

VOLT INC
Form 10QSB/A
September 04, 2001

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB/A

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

For the quarterly period ended June 30, 2001

OR

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

Commission file number 0-28555

VOLT INC.

Incorporated pursuant to the Laws of Nevada

Internal Revenue Service Employer Identification No. 86-0960464

5009 Indian Gulch Road, Catheys Valley CA 95306

(209) 374-3485

(Former name, former address and former fiscal year, if changed since last report)
DEERBROOK PUBLISHING GROUP, INC., 12919 S.W. Freeway, Suite 170, Stafford, Texas

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 1,919,442 Common Shares \$0.001 par value and 1,000,000 Series One Convertible Preferred Shares as of June 30, 2001.

Transitional Small Business Disclosure Format (check one): Yes No

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

The information required by Item 310(b) of Regulation S-B is attached hereto as Exhibit One.

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

The Company is a power provider and marketer of alternative energy and back - up power systems The Company had no revenues from operations during this quarter. The Company is in the initial stages of implementing its business plan and expects to have revenues from operations beginning in the last quarter of 2001.

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In May, 2001, the Company acquired a wind farm facility in the Altamonte Pass east of San Francisco, CA., The wind farm is currently not operating because the company intends to repower the facility with new wind turbines.

The Company plans to expand its existing alternative energy business to include photovoltaics and hydro-electric facilities. The Company is exploring acquisitions in these areas.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

In September of 1999, the Deerbrook Publishing Group, Inc. (Deerbrook) leased a computer driven aspect image center (printer for film) used to make separation for printing (the aspect image center) and certain other computer equipment from Copelco Capital, Inc. (Copelco). All of the equipment was delivered to the Deerbrook s then printing operation in Phoenix, Arizona, and installed. Shortly thereafter, Deerbrook ceased printing for itself and its customers. The equipment was returned to Copelco. In August of 2000, Copelco brought suit in the United States District Court for the District of Arizona, cause no. CIV 00-1620 PHX ROS, to recover its alleged damages \$155,398.02 for Deerbrook s return of the leased equipment plus continuing interest at the rate of one and one-third percent per month and attorneys fees and costs. The Company does not believe that Copelco has mitigated its damages and further believes that Copelco has either sold the equipment or otherwise disposed of the same in a manner which was not commercially reasonable. The Copelco claims will be vigorously defended against. The range of possible loss should not exceed \$100,000. The outcome of this litigation is unascertainable at this time

Item 2. Changes in Securities.

On May 14, 2001, the Company's directors authorized the issuance of 1,000,000 shares of Series One Voting Convertible Preferred Stock. The Series One Voting Convertible Preferred Stock has the same voting rights as the Company's existing common stock, each share the Company's Series One Voting Convertible Preferred Stock at the option of the holder thereof shall be convertible into one share of the Company's common stock beginning two years from the date of issuance of each share of the Company's Series One Voting Convertible Preferred Stock, and upon the dissolution of the Company, and only if the Company's Series One Voting Convertible Preferred Stock has not been converted to the Company's common stock, each share of the Company's Series One Voting Convertible Preferred Stock shall have a preference over common stock with respect to the distribution of the Compan's assets equal to each said share of the Company's Series One Voting Convertible Preferred Stock's pro-rata share of the agreed value of the consideration given by the original holder thereof for the issuance of the said preferred stock. On May 15, 2001, the Company issued 1,000,000 shares of its Series One Voting Convertible Preferred Stock.

Item 3. Defaults Upon Senior Securities

NONE

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

NONE

Item 5. Other Information.

NONE

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

INDEX TO EXHIBITS.

| EXHIBIT NUMBER | DESCRIPTION OF DOCUMENT |
|-------------------|---|
| 1 | VOLT INC., FORMERLY KNOWN AS DEERBROOK PUBLISHING GROUP, INC AND SUBSIDIARIES FINANCIAL STATEMENTS |

A Form 8-K was filed during the quarter for which this report is filed pertaining to the change i

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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.

