporation Balance Sheets

ASSETS

March 31,

	December 31, <u>2005</u>	<u>2004</u>	(Unaudited)	(Audited)
ASSETS:	Cash	\$21,719	\$62,707	Marketable securities, at market value -
	stockholders	10,112	10,112	Notes receivable, others -
assets	<u>272</u>	<u>8,706</u>		Prepaid expenses and other current
				Total Current Assets
				<u>32,103</u>
				<u>89,462</u>
				PROPERTY AND EQUIPMENT, Net
				<u>4,596</u>
				<u>4,496</u>
				OTHER ASSETS: Security deposit
				1,800 1,800
				Investment in privately-held companies
				<u>54,718</u>
				<u>59,718</u>
				56,518 61,518
				TOTAL ASSETS
				\$93,217
				\$155,476
				=====
				=====
EQUITY CURRENT LIABILITIES:	Accounts payable and accrued expenses	\$42,555	\$92,306	Note payable and accrued interest
				<u>121,612</u>
				<u>120,227</u>
				Total Current Liabilities
				<u>164,167</u>
				<u>212,533</u>
				COMMITMENTS AND CONTINGENCIES -
				-
STOCKHOLDERS' EQUITY:	Common stock, \$0.001 par value, 2,000,000 shares authorized, and 436,165 shares issued and outstanding, respectively	437,831	438 436	Additional paid-in capital
		32,608,449	32,608,451	Shares subscribed but not issued (23,500 shares)
				23,500 - Accumulated deficit
				<u>(32,703,337)</u>
				<u>(32,665,944)</u>
				TOTAL STOCKHOLDERS' EQUITY
				<u>(70,950)</u>
				<u>(57,057)</u>
				TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY
				\$93,217
				\$155,476
				=====
				=====

See notes to financial statements.

Cytation Corporation Statements of Operations For The Three Months Ended March 31, 2005 and 2004 (Unaudited)

	<u>2005</u>	<u>2004</u>		
			CONSULTING REVENUES	\$ - \$5,000
	<u>1,182</u>	<u>445,405</u>	GROSS PROFIT	<u>(1,182)</u> <u>(440,405)</u>
EXPENSES:	Depreciation	512 804	Selling, general and administrative	<u>28,810</u>
	<u>109,179</u>		TOTAL OPERATING EXPENSES	<u>29,322</u> <u>109,983</u>
LOSS	<u>(30,504)</u>	<u>(550,388)</u>	OTHER INCOME (EXPENSES)	Gain on sale of investment
	266,250	Loss on termination of ARE agreement (5,000)		- Interest income (expenses),
net	<u>(1,889)</u>	<u>(1,386)</u>	TOTAL OTHER INCOME (EXPENSES)	<u>(6,889)</u>
	<u>264,864</u>		(LOSS) INCOME BEFORE INCOME TAXES	(37,393) (285,524)
	-	-	INCOME TAXES	
			NET LOSS	\$(37,393) \$(285,524)
			=====	=====
				Net (Loss) Income

Per Share (Basic and Diluted)\$(0.09)\$(0.98) ===== Weighted Average Common Shares
 Outstanding 436,998 292,776 =====

See notes to financial statements.

Cytation Corporation
Statements of Cash Flows
For The Three Months Ended March 31, 2005 and 2004
(Unaudited)

<u>2005</u>	<u>2004</u>	CASH FLOWS FROM OPERATING ACTIVITIES:	Net
loss\$(37,393)	\$(285,524)	Adjustments to reconcile net loss to net cash	used in operating
activities:	Depreciation 512 804	Gain on sale of investment	- (266,250) Stock based
compensation	- 72,000	Accrued interest on note payable 1,385 1,386	Loss on termination of
ARE agreement 5,000	-	Non-cash consulting income	- (5,000) Non-cash
consulting fee 443,750		Changes in operating assets and liabilities:	
		Prepaid expenses and others	
		Prepaid expenses and others 8,434	- Accounts payable and accrued
		expenses <u>(49,751)</u> <u>27,222</u>	NET CASH USED IN OPERATING
ACTIVITIES <u>(71,813)</u> <u>(11,612)</u>		CASH FLOWS USED IN INVESTING ACTIVITIES:	Purchases of
		property and equipment <u>(612)</u> <u>-</u>	CASH FLOWS FROM FINANCING
ACTIVITIES:		Collections of notes receivable 5,000 10,000	Proceeds from issuance of common
		stock <u>23,500</u> <u>25</u>	NET CASH PROVIDED BY FINANCING
		ACTIVITIES <u>28,500</u> <u>10,025</u>	NET DECREASE (INCREASE) IN
		CASH (43,925) (1,587)	CASH, Beginning <u>65,644</u> <u>2,236</u> CASH,
Ending\$21,719\$649			=====
INFORMATION:		Cash paid during the periods for:	Interest\$828\$ - =====
			===== Taxes\$ - \$ -

See notes to financial statements.

