

Edgar Filing: SYNC2 ENTERTAINMENT CORP. - Form 10-Q

SYNC2 ENTERTAINMENT CORP.

Form 10-Q

November 16, 2009

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C.

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 September 30, 2009

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 333-141875

IGEN NETWORKS CORP.

NEVADA  
(State or other jurisdiction of  
incorporation or organization)

20-5879021  
(IRS Employer  
Identification No.)

8430 WEST LAKE MEAD BLVD.  
SUITE 100, LAS VEGAS, NV 89128  
(Address of principal executive offices)

(702) 308-9502  
(Issuer's telephone number)

SYNC2 ENTERTAINMENT CORPORATION  
(Former name, former address and former fiscal year,  
if changed since last report)

Indicate by check mark whether the registrant (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 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

(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 CORPORATE ISSUERS

As of October 31, 2009 the Company had 854,700 issued and outstanding shares of common stock.

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Transitional Small Business Disclosure Format (Check one): Yes [ ] No [X]

## PART I -- FINANCIAL INFORMATION

The accompanying interim unaudited financial statements of iGen Networks Corp. (a Nevada corporation) are condensed and, therefore, do not include all disclosures normally required by accounting principles generally accepted in the United States of America. These statements should be read in conjunction with the Company's most recent annual financial statements for the year ended December 31, 2008 included in a Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on April 15, 2009. In the opinion of management, all adjustments necessary for a fair presentation have been included in the accompanying interim financial statements and consist of only normal recurring adjustments. The results of operations presented in the accompanying interim financial statements for the nine months ended September 30, 2009 are not necessarily indicative of the operating results that may be expected for the full year ending December 31, 2009.

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IGEN NETWORKS CORP.  
 (formerly SYNC2 ENTERTAINMENT CORPORATION)  
 (A DEVELOPMENT STAGE COMPANY)  
 BALANCE SHEETS

	September 30, 2009 ----- (unaudited)	Decemb 200 -----
<b>ASSETS</b>		
Current Assets		
Cash	\$ 33	\$
	-----	-----
Total current assets	33	-----
	-----	-----
<b>TOTAL ASSETS</b>	<b>\$ 33</b>	<b>\$</b>
	=====	=====
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 332,000	\$ 32
	-----	-----
<b>TOTAL LIABILITIES</b>	<b>332,000</b>	<b>32</b>
	-----	-----
<b>Stockholders' Equity (Deficit)</b>		
Capital stock:		
375,000,000 common shares authorized, \$0.001 par value;		
854,700 common shares issued and outstanding at		
September 30, 2009 and December 31, 2008	855	
Additional paid-in capital	60,195	60
Deficit accumulated during the development stage	(393,017)	(93
	-----	-----
<b>TOTAL STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>(331,967)</b>	<b>(32</b>
	-----	-----

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TOTAL LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT) \$ 33 \$  
===== =====

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

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IGEN NETWORKS CORP.  
(formerly SYNC2 ENTERTAINMENT CORPORATION)  
(A DEVELOPMENT STAGE COMPANY)  
STATEMENTS OF OPERATIONS  
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
	-----	-----	-----	-----
REVENUES	\$ --	\$ --	\$ --	\$ --
EXPENSES				
Advertising expense	--	--	--	--
Business development	--	--	217,500	--
Management services	--	--	--	--
Professional fees	2,000	6,540	49,500	19,818
Other general and administrative	--	3,891	32,203	3,901
Total expenses	2,000	10,431	299,203	23,719
NET INCOME (LOSS) APPLICABLE TO COMMON SHARES	\$ (2,000)	\$ (10,431)	\$ (299,203)	\$ (23,719)
NET INCOME (LOSS) PER BASIC AND DILUTED SHARES	\$ 0.00	\$ (0.01)	\$ (0.35)	\$ (0.03)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	854,700	854,700	854,700	854,700

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

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IGEN NETWORKS CORP.  
(formerly SYNC2 ENTERTAINMENT CORPORATION)  
(A DEVELOPMENT STAGE COMPANY)  
STATEMENTS OF CASH FLOWS  
(UNAUDITED)