VOLT INC.
(Registrant)

By /s/Denis C. Tseklenis

Denis Costa Tseklenis, Sole Director

Dated: August 31, 2001

EXHIBIT ONE

CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

JUNE 30, 2001 AND 2000

VOLT, INC.
(FORMERLY DEERBROOK PUBLISHING GROUP, INC. AND SUBSIDIARIES)
INDEX TO FORM 10QSB
FOR THE QUARTERS ENDED JUNE 30, 2001 AND 2000

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

BALANCE SHEETS JUNE 30, 2001 (UNAUDITED) AND
SEPTEMBER 2000

STATEMENTS OF OPERATIONS FOR THE NINE AND THREE
MONTHS ENDED JUNE 30, 2001 AND 2000 (UNAUDITED)

STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED
JUNE 30, 2001 AND 2000 (UNAUDITED)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

VOLT, INC.
(FORMERLY DEERBROOK PUBLISHING GROUP, INC. AND SUBSIDIARIES)
CONDENSED CONSOLIDATED BALANCE SHEETS
JUNE 30, 2001 (UNAUDITED) AND SEPTEMBER 30, 2000

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| | ASSETS | |
|--------------------------------------|-------------|---------------|
| | (UNAUDITED) | |
| | JUNE 30, | SEPTEMBER 30, |
| | 2001 | 2000 |
| | ----- | ----- |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 10,767 | \$ 596 |
| Prepaid expenses and other assets | 8,400 | 49,400 |
| | ----- | ----- |
| Total current assets | 19,167 | 49,996 |
| PROPERTY AND EQUIPMENT - Net | 5,740,300 | 22,121 |
| OTHER ASSETS | | |
| Inventory | 4,675 | 112,246 |
| Net assets of discontinued operation | - | 44,880 |
| Notes receivable | 71,000 | - |
| | ----- | ----- |
| TOTAL ASSETS | \$5,835,142 | \$ 229,243 |
| | ===== | ===== |

See accompanying notes to condensed consolidated financial statements.

VOLT, INC.
(FORMERLY DEERBROOK PUBLISHING GROUP, INC. AND SUBSIDIARIES)
CONDENSED CONSOLIDATED BALANCE SHEETS
JUNE 30, 2001 (UNAUDITED) AND SEPTEMBER 30, 2000

| | LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | |
|---------------------------|--|---------------|
| | (UNAUDITED) | |
| | JUNE 30, | SEPTEMBER 30, |
| | 2001 | 2000 |
| | ----- | ----- |
| CURRENT LIABILITIES | | |
| Notes payable | \$ 20,000 | \$ 25,934 |
| Accounts payable | 261,159 | 446,955 |
| Accrued payroll | 6,047 | 507,600 |
| Other liabilities | 75,945 | 107,437 |
| | ----- | ----- |
| Total current liabilities | 363,151 | 1,087,926 |

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COMMITMENTS AND CONTINGENCIES

STOCKHOLDERS' EQUITY (DEFICIT)

| | | |
|--|--------------|-------------|
| Preferred stock, \$.001 par value, 10,000,000 shares authorized, 1,000,000 shares issued and -0- outstanding at June 30, 2001 (Unaudited) and September 30, 2000, respectively | 1,000 | - |
| Common stock, \$.001 par value 25,000,000 shares authorized; 1,791,410 and 9,490,548 issued and outstanding at June 30, 2001 (Unaudited) and September 30, 2000, respectively | 1,791 | 9,490 |
| Common stock subscribed | - | 100,000 |
| Warrants | - | 451,000 |
| Additional paid-in capital | 9,694,844 | 2,878,337 |
| Accumulated deficit | (4,225,644) | (4,297,510) |
| | ----- | ----- |
| Total stockholders' equity (deficit) | 5,471,991 | (858,683) |
| | ----- | ----- |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | \$ 5,835,142 | \$ 229,243 |
| | ===== | ===== |

See accompanying notes to condensed consolidated financial statements.

