

LIPIDVIRO TECH INC
Form 10-Q
May 13, 2009

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

**[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the quarterly period ended March 31, 2009

[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission File No. 000-49655

LIPIDVIRO TECH, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or Other Jurisdiction of
incorporation or organization)

87-0678927

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

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4685 S. Highland Drive, Suite #202

Salt Lake City, Utah 84117

(Address of Principal Executive Offices)

(801) 278-9424

(Registrant's telephone number, including area code)

1338 S. Foothill Drive, #126

Salt Lake City, Utah 84108

(Former name, former address and former fiscal year,
if changed since last report)

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 is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a 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

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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Not applicable.

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: May 8, 2009 - 1,305,344 shares of common stock.

PART I

Item 1. Financial Statements

The financial statements of LipidViro Tech, Inc., a Nevada corporation (the Company, we, our or us), required to be filed with this 10-Q Quarterly Report were prepared by management and commence below, together with related notes. In the opinion of management, the financial statements fairly present the financial condition of the Company.

LIPIDVIRO TECH, INC.

(A Development Stage Company)

MARCH 31, 2009 UNAUDITED CONDENSED FINANCIAL STATEMENTS

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LIPIDVIRO TECH, INC.

(A Development Stage Company)

UNAUDITED CONDENSED BALANCE SHEETS

ASSETS

March 31,
2009

December 31, 2008

CURRENT ASSETS:

TOTAL ASSETS	\$	-	\$	-
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LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)

CURRENT LIABILITIES:

Accounts payable	\$	52,023	\$	41,540
Accounts payable subject to indemnification		178,112		178,112
Related party loans		55,024		49,513
Total Current Liabilities		285,159		269,165

STOCKHOLDERS EQUITY (DEFICIT):

Common Stock, \$.001 par value, 150,000,000 shares authorized,

		1,305		1,305
1,305,344 and 1,305,334 shares issued and outstanding, respectively				

Capital in excess of par value		4,852,612		4,852,612
Deficit accumulated during the development stage		(5,139,076)		(5,123,082)

Total Stockholders Equity (Deficit)		(285,159)		(269,165)
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$	-	\$	-
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The accompanying notes are an integral part of these financial statements.

LIPIDVIRO TECH, INC.

(A Development Stage Company)

UNAUDITED CONDENSED STATEMENTS OF OPERATIONS

	For the Three Months Ended			For the Period From Inception On May 6, 2003 through March 31,
	March 31,			
	2009	2008	2009	
REVENUE	\$ -	\$ -	\$ -	-
OPERATING EXPENSES:				
Consulting	-	-	564,269	
Employee compensation	-	13,437	322,598	
Professional fees	14,938	27,948	376,280	
Other general and administrative	-	2	101,282	
Total Operating Expenses	14,938	41,387	1,364,429	
OPERATING LOSS	(14,938)	(41,387)	(1,364,429)	
OTHER EXPENSE:				
Related party interest expense	(1,056)	(14,940)	(1,567,068)	
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(15,994)	(56,327)	(2,931,497)	
PROVISION FOR INCOME TAXES	-	-	-	
LOSS FROM CONTINUING OPERATIONS	(15,994)	(56,327)	(2,931,497)	
DISCONTINUED OPERATIONS:				
Income (loss) from operations of discontinued research business	-	(54,259)	(2,207,579)	
Income tax expense	-	-	-	
INCOME (LOSS) FROM DISCONTINUED OPERATIONS	-	(54,259)	(2,207,579)	

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NET INCOME (LOSS)	\$	(15,994)	\$	(110,586)	\$	(5,139,076)
BASIC AND DILUTED INCOME (LOSS) PER SHARE						
Continuing operations	\$	(0.01)	\$	(0.04)		
Discontinued Operations		-		(0.04)		
Net income (loss)	\$	(0.01)	\$	(0.08)		
WEIGHTED AVERAGE SHARES OUTSTANDING		1,305,344		1,302,645		

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

LIPIDVIRO TECH, INC.