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	Nine Months Ended September 30,	
	2009	2008
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (299,203)	\$ (23,719)
Adjustments to reconcile net loss to net cash provided by (used in) operations:		
Changes in operating assets and liabilities:		
Decrease (increase) in prepaid expenses	--	2,500
Increase in accounts payable	299,089	10,983
	-----	-----
NET CASH USED IN OPERATING ACTIVITIES	(114)	(10,236)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES	--	--
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Common stock issued for cash	--	--
Proceeds received from notes payable - related parties	--	--
Payments made on notes payable - related parties	--	--
	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	--	--
	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(114)	(10,236)
Cash at beginning of period	147	11,150
	-----	-----
Cash at end of period	\$ 33	\$ 914
	=====	=====
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	\$ --	\$ --
	=====	=====
Cash paid for income taxes	\$ --	\$ --
	=====	=====

SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

None

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

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This summary of significant accounting policies of iGen Networks Corp., a development stage company, (the "Company") is presented to assist in understanding the Company's financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the accompanying financial statements. The Company has not realized revenues from its planned principal business purpose and is considered to be in its development stage in accordance with SFAS 7, "ACCOUNTING AND REPORTING BY DEVELOPMENT STAGE ENTERPRISES."

### BUSINESS ACTIVITY

The Company was incorporated in Nevada on November 14, 2006 to provide highly qualified registered nurses from around the globe to healthcare organizations throughout the USA and Canada, has been unsuccessful in this business and is now developing business opportunities in web based internet advertising and entertainment.

In the first quarter of 2009, the Company entered into an Asset Purchase Agreement with Devlin eBusiness Architects, Inc., a Canadian corporation ("Devlin"). Under the terms of the Agreement, the Company was to purchase substantially all of the property, assets and undertakings of the business carried on by Devlin in Western Canada. Subsequently, in June of 2009, the Company determined to not proceed with the Asset Purchase Agreement and resolved to change its name to iGen Networks Corp to reflect its change in business direction.

The Company has elected a fiscal year end of December 31st.

### INCOME TAXES

The Company recognizes the tax effects of transactions in the year in which such transactions enter into the determination of net income, regardless of when reported for tax purposes. Deferred taxes are normally provided in the financial statements under SFAS No. 109 to give effect to the resulting temporary differences which may arise from differences in the bases of fixed assets, depreciation methods, allowances, and start-up costs based on the income taxes expected to be payable in future years. Operating loss carry forwards generated during the period from November 14, 2006 (date of inception) through September 30, 2009 of \$393,017 will begin to expire in 2025, and may be limited by the provisions of Internal Revenue Code Section 382 and other provisions as to their utilization. Deferred tax assets of approximately \$137,000 have been completely offset by a valuation allowance that increased by approximately \$104,000 and \$4,700 during the nine months ended September 30, 2009 and 2008, respectively.

### FOREIGN CURRENCY

Transactions and balances originally denominated in U.S. dollars are presented at their original amounts. Transactions and balances in other currencies are converted into U.S. dollars in accordance with Statement of Financial Accounting Standards (SFAS) No. 52, "FOREIGN CURRENCY TRANSLATION," and exchange gains or losses are included in determining net income or loss. There were no net gains and losses resulting from foreign exchange transactions that are included in the statements of operations during the period presented.

### ESTIMATES

Preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Company's periodic filings with the Securities and Exchange Commission include, where applicable, disclosures of estimates, assumptions, uncertainties

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and markets that could affect the financial statements and future operations of the Company.

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### CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Company had \$33 in cash and cash equivalents at September 30, 2009.

### REVENUE RECOGNITION

Revenue will be recognized once the service is performed, persuasive evidence of an agreement exists, the price is fixed or determinable, and collectability is reasonably expected.

### RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

No new pronouncements have current application to the Company.