VOLT, INC.
(FORMERLY DEERBROOK PUBLISHING GROUP, INC. AND SUBSIDIARIES)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
FOR THE NINE AND THREE MONTHS ENDED JUNE 30, 2001 AND 2000

| | (UNAUDITED) NINE MONTHS ENDED JUNE 30, 2001 | | (UNAUDITED) THREE MONTHS ENDED JUNE 30, 2000 | |
|----------------------------|--|-------------|---|-----------|
| REVENUE | \$ - | \$ 1,123 | \$ - | \$ - |
| COST OF REVENUE | - | (4,899) | - | - |
| | | ----- | | ----- |
| GROSS PROFIT (LOSS) | - | (3,776) | - | - |
| OTHER (EXPENSES) | | | | |
| General and administrative | (124,161) | (1,666,527) | (75,179) | (141,328) |

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| | | | | |
|--|------------|----------------|-----------|--------------|
| Acquisition costs | - | (318,100) | - | - |
| Interest expense | (5,934) | - | (5,156) | - |
| Loss on disposal of assets | (7,845) | - | - | - |
| ----- | | | | |
| LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND EXTRAORDINARY ITEM | (137,940) | (1,988,403) | (80,335) | (141,328) |
| Income taxes | - | - | - | - |
| LOSS FROM DISCONTINUED OPERATIONS | (2,235) | (374,977) | - | - |
| EXTRAORDINARY ITEM | | | | |
| Forgiveness of debt | 379,476 | - | 116,876 | - |
| ----- | | | | |
| NET INCOME (LOSS) | \$ 239,301 | \$ (2,363,380) | \$ 36,541 | (141,328) |
| Dividends | (167,435) | - | - | - |
| ----- | | | | |
| NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS | \$ 71,866 | \$ (2,363,380) | \$ 36,541 | \$ (141,328) |
| ===== | | | | |
| BASIC AND DILUTED EARNINGS PER SHARE: | | | | |
| Loss from continuing operations available to common stockholders | \$ (0.15) | \$ (0.21) | \$ (0.08) | \$ (0.01) |
| Loss from discontinued operations | - | (0.04) | - | - |
| Extraordinary item | 0.40 | - | 0.12 | - |
| ----- | | | | |
| NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS | \$ 0.25 | \$ (0.25) | \$ 0.04 | \$ (0.01) |
| ===== | | | | |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING | 952,411 | 9,276,404 | 952,411 | 9,465,548 |
| ===== | | | | |

See accompanying notes to condensed consolidated financial statements.

VOLT, INC.
(FORMERLY DEERBROOK PUBLISHING GROUP, INC. AND SUBSIDIARIES)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED JUNE 30, 2001 AND 2000

| | | |
|---------------------------------------|---------------|----------------|
| | (UNAUDITED) | (UNAUDITED) |
| | JUNE 30, 2001 | JUNE 30, 2000 |
| | ----- | ----- |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income (loss) | \$ 239,301 | \$ (2,363,380) |

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Adjustments to reconcile net income (loss) to
net cash used by operating activities:

| | | |
|---|-----------|---------|
| Depreciation and amortization | 1,732 | 86,176 |
| Loss on disposal of assets | 7,845 | - |
| Impairment of long-term asset | - | 276,745 |
| Inventory distributed as dividend | (112,246) | - |
| Common stock issued for acquisition costs, services, payables and accrued payroll | 278,000 | 848,924 |
| Non cash interest expense | 5,934 | - |
| Change in net assets of discontinued operations | (42,645) | 13,387 |
| Expenses paid by related party | - | 31,626 |
| Forfeit of deposit | - | 318,100 |
| Debt forgiveness | (116,876) | - |
| Discontinued operations | 44,880 | - |

Changes in assets and liabilities:

| | | |
|-----------------------------|-----------|---------|
| Accounts receivable - Trade | - | 20,000 |
| Prepaid expenses and other | 41,000 | 49,394 |
| Inventory | 107,571 | 11,000 |
| Accounts payable | (68,694) | 214,645 |
| Accrued payroll | (513,647) | 172,601 |
| Other liabilities | (31,492) | 15,216 |

| | | |
|-------------------|-----------|-----------|
| Total adjustments | (398,638) | 2,057,814 |
|-------------------|-----------|-----------|

| | | |
|---------------------------------------|-----------|-----------|
| Net cash used by operating activities | (159,337) | (305,566) |
|---------------------------------------|-----------|-----------|

CASH FLOWS FROM INVESTING ACTIVITIES:

| | | |
|---------------------------------------|----------|-----------|
| Purchases of property and equipment | (40,300) | - |
| Deposit | - | (318,100) |
| Net cash used by investing activities | (40,300) | (318,100) |

See accompanying notes to condensed consolidated financial statements.

