

COCONNECT INC  
Form 10QSB  
May 22, 2006

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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**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 March 31, 2006

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

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

Commission File No. **0-18958**

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**CoConnect, Inc.**

(Name of small business issuer in its charter)

**Nevada**

(State or other jurisdiction of  
incorporation or organization)

**63-1205304**

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

**480 East 6400 South, Suite 230**

**Salt Lake City, Utah 84107-7595**

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(Address of principal executive offices) (Zip Code)

Issuer's telephone number, including area code: **(801) 262-5200**

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 S No £

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes S No £

**APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY**

**PROCEEDINGS DURING THE PRECEDING FIVE YEARS:**

Check whether the registrant has filed all documents and reports required to be filed by Sections 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 REGISTRANTS**

State the number of shares outstanding of each of the issuer=s classes of common equity, as of the last practicable date.

| Class                 | Outstanding as of March 31, 2006 |
|-----------------------|----------------------------------|
| Common Stock, \$0.001 | 55,565,388                       |

Transitional Small Business Disclosure Format (Check one): Yes £ No S

**COCONNECT, INC.**

**FORM 10-QSB**

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**PART 1 FINANCIAL INFORMATION****Item 1. Financial Statements****CoConnect, Inc.  
Balance Sheets**ASSETS

|                           |           | March 31,<br>2006<br>(Unaudited) | December 31,<br>2005 |
|---------------------------|-----------|----------------------------------|----------------------|
| <b>CURRENT ASSETS</b>     |           |                                  |                      |
| Cash and cash equivalents | \$        | 29                               | \$ -                 |
| Total Current Assets      |           | 29                               | -                    |
| <b>OTHER ASSETS</b>       |           |                                  |                      |
| Deposits                  |           | 7,825                            | 7,825                |
| Total Other Assets        |           | 7,825                            | 7,825                |
| <b>TOTAL ASSETS</b>       | <b>\$</b> | <b>7,854</b>                     | <b>\$ 7,825</b>      |

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)**CURRENT LIABILITIES**

|                                 |    |         |           |
|---------------------------------|----|---------|-----------|
| Accounts payable                | \$ | 46,938  | \$ 44,251 |
| Bank overdraft                  |    | -       | 1,811     |
| Accrued interest payable        |    | 168,736 | 167,102   |
| Accrued expenses                |    | 2,600   | 2,600     |
| Notes payable - related parties |    | 50,000  | 270,893   |
| Notes payable                   |    | 312,000 | 312,000   |
| Total Current Liabilities       |    | 580,274 | 798,657   |

## STOCKHOLDERS' EQUITY (DEFICIT)

|   |               |               |
|---|---------------|---------------|
| Common stock, par value \$0.001 per share;<br>50,000,000 shares authorized; 55,565,388 and<br>53,615,388 shares issued and outstanding,<br>respectively | 55,565        | 53,615        |
| Additional paid-in capital  | 9,748,265     | 9,520,569     |
| Accumulated deficit   | (10,376,250)  | (10,365,016)  |
| <br>Total Stockholders' Equity<br>(Deficit)   | <br>(572,420) | <br>(790,832) |
| <br>TOTAL LIABILITIES AND<br>STOCKHOLDERS' EQUITY<br>(DEFICIT)  | <br>\$ 7,854  | <br>\$ 7,825  |

See accompanying notes to financial statements.

**CoConnect, Inc.**  
**Statements of Operations**  
(Unaudited)

|   |    | For the Three Months Ended |              |
|---|----|----------------------------|--------------|
|   |    | March 31,                  |              |
|   |    | 2006                       | 2005         |
| REVENUES  | \$ | -                          | \$ -         |
| OPERATING EXPENSES                                      |    |                            |              |
| Consulting expenses                                     |    | -                          | 115,123      |
| General and administrative                              |    | 848                        | 147,312      |
| Total Operating Expenses                                |    | 848                        | 262,435      |
| NET OPERATING LOSS                                      |    | (848)                      | (262,435)    |
| OTHER EXPENSE   |    |                            |              |
| Interest expense  |    | (10,386)                   | (3,938)      |
| Total Other Expense                                     |    | (10,386)                   | (3,938)      |
| NET LOSS  | \$ | (11,234)                   | \$ (266,373) |
| BASIC LOSS PER COMMON SHARE                             | \$ | (0)                        | \$ (0)       |
| WEIGHTED AVERAGE NUMBER OF<br>COMMON SHARES OUTSTANDING |    | 54,185,943                 | 15,641,211   |

See accompanying notes to financial statements.