(A Development Stage Company)

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS

	For the Three Months Ended		For the Period From Inception On May 6, 2003 through
	March 31, 2009	2008	March 31, 2009
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	\$ (15,994)	\$ (110,586)	\$ (5,139,076)
Adjustments to reconcile net income (loss) to net cash used by operating activities:			
Depreciation	-	187	3,393
Expense costs related to unsuccessful financing transaction	-	-	31,900
Gain on settlement of debt	-	-	(250,082)
Imputed interest expense	-	-	42,377
Noncash expenses paid by a shareholder	-	-	6,900
Noncash expenses paid by issuance of common stock	-	-	1,346,919
Noncash services paid by issuance of common stock	-	41,813	1,239,726
Noncash services paid by grant of warrants	-	24,340	1,460,695
Net increase (decrease) in operating liabilities:			
Accounts payable	10,483	22,788	343,208
Related party loans - interest	1,056	7,481	88,501
Related party accrued interest	-	7,459	90,020
Net Cash Used by Operating Activities	(4,455)	(6,518)	(735,519)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash of LTU	-	-	(25)

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Payments for property and equipment	-	-	(3,675)
Payments for definite-life intangible assets	-	-	(33,632)
Payments for goodwill	-	-	(269,006)
Net Cash Used by Investing Activities	-	-	(306,338)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from related party loans	4,455	5,463	684,214
Payments on related party loans	-	-	(8,700)
Proceeds from capital contributions	-	1,072	34,133
Proceeds from common stock issuances	-	-	293,700
Proceeds from sale of warrants	-	-	38,510
Net Cash Provided by Financing Activities	4,455	6,535	1,041,857

(Continued)

LIPIDVIRO TECH, INC.

(A Development Stage Company)

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS

(Continued)

	For the Three Months Ended		For the Period From Inception On May 6, 2003 through
	March 31,		March 31,
	2009	2008	2009
NET INCREASE (DECREASE) IN CASH	-	17	-
CASH AT BEGINNING OF PERIOD	-	46	-
CASH AT END OF PERIOD	\$ -	\$ 63	-
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest	\$ -	\$ -	-
Income Taxes	\$ -	\$ -	-
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Liabilities settled by disposition of LTU with \$25			
in cash, \$282 in net property and equipment, \$290,317			
in goodwill, and \$19,074 in accounts payable at the	\$ -	\$ -	1,209,297
time of disposition			
Liabilities settled by transferring patents of 34,637	\$ -	\$ -	284,719
Definite-life intangible asset fees accrued in accounts	\$ -	\$ -	1,005
Payable			
Deferred financing costs paid through issuance of	\$ -	\$ -	31,900
common stock			
Common stock repurchased through issuance of	\$ -	\$ -	600,001

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\$600,000 note payable and \$1 paid by a shareholder

Common stock issued to purchase minority interest	\$	- \$	- \$	21,311
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The accompanying notes are an integral part of these financial statements.

LIPIDVIRO TECH, INC.

(A Development Stage Company)

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared by the Company in accordance with Article 8 of U.S. Securities and Exchange Commission Regulation S-X. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at March 31, 2009 and 2008 and for the periods then ended have been made. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's December 31, 2008 audited financial statements. The results of operations for the periods ended March 31, 2009 and 2008 are not necessarily indicative of the operating results for the full year.

NOTE 2 GOING CONCERN

The Company's financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. At March 31, 2009, the Company had incurred losses since inception, had no revenue-generating activities, had negative cash flows from operating activities, and had current liabilities in excess of current assets. These factors create an uncertainty about the Company's ability to continue as a going concern. In this regard, management is proposing to raise any necessary additional funds not provided by operations through loans or through additional sales of common stock. There is no assurance that the Company will be successful in raising this additional capital or in achieving profitable operations. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 3 DISCONTINUED OPERATIONS

Operations of the research business have been reclassified in the statements of operations for all periods presented. The following is a summary of the results of operations of the discontinued research business.

