

Edgar Filing: Trilliant, Inc. - Form 10QSB

Trilliant, Inc.
Form 10QSB
April 23, 2007

n UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended February 28, 2007

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

For the transition period from _____ to _____

Commission file number 000-50101

Trilliant, Inc.
(Exact name of small business issuer as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

91-2135425
(IRS Employer Identification No.)

5046 E. Boulevard, NW, Canton, OH 44718
(Address of principal executive officer)

(330) 966-8120
(Issuer's telephone number)

E and S Holdings, Inc.
(Former name, former address and former fiscal year,
if changed since last report)

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 NO

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant filed all documents and reports required to be filed by Section 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 ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 60,400,000

PART I - FINANCIAL INFORMATION

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ITEM 1. FINANCIAL STATEMENTS

TRILLIANT, INC.
(A Development Stage Company)
BALANCE SHEETS
FEBRUARY 28, 2007 AND MAY 31, 2006

| | February 28, 2007 | |
|---|-------------------|-------|
| | ----- | ----- |
| | (Unaudited) | (A |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash in bank | \$ 1,111 | \$ |
| Accounts receivable | 348 | |
| Inventory | 20,923 | |
| | ----- | ----- |
| Total Current Assets | 22,382 | ----- |
| OTHER ASSETS | | |
| Patent - net of amortization of \$4,700 at February 28, 2007 and \$3,958 at May 31, 2006 | 7,999 | |
| | ----- | ----- |
| Total Assets | \$ 30,381 | \$ |
| | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| LIABILITIES | | |
| Accounts payable | \$ 52,665 | \$ |
| Accounts payable - stockholder | 26,853 | |
| Notes payable - stockholders | 28,150 | |
| Accrued wages - officer and stockholder | 0 | |
| Accrued royalties | 9 | |
| Accrued interest - stockholder | 2,017 | |
| Accrued warranty | 129 | |
| | ----- | ----- |
| Total Liabilities | 109,823 | ----- |
| STOCKHOLDERS' EQUITY | | |
| Common stock - 100,000,000 shares authorized, 60,400,000 outstanding as of February 28, 2007 and 15,100,000 outstanding at May 31, 2006 at .001 par value | 60,400 | |
| Additional paid-in capital | 192,699 | |
| Deficit accumulated during the development stage | (332,541) | |
| | ----- | ----- |
| Total Stockholders' Equity | (79,442) | ----- |
| | ----- | ----- |
| Total Liabilities and Stockholders' Equity | \$ 30,381 | \$ |
| | ===== | ===== |

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Note: The balance sheet at May 31, 2006 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements.

See accompanying notes to financial statements.

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TRILLIANT, INC.
(A Development Stage Company)
STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED FEBRUARY 28, 2007
AND THE PERIOD FROM JUNE 20, 2001 (INCEPTION) TO FEBRUARY 28, 2007

| | Three Months Ended February 28, 2007 ----- (Unaudited) | Nine Months Ended February 28, 2007 ----- (Unaudited) | June 20 (Incepti Februa 20 ----- (Unaud |
|---|---|--|--|
| SALES - NET | \$ 328 | \$ 627 | \$ 13 |
| COST OF SALES | | | |
| Purchases | 268 | 463 | 6 |
| | ----- | ----- | ----- |
| GROSS PROFIT | 60 | 164 | 6 |
| OPERATING EXPENSES | | | |
| Wage expense | 0 | 0 | 118 |
| Advertising | 145 | 266 | 18 |
| Legal and Accounting | 7,216 | 21,763 | 124 |
| Product development | 0 | 0 | |
| Bank Charges | 101 | 380 | 1 |
| Rent - Stockholder | 0 | 0 | 11 |
| License and permits | 0 | 0 | 1 |
| Amortization | 247 | 742 | 4 |
| Franchise tax | 50 | 50 | |
| Commission | 0 | 0 | |
| Royalty expense | 9 | 25 | |
| Office and administrative expense | 0 | 0 | 18 |
| Travel | 90 | 725 | 5 |
| Freight and delivery | 0 | 0 | |
| Transfer agent expense | 3,446 | 5,513 | 9 |
| Postage | 32 | 36 | 1 |
| Payroll taxes | 10 | 20 | |
| Insurance | 0 | 0 | 1 |
| Supplies | 0 | 0 | 2 |
| Telephone | 490 | 490 | 2 |
| Trade shows | 0 | 2,488 | 6 |
| UCC code and filing expense | 540 | 970 | 1 |
| Dues, subscriptions and membership fees | 175 | 175 | 1 |
| Warranty expense | 7 | 13 | |
| | ----- | ----- | ----- |
| | 12,558 | 33,656 | 334 |
| | ----- | ----- | ----- |
| NET INCOME (LOSS) FROM OPERATIONS | (12,498) | (33,492) | (327) |