### NOTE 2. NET INCOME OR (LOSS) PER SHARE OF COMMON STOCK

The Company has adopted Financial Accounting Standards Board ("FASB") Statement Number 128, "EARNINGS PER SHARE," ("EPS") which requires presentation of basic and diluted EPS on the face of the statements of operations for all entities with complex capital structures and requires a reconciliation of the numerator and denominator of the basic EPS computation to the numerator and denominator of the diluted EPS computation. In the accompanying financial statements, basic earnings (loss) per share is computed by dividing net income/loss by the weighted average number of shares of common stock outstanding during the period. The following table sets forth the computation of basic and diluted earnings per share:

	Nine Months Ended September 30, 2009	2008
	-----	-----
Net loss	\$ (299,203)	\$ (23,719)
	-----	-----
Weighted average common shares outstanding (Basic)	854,700	854,700
Options	--	--
Warrants	--	--
	-----	-----
Weighted average common shares outstanding (Diluted)	854,700	854,700
	=====	=====
Net loss per share (Basic and Diluted)	\$ (0.35)	\$ (0.03)
	=====	=====

The Company has no potentially dilutive securities, such as options or warrants, currently issued and outstanding.

### NOTE 3. STOCKHOLDERS' EQUITY

Upon incorporation in November 2006, the Company undertook a private offering of 852,500 shares of its common stock with an offering price of \$0.02 per share for \$17,050 in cash. Also in November 2006, the Company issued 2,200 shares of its common stock with an offering price of \$20 per share for \$44,000 in cash. The funds raised from the two offerings totaled \$61,050 and were used for start-up and organizational costs of the Company.

On September 19, 2008 the Company amended its Articles of Incorporation thereby

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increasing the number of authorized shares of common stock from 75,000,000 to 375,000,000.

Effective October 15, 2008, the Company forward split its issued common shares on a 5 (five) new for 1 (one) old share basis (5 for 1). The forward split has been retroactively applied to the accompanying financial statements for all periods presented.

Effective June 30, 2009 the Company reverse split its issued common shares on a 1 (one) new for 100 (one hundred) old share basis (1 for 100). The reverse split has been retroactively applied to the accompanying financial statements for all periods presented.

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### NOTE 4. GOING CONCERN CONSIDERATIONS

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. The Company is currently in the development stage and has not generated revenues from its planned business purpose. Realization of the assets of the Company is dependent upon the Company's ability to meet its financial requirements through equity financing and the success of future operations. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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### ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations and intentions. Our actual results and the timing of certain events could differ materially from those anticipated in these forward-looking statements.

The business plan of the Company was to establish a market for the placement of qualified registered nurses from abroad in medical offices and hospitals located within the United States and Canada. The Company has been unsuccessful in this endeavor, has abandoned its original plan, is actively pursuing business opportunities in the entertainment industry and has begun the development of its website to facilitate the development of the Company's new direction. The Company intends to continue its endeavors in Web-based entertainment to attract advertising revenue. We remain in the early stages of our business plan and have earned no revenues to date. To better reflect our business direction, we changed our name to iGen Networks Corp in the second quarter of 2009.

At September 30, 2009 the Company does not have day-to-day operations and does not employ full or part-time staff. The Company pays fees for services to its attorney, accountants, and transfer agent. It retains additional services such as technology, website design and assistance in procedures necessary to coordinate the legal, accounting and regulatory filings from its consultants. A fee is paid for these services.

The Company will require additional cash, either from financing transactions or operating activities, to meet its long-term goals. The long-term goals will be to develop a corporate website and establish relationships with prospective clients.

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The Company estimates expenses over the next twelve months to complete the above tasks to be \$120,000. We have no commitments for capital expenditures. Since we do not anticipate generating significant revenues over the next year, we intend to depend upon equity financing through private placement offerings of our common stock to fund the implementation of our business plan. Over the longer term, two to five years, we expect to fund our operations through a combination of revenues from the operation of our business and through additional equity financing. To date, we have generated \$0 revenue. In the process of carrying out our business plan, we may determine that we cannot raise sufficient capital to support our business on acceptable terms, or at all.

We will need additional capital to carry out our business plans. No commitments to provide additional funds have been made by management or other stockholders or investors. Accordingly, there can be no assurance that any additional funds will be available on terms acceptable to us or at all.