Notes to Financial Statements

1. Basis of Presentation

The accompanying unaudited financial statements of Cytation Corporation (the "Company") have been prepared in accordance with generally accounting principles for interim financial information and with the instructions to prepare them for inclusion as part of the Form 10QSB/A. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The financial statements for the periods ended March 31, 2005 and 2004 are unaudited and include all adjustments which in the opinion of management, are necessary in order to make the financial statements not misleading. All such adjustments are of a

normal recurring nature. The results of the Company's operations for any interim period are not necessarily indicative of the results of the Company's operations for a full year. For further information, refer to the financial statements and footnotes thereto included in the Company's Form 10KSB filed with the Securities and Exchange Commission for the period ended December 31, 2004.

2. The Company

Until June 20, 2001, the Company provided an extensive range of in-school and online services directed at high school students and their parents, high school counselors, college admissions officers and corporations which target with the teen marketplace. On June 20, 2001, the Company sold all of its assets associated with these activities to TMP Worldwide Inc. for approximately \$7.2 million in cash and debt assumed.

During the period commencing with the fourth quarter of 2002 and ending in December 2004, the Company engaged in the business of providing consulting and related services to private companies that wish to become reporting companies under the Securities Exchange Act of 1934. In the first quarter of 2005, the Company discontinued all business operations and agreed to engage in a reverse merger transaction. *See* "Subsequent Events".

3. Equity Transactions

On February 14, 2005, the Company authorized the issuance for no consideration of 1,666 shares to Bost & Co., an unaffiliated third party, in consideration of a prior investment. On March 4, 2004,

the Company agreed to issue 23,500 of its common shares to an unaffiliated third party for \$23,500 in cash and a warrant to purchase 20,000 shares of the common stock of Solomon Technologies, Inc.

4. Investment/Termination of Consulting Agreement

In the first quarter of 2004, the Company received 500,000 restricted shares of common stock and warrants of an unrelated entity, American Radio Empire, Inc. ("ARE"), as compensation for the consulting services provided and to be provided. The investment was valued at \$5,000, which management believes is approximately the fair value of the shares at this time, and this amount was recorded as consulting revenue on the accompanying financial statements. During the first quarter of 2005, the Company returned the 500,000 restricted shares of ARE common stock and entered into a mutual release agreement with ARE pursuant to which each party released all claims against the other.

5. Subsequent Events

During the first quarter of 2005, the Company reviewed business opportunities resulting from its status as a Business Development Company under the Investment Company Act of 1940 and evaluated other courses of action. On April 8, 2005, the Company entered into a binding letter of intent with Evolve Oncology, Inc. ("Evolve") to effect a merger with Evolve pursuant to which the Company will not engage in any further business operations other than to close the merger transaction. Although the Company will be the surviving corporation under the proposed merger, it will not thereafter engage in any business that it has engaged in the past. Stockholders of the Company will be substantially diluted, and the Company's current officers and directors will resign. The Company will authorize additional shares of common stock to be issued in the transaction, declare a 2.5 for one forward stock split, and issue to Evolve's stockholders approximately 20,800,000 newly issued shares of its common stock. Evolve has agreed to assume and to pay approximately \$115,000 of the Company's liabilities at the closing of the transaction. After the transaction, stockholders of Evolve would own approximately 95% of the total issued and outstanding common stock of the Company.

Evolve is developing products for the treatment of breast cancer, leukaemia and multiple cancer treatments including lymphomas, melanomas and gastric cancer.

On February 14, 2005, the Company authorized the issuance of 15,000 shares to Richard Parke in consideration of his agreement to join the Company's board of directors. The purchase price of these shares was \$15.00. On March 4, 2004, the Company agreed to issue 23,500 of its common shares to an unaffiliated third party for \$23,500. These shares (a total of 38,500) of common stock were issued subsequent to March 31, 2005, and were not considered issued and outstanding as of that date.