VOLT, INC.
(FORMERLY DEERBROOK PUBLISHING GROUP, INC. AND SUBSIDIARIES)

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED JUNE 30, 2001 AND 2000

| | (UNAUDITED) JUNE 30, 2001 | (UNAUDITED) JUNE 30, 2000 |
|---|------------------------------|------------------------------|
| | ----- | ----- |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Stockholders advance | (71,000) | - |
| Proceeds of debt | - | 42,171 |
| Proceeds from issuance of common stock | 280,808 | 551,000 |
| | ----- | ----- |
| Net cash provided by financing activities | 209,808 | 593,171 |
| | ----- | ----- |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 10,171 | (30,495) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 596 | 36,066 |
| | ----- | ----- |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | \$ 10,767 | \$ 5,571 |
| | ===== | ===== |
| NON CASH INVESTING AND FINANCING ACTIVITIES | | |
| Common stock issued for acquisition costs and services | \$ 278,000 | \$ 848,924 |
| | ===== | ===== |
| Capital contribution Wind Farm equipment | \$ 5,700,000 | \$ - |
| | ===== | ===== |
| Interest expense | \$ 5,934 | \$ - |
| | ===== | ===== |

See accompanying notes to condensed consolidated financial statements.

**VOLT INC. FORMERLY KNOWN AS
DEERBROOK PUBLISHING GROUP, INC AND SUBSIDIARIES**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2001 AND 2000

(UNAUDITED)

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION

The condensed consolidated unaudited interim financial statements included herein have been prepared, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. The consolidated financial statements and notes are presented as permitted on Form 10-QSB and do not contain information included in the Company's annual consolidated statements and notes. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. The results for the nine months June 30, 2001 may not be indicative of the results for the entire year.

These statements reflect all adjustments, consisting of normal recurring adjustments which, in the opinion of management, are necessary for fair presentation of the information contained herein.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation:

Effective March 30, 2001, the Company entered into an agreement to spin-off the Inter Arts, Inc. and Cimmaron, Inc. subsidiaries.

Subsequent to March 30, 2001, the Company changed its name to VOLT, Inc.

In the third quarter 2001 VOLT, Inc. incorporated two inactive wholly-owned subsidiaries, Sun Volt, Inc. and Sun Electronics, Inc. The other wholly-owned subsidiary Arcadian Renewable Power, Inc. is the corporation that holds the Wind Farm valued (at cost) of \$5,700,000.

**VOLT INC. FORMERLY KNOWN AS
DEERBROOK PUBLISHING GROUP, INC AND SUBSIDIARIES**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2001 AND 2000

(UNAUDITED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments and other short-term investments with an initial maturity of three months or less to be cash or cash equivalents.

(UNAUDITED)

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The Company maintains cash and cash equivalent balances at several financial institutions which are insured by the Federal Deposit Insurance Corporation up to \$100,000.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed primarily using the straight-line method over the estimated useful life of the assets.

| | |
|------------------|--------------|
| Office Equipment | 3 to 5 years |
| Improvements | 40 years |

There is no depreciation computed for the third quarter since the newly acquired assets were not put into service in the period ended June 30, 2001.

Earnings (Loss) Per Share of Common Stock

Historical net income (loss) per common share is computed using the weighted average number of common shares outstanding. Diluted earnings per share (EPS) includes additional dilution from common stock equivalents, such as stock issuable pursuant to the exercise of stock options and warrants. Common stock equivalents were not included in the computation of diluted earnings per share when the Company reported a loss because to do so would be antidilutive for periods presented.

2. STOCKHOLDERS' EQUITY

On April 6, 2001, Denis C. Tseklenis acquired 12,799,500 original issue shares of the Company's common stock, \$.001 par value per share, which constitutes approximately 53% of the Company's issued and outstanding common stock. Mr. Tseklenis paid the Company \$255,000 for the common stock.

Effective April 23, 2001, the Registrant effected a 1 for 100 reverse stock split for its common stock, \$.001 par value per share.