For the Three Months Ended

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	2009	March 31, 2008	For the Period From Inception on May 6, 2003 Through March 31, 2009
Revenue	\$ -	\$ -	\$ -
General and administrative	-	(1,181)	(47,246)
Research and development	-	(52,972)	(2,410,307)
Gain on settlement of debt	-	-	250,082
Interest income	-	-	23
Foreign currency transaction gain (loss)	-	(106)	(131)
Income taxes	-	-	-
Net income (loss)	\$ -	\$ (54,259)	\$ (2,207,579)

NOTE 4 RELATED PARTY TRANSACTIONS

Related Party Loans During the three months ended March 31, 2009, shareholders or entities controlled by them loaned \$4,455 to the Company. At March 31, 2009, the Company owed a total of \$55,024 to related parties, all of which accrues interest at 8% per annum and is due on demand. During the three months ended March 31, 2009 and 2008, the Company accrued interest expense on related party loans totaling \$1,056 and \$7,481, respectively.

LIPIDVIRO TECH, INC.

(A Development Stage Company)

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

NOTE 5 INCOME TAXES

At March 31, 2009, the Company has available unused federal net operating loss carryovers of approximately \$122,000 which may be applied against future taxable income and which expire in 2028 and 2029. The Company has decided that there is only a remote likelihood of any future operations of the Company generating taxable income in the State of Utah. Therefore, the Company has eliminated the deferred tax asset of approximately \$4,500 corresponding to the approximately \$106,000 unused Utah net operating loss carryover from the prior year.

The amount of and ultimate realization of the benefits from the net operating loss carryovers for income tax purposes is dependent, in part, upon the tax laws in effect, the future earnings of the Company and other future events, the effects of which cannot be determined. Additionally, if there are substantial changes in the Company's ownership, there may be an annual limitation on the amount of net operating loss carryovers that can be utilized. Because of the uncertainty surrounding the realization of the net operating loss carryovers, the Company has established a valuation allowance equal to the tax effect of the loss carryovers and, therefore, no deferred tax asset has been recognized in the financial statements. The net deferred tax assets are approximately \$18,300 and \$20,400 as of March 31, 2009 and December 31, 2008, respectively, with an offsetting valuation allowance of the same amount, resulting in a change in the valuation allowance of approximately \$2,100 during the three months ended March 31, 2009.

NOTE 6 SUBSEQUENT EVENTS

In April 2009, shareholders or entities controlled by them loaned an additional \$2,835 to the Company.

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

Forward-looking Statements

Statements made in this Quarterly Report which are not purely historical are forward-looking statements with respect to the goals, plan objectives, intentions, expectations, financial condition, results of operations, future performance and our business, including, without limitation, (i) our ability to raise capital, and (ii) statements preceded by, followed by or that include the words may, would, could, should, expects, projects, anticipates, believes, plans, intends, targets or similar expressions.

Forward-looking statements involve inherent risks and uncertainties, and important factors (many of which are beyond our control) that could cause actual results to differ materially from those set forth in the forward-looking statements, including the following, general economic or industry conditions, nationally and/or in the communities in which we may conduct business, changes in the interest rate environment, legislation or regulatory requirements, conditions of the securities markets, our ability to raise capital, changes in accounting principles, policies or guidelines, financial or political instability, acts of war or terrorism, other economic, competitive, governmental, regulatory and technical factors affecting our current or potential business and related matters.

Accordingly, results actually achieved may differ materially from expected results in these statements.

Forward-looking statements speak only as of the date they are made. We do not undertake, and specifically disclaim, any obligation to update any forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Plan of Operation

On September 29, 2008, LipidViro Tech, Inc., a Utah corporation (LipidViro Utah), which was a wholly-owned subsidiary of the Company, completed the transfer to AcquiSci, Inc., a New Jersey corporation, of certain technology that comprised substantially all of its assets and, by extension, substantially all of the Company's assets (the Technology).

On September 30, 2008, following the completion of the Technology disposition, the Company executed a Bill of Sale by which it assigned to Benedente Holdings, LLC, a Wyoming limited liability company, 9,843,750 shares of common stock of LipidViro Utah (the Shares), which Shares constituted all of the issued and outstanding shares of LipidViro Utah common stock. Benedente is controlled by Steven Keyser, who is a director of the Company. For more information regarding the disposition of Technology and the disposition of LipidViro Utah, see our 8-K Current Report dated September 29, 2008.