Item 2. Management's Discussion and Analysis or Plan of Operation.

Results of Operations

As a result of the Company's decision to discontinue all business operations and enter into a reverse merger transaction, the Company no longer is engaged in any business in which it was engaged during its last three fiscal years. Accordingly, management does not believe that it is informative or useful to compare the results of operations of its former principal business with the results of operations during the first quarter of 2005, when its decided to terminate its business and engage in a reverse merger transaction.

Liquidity and Capital Resources

As of March 31, 2005, we had negative working capital of \$132,064 compared to positive working capital of \$1,088,603 as of March 31, 2004.

We have minimal fixed expenses and minimal operating costs. We expect to be able to operate until the closing of the merger with Evolve without generating any revenue. In the event that the merger with Evolve does not occur, we expect to be able to operate until the closing of another similar transaction. Our officers serve as consultants to us and are not paid. We occupy our office space on a month-to-month basis. The Company has no employment or consulting agreements or long-term commitments for office space or services.

Item 3. Controls and Procedures

As required by Rule 13a-15 under the Exchange Act, as of the end of the period covered by this report for the quarter ended March 31, 2005, we have carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures. This evaluation was carried out under the supervision and with the participation of our management, including our President along with our Chairman and General Counsel. Based upon that evaluation, our President along with our Chairman and General Counsel concluded that our disclosure controls and procedures are effective as at the end of the period covered by this report. There have been no significant changes in our internal controls or in other factors, which could significantly affect internal controls subsequent to the date we carried our evaluation.

Disclosure controls and procedures and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time period 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 in our reports filed under the Exchange Act is accumulated and communicated to management, including our President and Chairman and General Counsel, as appropriate, to allow timely decisions regarding required disclosure.

Item 1. Legal Proceedings.

None.

Item 2. Change in Securities.

On February 14, 2005, the Company authorized the issuance of 15,000 shares to Richard Parke in consideration of his agreement to join the Company's board of directors. The purchase price of these shares was \$15.00. On February 14, 2005, the Company authorized the issuance for no consideration of 1,666 shares to Bost & Co., an unaffiliated third party, in consideration of a prior investment. On March 4, 2004, the Company agreed to issue 23,500 of its common shares to an unaffiliated third party for \$23,500. None of these shares of common stock had been issued as March 31, 2005, and only 1,666 of these shares are considered issued and outstanding as of that date.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Item 5. Other Information.

Certification under Sarbanes-Oxley Act

. Our president and our chairman of the board and chief financial officer have furnished to the SEC the certification with respect to this Report that is required by Section 906 of the Sarbanes-Oxley Act of 2002.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits:

The following exhibits are filed as part of or incorporated by reference into this Report:

Exhibit

Description

3.1

Amended and Restated Certificate of Incorporation of the Company(2)

3.2

Articles of Merger between the Company and Cytation Corporation, dated February 11, 1999(1)

3.3

Articles of Merger between CollegeLink.com Incorporated and ECI, Inc., dated August 10, 1999(2)

3.4

Certificate of Merger of CollegeLink.com Incorporated and ECI, Inc., dated August 10, 1999(2)

3.5

Certificate of Ownership and Merger between the Company and CollegeLink.com Incorporated, dated November 15, 1999(2)

3.6

By-Laws of the Company(2)

4.1

Please see Exhibits 3.1 and 3.6 for provisions of the Amended and Restated Certificate of Incorporation and By-Laws of the Company defining the rights of holders of the common stock of the Company

10.1

Consulting agreement dated March 18, 2004 by and between Business Solutions of the Future Inc. and the Company

-
- (1) Incorporated by reference from the Company's Form 8-K, Current Report, filed March 18, 1999, and later amended on April 2, 1999.
 - (2) Filed as Exhibit to the Company's Registration Statement No. 333-85079 on Form SB-2 and incorporated herein by reference.

(b) Reports on Form 8-K

Form 8K, Other Events, filed on April 11, 2005.

SIGNATURE

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 hereunto duly authorized.

CYTATION CORPORATION

By: /s/Richard A. Fisher

Name: Richard A. Fisher

Title: Chairman of the Board and Chief Financial Officer

Date: December 19, 2005