**CoConnect, Inc.**  
**Statements of Cash Flows**  
(Unaudited)

|  | For the Three Months Ended |              |
|--|----------------------------|--------------|
|  | March 31,                  |              |
|  | 2006                       | 2005         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>     |                            |              |
| Net loss   | \$ (11,234)                | \$ (266,373) |
| Changes in operating assets and liabilities:     |                            |              |
| Prepaid expenses                                 | -                          | 14,650       |
| Accounts payable                                 | 2,687                      | 47,387       |
| Accrued interest and expenses                    | 10,387                     | 3,938        |
| Net Cash Used in Operating Activities            | 1,840                      | (200,398)    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>     |                            |              |
| Increase in notes receivable                     | -                          | (624,250)    |
| Purchases of fixed assets                        | -                          | (10,470)     |
| Net Cash Used in Investing Activities            | -                          | (634,720)    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>     |                            |              |
| Decrease in bank overdraft                       | (1,811)                    | -            |
| Common stock issued for cash                     | -                          | 838,500      |
| Stock offering costs                             | -                          | (99,905)     |
| Proceeds received on notes payable               | -                          | 100,000      |
| Net Cash Provided by Financing Activities        | (1,811)                    | 838,595      |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b> | <b>29</b>                  | <b>3,477</b> |

|   |  |   |  |       |
|---|--|---|--|-------|
| CASH AND CASH EQUIVALENTS<br>AT BEGINNING OF PERIOD |  | - |  | 6,634 |
|---|--|---|--|-------|

|   |    |    |    |        |
|---|----|----|----|--------|
| CASH AND CASH EQUIVALENTS<br>AT END OF PERIOD | \$ | 29 | \$ | 10,111 |
|---|----|----|----|--------|

SUPPLEMENTAL CASH FLOW INFORMATION

CASH PAID FOR:

|              |    |   |    |   |
|--------------|----|---|----|---|
| Interest     | \$ | - | \$ | - |
| Income taxes | \$ | - | \$ | - |

NON-CASH INVESTING AND FINANCING  
ACTIVITIES:

|  |    |         |    |   |
|--|----|---------|----|---|
| Common stock issued in satisfaction of notes<br>payable and accrued interest | \$ | 229,646 | \$ | - |
|--|----|---------|----|---|

See accompanying notes to financial statements.

**CoConnect, Inc.**

Notes to the Condensed Financial Statements

March 31, 2006 and December 31, 2005

NOTE 1 -

**BASIS OF FINANCIAL STATEMENT PRESENTATION**

The accompanying unaudited condensed financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. 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 in accordance with such rules and regulations. The information furnished in the interim condensed financial statements includes normal recurring adjustments and reflects all adjustments, which, in the opinion of management, are necessary for a fair presentation of such financial statements. Although management believes the disclosures and information presented are adequate to make the information not misleading, it is suggested that these interim condensed financial statements be read in conjunction with the Company's audited financial statements and notes thereto for the year ended December 31, 2005 included in its Form 10-KSB. Operating results for the three months ended March 31, 2006 are not necessarily indicative of the results to be expected for the year ending December 31, 2006.

NOTE 2 -

**MATERIAL EVENTS**

Common Stock Issuances

During the quarter ended March 31, 2006, the Company issued 1,950,000 shares of its previously un-issued common stock to convert notes payable and accrued interest of \$229,646.

Lawsuits

The Company is currently involved in various lawsuits with Heritage Communications, Inc. related to a Share Exchange Agreement and the termination thereof. The Company is involved as both a plaintiff and a defendant. The lawsuits are in their initial stages and the outcomes of such are undeterminable at the present time.

## Item 2. Plan Of Operations

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION OR PLAN OF OPERATION

#### PLAN OF OPERATION

The Company is seeking to acquire assets or shares of an entity actively engaged in business which generates revenues. The Company has several acquisitions in mind and is investigating the candidates to determine whether or not they will add value to the Company for the benefit of its shareholders. The Board of Directors intends to obtain certain assurances of value of the target entity's assets prior to consummating such a transaction. Any business combination or transaction will likely result in a significant issuance of shares and substantial dilution to present stockholders of the Company.

#### LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2006, the Company had current assets of \$29 and current liabilities of \$580,274, resulting in a working capital deficiency of \$580,245. Through payment of accrued compensation obligations and notes payable with its common stock and through the sale of its common stock in private placements, the Company had a stockholders' deficit of \$572,420 at March 31, 2006.

As of March 31, 2006, the Company's assets consisted of \$29 in cash, and a security deposit in the amount of \$7,825. The Company's liabilities were \$580,274 consisting of \$46,938 in accounts payable, \$168,736 in accrued interest payable, \$2,600 in accrued expenses, \$50,000 in notes payable to related parties, and \$312,000 in other notes payable. The notes payable to related parties were reduced during the period through the issuance of 1,950,000 shares of the Company's common stock to retire the obligation.

During the three-months ended March 31, 2006, the Company used net cash of \$1,840 in operating activities as compared to \$200,398 for the same period in 2005.

During the three-months ended March 31, 2006, the Company did not use any cash for investing activities as compared to \$634,720 used during the three-months ended March 31, 2005.

During the three-months ended March 31, 2006, net cash provided by financing activities was \$1,811, consisting of decrease in the bank overdraft. During the three-months ended March 31, 2005, net cash provided by financing activities was \$838,595.

## RESULTS OF OPERATIONS

During the period ended March 31, 2006 and 2005, the Company had no revenues from operations.

Total operating expenses of \$848 for the three-months ended March 31, 2006 consisted solely of general and administrative expenses. Total operating expenses for the three-months ended March 31, 2005 were \$262,435 consisting of \$115,123 in consulting expenses and \$147,312 in general and administrative expenses. The net loss for the three-months ended March 31, 2006 was \$11,234 compared to a net loss of \$266,373 for the same period in 2005.

The Company accrued interest expense for the three-months ended March 31, 2006 and 2005 of \$10,386 and \$3,938, respectively, on the notes payable to a former director and a former president.

For the current fiscal year, the Company anticipates incurring a loss as a result of legal and accounting expenses, and expenses associated with locating and evaluating acquisition candidates. The Company anticipates that until a business combination is completed with an acquisition candidate, it will not generate revenues, and may continue to operate at a loss after completing a business combination, depending upon the performance of the acquired business.

## NEED FOR ADDITIONAL FINANCING

Additional funding will be required in order for the company to survive as a going concern and to finance growth and to achieve our strategic objectives. Management is actively pursuing additional sources of funding. In addition, management is expecting an increase in cash flows through anticipated increases in revenue as a result of the executions of current tactical and strategy plans.

If we do not raise sufficient funds in the future, we may not be able to fund expansion, take advantage of future opportunities, meet our existing debt obligations or respond to competitive pressures or unanticipated requirements. Financing transactions in the future may include the issuance of equity or debt securities, obtaining credit facilities, or other financing mechanisms.



All forward-looking statements contained herein are deemed by the Company to be covered by and to qualify for the safe harbor protection provided by the Private Securities Litigation Reform Act of 1995. Prospective shareholders should understand that several factors govern whether any forward-looking statement contained herein will be or can be achieved. Any one of those factors could cause actual results to differ materially from those projected herein. These forward-looking statements include plans and objectives of management for future operations, including plans and objectives relating to the products and the future economic performance of the Company. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions, future business decisions, and the time and money required to successfully complete development projects, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Company. Although the Company believes that the assumptions underlying the forward-looking statements contained herein are reasonable, any of those assumptions could prove inaccurate and, therefore, there can be no assurance that the results contemplated in any of the forward-looking statements contained herein will be realized. Based on actual experience and business development, the company may alter its marketing, capital expenditure plans or other budgets, which may in turn affect the Company's results of operations. In light of the significant uncertainties inherent in the forward-looking statements included therein, the inclusion of any such statement should not be regarded as a representation by the Company or any other person that the objectives or plans of the company will be achieved.

### **Item 3. Controls And Procedures**

(a) Evaluation of Disclosure Controls and Procedures. The Company's management, with the participation of the chief executive officer/chief financial officer, carried out an evaluation of the effectiveness of the Company's "disclosure, controls and procedures" (as defined in the Securities Exchange Act of 1934 (the "Exchange Act") Rules 13a-15(e) and 15-d-15(e) as of the end of the period covered by this quarterly report (the "Evaluation Date"). Based upon that evaluation, the chief executive officer/chief financial officer concluded that, as of the Evaluation Date, the Company's disclosure, controls and procedures are effective, providing them with material information relating to the Company as required to be disclosed in the reports the Company files or submits under the Exchange Act on a timely basis.