Our plan of operation for the next 12 months is to: (i) consider guidelines of industries in which we may have an interest; (ii) adopt a business plan regarding engaging in the business of any selected industry; and (iii) to commence such operations through funding and/or the acquisition of a going concern engaged in any industry selected.

During the next 12 months, our only foreseeable cash requirements will relate to the payment of our Securities and Exchange Commission and Exchange Act reporting filing expenses, including associated legal and accounting fees; costs incident to reviewing or investigating any potential business venture; and maintaining our good standing as a corporation in our state of organization. We anticipate that these funds will be provided to us in the form of loans from Jenson Services. There are no written agreements requiring Jenson Services to provide these cash resources; and to the extent funds are provided, such funds will bear no interest (though an interest expense of 10% has been imputed on funds advanced) and will be due on demand. As of the date of this Quarterly Report, we have not actively begun to seek any business or acquisition candidate.

Results of Operations

During the quarters ended March 31, 2009, and 2008, we had losses from continuing operations of \$15,994 and \$56,327 and income and (loss) from discontinued operations of \$0 and (\$54,259) for a net income and (loss) of (\$15,994) and (\$110,586), respectively.

Liquidity

We have no current cash resources.

During the next 12 months, our only foreseeable cash requirements will relate to the payment of our Securities and Exchange Commission and Exchange Act reporting filing expenses, including associated legal and accounting fees; costs incident to reviewing or investigating any potential business venture; and maintaining our good standing as a corporation in the State of Nevada. We do not have any cash reserves to pay for our administrative expenses for the next 12 months. In the event that additional funding is required in order to keep us in good standing, we may attempt to raise such funding through loans or through additional sales of our common stock.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not required.

Item 4T. Controls and Procedures.

Evaluation of disclosure controls and procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Exchange Act as of the end of the period covered by this Quarterly Report on Form 10-Q. In designing and evaluating the disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Based on that evaluation, our chief executive officer and chief financial officer concluded that, as of March 31, 2009, our disclosure controls and procedures were, subject to the limitations noted above, effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules, regulations and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in internal control over financial reporting

Our management, with the participation of the chief executive officer and chief financial officer, has concluded there were no significant changes in our internal controls over financial reporting that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

None; not applicable.

Item 1A. Risk Factors.

Not required.

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

None; not applicable.

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.

In April 2009, shareholders or entities controlled by them loaned an additional \$2,835 to the Company.

Effective as of May 6, 2009, which is subsequent to the end of the period covered by this Report, Kenneth P. Hamik tendered his resignation as President, CEO and a director of the Company. Mr. Hamik's resignation was not due to any disagreement with the Company on any matter relating to the Company's operations, policies or practices, or disagreements with the Company. Steven Keyser, the Company's sole remaining director: (i) appointed Thomas J. Howells to fill a vacancy on the Board of Directors, effective as of May 6, 2009, to serve until the next annual meeting of the Company's stockholders or his prior resignation or termination; (ii) accepted Mr. Hamik's resignation; (iii) appointed Mr. Howells to serve as the Company's CEO and President until the next annual meeting of the Company's Board of Directors or his prior resignation or termination; (iv) authorized the change of the Company's business address to 4685 S. Highland Drive, Suite 202, Salt Lake City, Utah 84117, which is Mr. Howells' business address; and (v) authorized Mr. Howells to update the Company's record address with the Nevada Secretary of State, the Company's registered agent in Nevada, and all other entities with which the Company conducts business. For more information see our 8-K Current Report dated May 6, 2009, and filed with the Securities and Exchange Commission on May 8, 2009.

Item 6. Exhibits.

Exhibit No.	Identification of Exhibit
31	Certification of Thomas J. Howells Pursuant to Section 302 of the Sarbanes-Oxley Act.
32	Certification of Thomas J. Howells Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act.

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

LIPIDVIRO TECH, INC.

Date: May 12, 2009

*By: /s/Thomas J. Howells
Thomas J. Howells, President, Chief Executive
Officer and Director*

Date: May 12, 2009

*By: /s/Steven Keyser
Steven Keyser, Director*