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| | | | |
|--|------------|-------------|---------|
| OTHER INCOME (EXPENSE) | | | |
| Miscellaneous income | 21 | 21 | |
| Bad debts | 0 | 0 | |
| Miscellaneous expense | 0 | 0 | |
| Interest expense | (454) | (1,447) | (4 |
| | ----- | ----- | ----- |
| | (433) | (1,426) | (4 |
| INCOME (LOSS) BEFORE INCOME TAXES | (12,931) | (34,918) | (332 |
| PROVISION FOR INCOME TAXES | 0 | 0 | |
| | ----- | ----- | ----- |
| NET INCOME (LOSS) | \$ 12,931) | \$ (34,918) | \$ (332 |
| | ===== | ===== | ===== |
| NET INCOME (LOSS) PER COMMON SHARE - BASIC | \$ (.00) | \$ (.00) | \$ |
| | ===== | ===== | ===== |

See accompanying notes to financial statements.

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TRILLIANT, INC.
(A Development Stage Company)
STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED FEBRUARY 28, 2006

| | Three Months Ended February 28, 2006 | Nine Months Ended February 28, 2006 |
|---------------------------------------|--|---|
| | ----- (Unaudited) | ----- (Unaudited) |
| SALES - NET | \$ 933 | \$ 2,764 |
| COST OF SALE | | |
| Purchases | 477 | 1,542 |
| | ----- | ----- |
| GROSS PROFIT | 456 | 1,222 |
| OPERATING EXPENSES | | |
| Advertising | 362 | 385 |
| Wage expense | 2,000 | 2,000 |
| Payroll Taxes | 10 | 20 |
| Transfer Agent Expense | 1,080 | 3,221 |
| Legal & Accounting | 4,962 | 20,269 |
| Bank charges | 100 | 340 |
| UCC code and filing expense | 480 | 760 |
| Postage | 80 | 80 |
| Commissions | 0 | 16 |
| Amortization | 247 | 742 |
| Franchise tax | 50 | 50 |
| Telephone, fax, and internet | 120 | 347 |
| Travel | 224 | 1,252 |
| Royalty Expense | 25 | 104 |
| Office and administrative expense | 1,500 | 2,020 |
| Dues, subscriptions & membership fees | 75 | 196 |
| Trade Show Expense | 0 | 176 |
| Warranty Expense | 19 | 55 |
| | ----- | ----- |
| | 11,334 | 32,033 |

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| | | |
|-----------------------------------|-------------|-------------|
| NET LOSS FROM OPERATIONS | (10,878) | (30,811) |
| OTHER INCOME (EXPENSE) | | |
| Interest Expense | (194) | (387) |
| | ----- | ----- |
| NET LOSS BEFORE INCOME TAXES | (11,072) | (31,198) |
| PROVISION FOR INCOME TAXES | 0 | 0 |
| | ----- | ----- |
| NET LOSS | \$ (11,072) | \$ (31,198) |
| | ===== | ===== |
| NET LOSS PER COMMON SHARE - BASIC | \$ (.00) | \$ (.00) |
| | ===== | ===== |

See accompanying notes to financial statements.

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TRILLIANT, INC.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2007 AND 2006
AND THE PERIOD FROM JUNE 20, 2001 (INCEPTION) TO FEBRUARY 28, 2007