(b) Changes in Internal Control over Financial Reporting. There were no changes in the Company's internal controls over financial reporting, known to the chief executive officer/chief financial officer, that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

## **PART II - OTHER INFORMATION**

### **Item 1. Legal Proceedings**



The Company is currently involved in various lawsuits with Heritage related to the Share Exchange Agreement and the Rescission as both a plaintiff and a defendant. The lawsuits described below are in their initial stages and the outcomes of such are undeterminable at the present time.

On July 14, 2005, Heritage served the Company and several defendants making them parties to a lawsuit in the State of Utah, Third District Court, Civ. No. 05-091-1718. The lawsuit seeks damages for a purported rescission by the Company of the Share Exchange Agreement wherein the Company acquired Heritage. The suit also seeks from \$5,000,000 to \$15,000,000 in damages from the Company and several of its officers, directors and agents for an alleged failure to raise funds in the several months since Heritage was acquired in February 2005. During the past several months, the Company has raised and provided to Heritage over \$2,000,000 in stock offerings and loans, the bulk of which Heritage deployed into its operations however as previously mentioned the Company believes that approximately \$177,000 were embezzled by the principal officers of Heritage. We believe Heritage's claims are without merit and merely an attempt by the Heritage Parties to interfere with the Rescission of the Share Exchange Agreement.

Also on July 14, 2005, and in addition to the lawsuit filed by Heritage, the Heritage Parties, in their capacity as shareholders of the Company, filed and served several agents of the Company, who were also named in Case No. 05-091-1718, with a lawsuit seeking declaratory relief from the court that would legitimize the Heritage Parties shareholder attempted actions referenced herein. In this second lawsuit also filed in the State of Utah, Third District Court, case #05-091-2224, the Heritage Parties rely on a purported proxy in favor of David Thayne from Dean Becker, owner of 10,000,000 shares, or approximately 19% of our outstanding common stock, as a basis to claim that they control over 50% of our common shares. However, Dean Becker and the Company disputes that the proxy was ever consummated because, among other reasons, failure of consideration and no voting agreement pursuant to Nevada State Statute 78.355 (section 5) was agreed to or executed as required in the face of the proxy and by the Statute. In addition, Dean Becker gave notice to David Thayne of revocation of any proxy. Similar to the lawsuit against the Company, this lawsuit also alleges liability to the parties for failure to raise more money to fund Heritages operations. Our agents intend to answer the complaint and move to consolidate this action with Case No. 05-091-1718.

Our agents also intend to take all available remedial actions against Brian Steffensen, Martin Tanner, David Thayne, Jerry Warnick, and Heritage for violations of state and federal securities acts.

Part of the Company's Answer and Counter Claim Complaint states that, the Company believes among other things, that Heritage was required to exhibit a substantial degree of development and functional operability of the mesh system and failed to perform. The Company also learned that David Thayne had purported to have technology which did not exist namely the a technology that purported to include among other things a wireless mesh network capable of moving data at rate up to 45 megabits. In addition, Heritage in the Share Exchange Agreement specifically warranted as set forth in section 4.15, titled "Taxes" that: "Heritage has filed all federal, state and local tax and information returns which are required to be filed by it and such returns are true and correct and that Heritage has paid all taxes, interest and penalties, if any, reflected in such tax returns or otherwise due and payable by it.". Heritage has material amounts of previously undisclosed and unpaid employee withholding taxes. According to Heritage management, Heritage's undisclosed and unpaid taxes appear to be in excess of several hundred thousand dollars.

Prior to their lawsuit, On June 23, 2005, Martin Tanner, the corporate secretary, resigned as corporate secretary in writing. On June 27, 2005, Jerry Warnick, member of the Board of Directors, Vice President and COO, resigned as a director and Officer in writing. On July 2, 2005, without notice to all shareholders as required by the laws of the State of Nevada (NRS 78.320(2)) and in direct violation of the adopted by-laws of the company, Brian Steffensen Attorney for Heritage, Jerry Warnick Former Officer and Director of CoConnect Martin Tanner Former Officer of CoConnect,, and David Thayne [President of Heritage], attempted to undertake a "Joint Action of Directors and Shareholders of CoConnect Without Meeting." in which they attempted to fire Tim Thayne and Robert Thele as directors, attempted to fire all officers of the Company and to appoint Jerry Warnick as the sole Officer and Director of the company, attempted to rescind all actions of the Board of Directors not specifically approved by Jerry Warnick and declare that Jerry Warnick is the only party entitled to sign checks.