For the nine months ended September 30, 2009 the Company has paid or accrued as payable \$40,000 in professional fees for legal and consulting fees for development of the Company (2008: \$19,818); \$9,500 for accounting fees associated with audited financials (2008: \$0); \$0 in advertising expenses (2008: \$0); \$32,203 in other general administrative expenses (2008:\$3,901) and \$217,500

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for business development (2008: \$0). The business development costs are comprised of the costs of consultants to review and analyze the Internet-based Web marketing and entertainment business, with a focus on generating revenue from advertising.

For the three months ended September 30, 2009 the Company has paid or accrued as payable \$0 in professional fees for legal and consulting fees for development of the Company (2008: \$0); \$2,000 for accounting fees associated with audited financials (2008: \$6,540); \$0 in advertising expenses (2008: \$0); \$0 in other general administrative expenses (2008:\$3,891) and \$0 for business development (2008: \$0).

During the nine months ended September 30, 2009 the Company received \$0 financing by way of equity or debt and accrued \$332,000 in trade payables for services provided to the Company and payable on demand. During the period of inception (November 14, 2006) through September 30, 2009 the Company received \$61,050 in cash from the sale of its common stock, which it used on a short-term basis to fund operations.

During the three months ended September 30, 2009 the Company received \$0 financing by way of equity or debt and accrued \$2,000 in trade payables for services provided to the Company and payable on demand.

On a long-term basis we do not have sufficient cash to meet our needs and we will require additional financing, either from financing transactions or operating activities, to meet our goals over the next twelve months. There can be no assurance that we will be able to obtain additional financing, either in the form of debt or equity, or that, if such financing is obtained, it will be sufficient for our needs or available to us on reasonable terms. In the event that the Company is unable to obtain financing, the Company will seek joint venture partners to assist in the development of its technology and products. The Company has had no discussions with potential merger candidates and has no knowledge of potential joint venture partners at this time. If we are able to obtain additional financing or structure strategic relationships in order to fund existing or future projects, existing shareholders will likely experience further dilution of their percentage ownership of the Company by the issuance of additional shares to investors under terms not yet negotiated.



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The Company has a net loss and deficit accumulated during this development stage to September 30, 2009 of \$393,017.

### ITEM 3. CONTROLS AND PROCEDURES

The management of iGen Networks Corp. is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act). The Company's internal control system was designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of published financial statements in accordance with accounting principles generally accepted in the U.S. and reliability of financial reporting. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective

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can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management maintains a comprehensive system of controls intended to ensure that transactions are executed in accordance with management's authorization, assets are safeguarded, and financial records are reliable. Management also takes steps to ensure that information and communication flows are effective, and to monitor performance, including performance of internal control procedures.

The Company's management assessed the effectiveness of its internal control over financial reporting as of September 30, 2009 based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework. Based on this assessment, management believes that, as of September 30, 2009, the Company's internal control over financial reporting is effective.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we have conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as of the end of the period covered by this report. Based on this evaluation, our principal executive officer and principal financial officer concluded as of the evaluation date that our disclosure controls and procedures were effective such that the material information required to be included in our Securities and Exchange Commission reports is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms relating to our company, particularly during the period when this report was being prepared.

## PART II -- OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

No change since previous filing.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Options Granted	Date	Exercise Price	Expiry Date
-----	----	-----	-----
--	--	--	--

  

Warrants Issued	Date	Exercise Price	Expiry Date
-----	----	-----	-----
--	--	--	--

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Common Stock Issued	Date	Consideration
-----	----	-----
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ITEM 3. DEFAULTS UPON SENIOR SECURITIES

No change since previous filing.

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

No change since previous filing.

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ITEM 5. OTHER INFORMATION

No change since previous filing

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

No change since previous filing.

Exhibit No.	Document	Location
-----	-----	-----
3.1	Articles of Incorporation	Previously Filed
3.2	Bylaws	Previously Filed
31.1	Rule 13a-41(a)/15d-14(a) CEO Certificate	Included
31.2	Rule 13a-41(a)/15d-14(a) CFO Certificate	Included
32.1	Section 1350 Certification of CEO	Included
32.2	Section 1350 Certification of CFO	Included

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.

IGEN NETWORKS CORP.

November 16, 2009

/s/ James Fitzpatrick

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Date

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James Fitzpatrick, President

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