| | Nine Months Ended February 28, 2007 | Nine Month Ended February 28, 2006 |
|--|--|---|
| | ----- (Unaudited) | ----- (Unaudited) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Income (Loss) | \$ (34,918) | \$ (31,198) |
| Adjustments to reconcile net income to net Cash provided by operating activities: | | |
| Amortization | 742 | 742 |
| Wages capitalized | 0 | 2,000 |
| Interest capitalized | 0 | 0 |
| Decrease (Increase) in accounts receivable | (170) | 1,537 |
| Decrease (Increase) in inventory | 512 | 1,653 |
| (Decrease) Increase in accounts payable | 11,381 | 14,511 |
| (Decrease) Increase in accounts payable-stockholder | 6,250 | 1,983 |
| (Decrease) Increase in accrued wages-officer and stockholder | 0 | 0 |
| (Decrease) Increase in accrued payroll taxes | 0 | 0 |
| (Decrease) Increase in accrued other taxes | 0 | 0 |
| (Decrease) in accrued director's fees | 0 | 0 |
| (Decrease) Increase in accrued royalties | 7 | (97) |
| (Decrease) Increase in accrued interest | 1,352 | 387 |
| (Decrease) Increase in accrued rent | 0 | 0 |
| (Decrease) Increase in accrued warranty | 1 | 2 |
| | ----- | ----- |
| Net Cash From (Used By) Operating Activities | (14,843) | (8,480) |
| | ----- | ----- |
| CASH FLOWS USED BY INVESTING ACTIVITIES | | |
| Purchase of patent | 0 | 0 |
| | ----- | ----- |

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| | | |
|---|----------|--------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Loans from (repayments to) stockholders | 15,900 | 9,000 |
| Proceeds from issuance of common stock, | | |
| Net of issuance costs of \$2,500 | 0 | 0 |
| | ----- | ----- |
| Net Cash Provided By Financing Activities | 15,900 | 9,000 |
| | ----- | ----- |
| | | |
| NET INCREASE (DECREASE) IN CASH | 1,057 | 520 |
| | | |
| CASH AT BEGINNING OF PERIOD | 54 | 136 |
| | ----- | ----- |
| | | |
| CASH AT END OF PERIOD | \$ 1,111 | \$ 656 |
| | ===== | ===== |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION | | |
| Interest paid | \$ 0 | \$ 0 |
| | ===== | ===== |
| | | |
| Taxes paid | \$ 0 | \$ 0 |
| | ===== | ===== |

SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES

On September 27, 2001, 700,000 shares of stock were issued at a value of \$1,899 in return for contribution of the patent option. The patent was subsequently purchased for \$10,800 in March 2002.

In March of 2003, interest accrued on stockholder loans payable in the amount of \$1,296 was added to the outstanding loan balance when the stockholder notes due March, 2003 were renewed.

In November of 2004, certain officers, directors, and shareholders of the company forgave accrued wages, director's fees, and rents totaling \$96,700. These transactions are reflected as increases to paid-in capital.

In Feb. of 2006, a shareholder of the company forgave accrued wages of \$17,000. This transaction is reflected as an increase to paid-in capital. In addition, the shareholder acquired 100,000 shares of stock in exchange for accrued wages of \$8,000. Wage expense in the amount of \$2,000 was also recognized on the difference between the exchange price of the stock and the price at fair value.

See accompanying notes to financial statements.

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TRILLIANT, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2007

NOTE A - 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 item 310(b) of Regulation S-B. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. For further information, refer to the financial statements and footnotes thereto included in the E and S Holdings, Inc. Form 10-KSB filing for the year ended May 31, 2006

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NOTE B - DEVELOPMENT STAGE COMPANY

E and S Holdings, Inc. (a Nevada corporation) has been in the development stage since its formation on June 20, 2001. It is primarily engaged in the development and marketing of new products on which it holds the patent. Realization of a major portion of its assets is dependent upon the Company's ability to successfully develop and market the patent, meet its future financing requirements, and the success of future operations. These factors raise substantial doubt about the Company's ability to continue as a going concern.

NOTE C - FORGIVENESS OF DEBT

During the three months ended February 28, 2006, an officer - shareholder of the company forgave accrued wages of \$17,000. This amount is reflected as an increase to additional paid-in capital.

NOTE D - STOCK SPLIT

On January 26, 2007, the Company's Board of Directors approved a 4 for 1 stock split.

* * * * *

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

Trilliant, Inc. (Trilliant) formerly known as E & S Holdings, Inc. is a developmental stage company that has received revenues of approximately \$328 during the three-month period ending February 28, 2007. Trilliant has received no significant revenues since its inception.

As of February 28, 2007, Trilliant has cash assets of \$1,111 and accounts receivable of \$348. The inventory of the Company is \$ 20,923. After experiencing initial favorable response to the Company's sole product, the Portable Pipe Vise, Trilliant has experienced a continuing decrease in the public interest for its product. Due to the lack of market response to the product, the management of Trilliant has decided that it is necessary to review the focus of the business's operation at this time. Management does not believe that additional funding of the Portable Pipe Vise will in itself create sufficient interest in the product to justify raising additional capital. Instead, management is now focusing its efforts toward developing additional business directions for the Company to pursue or acquiring additional products to market or either through the purchase of a product or through acquisition of assets sufficient an additional business direction. In this vein management on February 1st, 2007 entered into an agreement to purchase a mineral property located in the Fort a la Corne area of Saskatchewan, Canada. The acquisition did not satisfy the Company's due diligence and the transaction did not proceed. However management currently believes there are opportunities for the Company in the resource sector and will continue to pursue opportunities in this area.

The Company has also received revised quotations for producing the Portable Pipe Vise, which would significantly reduce the cost of manufacture. However the Company has not yet decided whether it will order additional units of the Portable Pipe Vise from this manufacturer.

The shares of Trilliant are currently listed on the OTC Bulletin Board, under the symbol TRLL.

Over the past three months, Trilliant has sustained operating losses in the amount of \$12,498. Of this amount, \$7,216 involves costs for legal and

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accounting fees occurred during the last quarter. As of February 28, 2007, Trilliant has total liabilities of \$109,823. These liabilities include approximately \$57,020 of liabilities owed to shareholders for advances and loans made to the company.

There are no off balance sheet arrangements involving Trilliant at this time.

ITEM 3 - CONTROLS AND PROCEDURES

The management of Trilliant recognize its responsibility for establishing and maintaining adequate internal controls over financial reporting for Trilliant. Due to the small size of Trilliant, the Company's Chief Executive Officer and Chief Operating Officer is aware of all matters pertaining to the

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operations of Trilliant, Inc and has reviewed all aspects of the financial information included in the Company's financial reporting. At the present time, management is of the opinion that the Company's internal controls over financial reporting for the past fiscal year are adequate. However, management has identified a material weakness in its procedures in that the small size of management causes a lack of segregation of duties and limits management's ability to recognize potential inadequacies of the internal controls over the financial reporting.

PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

To the best of its knowledge, management of Trilliant is not aware of any legal proceedings in which Trilliant is currently involved.

ITEM 2 - CHANGES IN SECURITY

Effective January 26, 2007, the Company forward split its issued and outstanding common stock 4 for 1.

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

There are no defaults upon any senior securities.

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On December 14, 2006 an Action of Shareholders occurred without meeting, pursuant to Nevada State statutes. The Shareholder's action, which was ratified by 66.22% of holders of outstanding shares of the company, voted to change the name of the company to Trilliant Resources, Inc. The corporate name was subsequently revised by shareholder action without meeting on December 20, 2006 to change the name of the corporation to Trilliant, Inc. The second referenced action was also ratified by 66.22% of holders of outstanding shares of common stock of the company.

The December 14, 2006 the Action of Shareholders without meeting also elected a new Director to the Board of Directors. The Shareholders also elected a third member of the Board of Directors, thereby increasing the number on the Board of Directors from 2 to 3. In addition, the Shareholders ratified a previous action taken by the Board of Directors to declare a forward stock split of the company's common stock at a ratio of 4 shares for every 1 share held. The stock split became effective on January 26th, 2007. Shareholders were requested to return their share certificates for E and S Holdings, Inc. to the transfer agent and receive back a new certificate in Trilliant, Inc. The return shares of

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Trilliant, Inc. shall be 4 shares for every 1 share previously held by the Shareholder.

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ITEM 5 - OTHER INFORMATION

There are no items of information required to be disclosed pursuant to this item at this time.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

A. The following are filed as Exhibits to this quarter of the report. The numbers refer to the exhibit table of Item 601 of regulation S-K: Reference is hereby made to the exhibits contained in the registration statement (Form SB-2) filed by E & S Holdings, Inc.

Exhibit 31 - Rule 13a-14(a)/15d-14(a) - Certification
Exhibit 32 - Section 1350 - Certification

B. Reports on Form 8-K - 09/21/2005
Reports on Form 8-K - 12/16/2005
Reports on Form 8-K - 02/10/2006
Reports on Form 8-K - 12/22/2006
Reports on Form 8-K - 02/06/2007

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.

TRILLIANT, INC.

Date: April 22, 2007

By: /s/ Edward A. Barth

Edward A. Barth, Principal Financial Officer

Date: April 22, 2007

By: /s/ Edward A. Barth

Edward A. Barth, Principal Executive Officer

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