On July 14, 2005, the above parties, again acting in violation of the bylaws of the corporation, attempted to ratify the issuance of 50,000,000 new shares of CoConnect without any stated consideration, ratified the actions of their prior illegal meeting of July 2, 2005, demanded that all personnel vacate the corporate offices, demanded that Tim Thayne discontinue acting as president of the corporation and attempted to terminate the services of the attorney for CoConnect. CoConnect has discovered that the proprietary hardware and technology claimed by Heritage as proprietary is available from another vendor at a lower cost and greater functionality than any hardware produced or created by Heritage at any time. Further the Heritage claims of 45 megabit data speeds on their purported mesh network does not exist.

The Company's Counter-Claim prays that judgment be rendered against Heritage for breach of contract in the amount of \$2,500,000. The Company has asked that the Court render judgment against Heritage and in favor of the Company as follows: 1) For an Order from the court, ratifying the rescission between the Company and Heritage; 2). For an Order divesting Heritage of: a. all claims to the Company's local telephone number; b. all claims to the Company's toll free telephone number; c. all claims to the internet domain name of CoConnect.com; and d. any claim to the FedEx account in the name of CoConnect; 3) For an Order that all funds found to be misappropriated by Heritage be ordered returned to the Company, with interest; 4) For judgment finding that Heritage has breached the contract between the parties; 5) For a judgment for damages of no less than \$2,500,000.00 for breach of contract; 6) For such other relief as the Court deems just and equitable in the circumstances; 7) For costs of court and reasonable attorneys fees, if

applicable.

On July 19, 2005 the Company filed a Motion to Disqualify Plaintiffs Counsel in the Third District Court in Civil No. 050911718. The Company petitioned for the court to grant the motion based on several conflicts of interest with respect to Plaintiffs Counsel, Brian W. Steffensen.

The Company moved the court to consolidate the after filed case of 05-091-22243, with case number 05-091-1718 on the grounds of judicial economy and on the further grounds that many of the parties and issues in both cases are similar and arise from the same set of facts.

The Company is subject to various other claims and legal actions arising in the ordinary course of business, and management believes that the amount, if any, that may result from such claims will not have a material adverse effect on our financial statements.

On November 3, 2005, the court granted our Motion to Disqualify Counsel for Heritage Communications, Inc. in case #05-091-1718. As a result of the Court granting our Motion to Disqualify Mr. Steffensen the Court noted: While Mr. Steffensen attempts to downplay his role with respect to defendant CoConnect, it is clear that he was directly involved in issues that concerned both defendant CoConnect and Heritage Communications. Accordingly, the Court grants the defendants Motion to Disqualify.

On November 15, 2005, in a minute entry, the court reminded Mr. Steffensen that he has been disqualified as counsel for Heritage Communications, Inc. as of November 3, 2005 and that he may not represent Heritage Communications.

On December 14, 2005 CoConnect, Inc. filed a lawsuit in the Second District Court in Davis County for the State of Utah against David Thayne, Rebecca Thayne, Jerry Warnick, (former officer and director of CoConnect) and Martin Tanner, (former Secretary and Treasurer of CoConnect) for Embezzlement, Conversion, Breach of Fiduciary Duty, and Fraud.

Among other things CoConnect asserts that defendant Jerry Warnick, who was then the only signer on the only authorized bank account of CoConnect located at America First Credit Union in Salt Lake City Utah, and aided and abetted by Martin Tanner, ultimately transferred over one hundred seventy-seven thousand dollars (\$177,000) (the embezzled funds ) from CoConnect accounts to bank accounts not known to CoConnect, not accounted for to CoConnect and used to pay obligations not related to the operations of CoConnect, Inc. It is believed by plaintiff that the funds transferred to the unauthorized accounts of David and Rebecca Thayne were used to pay for personal vehicles driven by defendants, to make charitable contributions as tithing to defendants congregations of The Church of Jesus Christ of Latter-day Saints and for other illegal and unauthorized expenditures and other payables not related to CoConnect. It is believed by plaintiff that these funds were also used to pay expenditures and expenses of Heritage Internet Services, Inc., a defunct corporation controlled by David and Rebecca Thayne.

Due to the material and facts surrounding the lawsuit, CoConnect prays for the following: Plaintiff demands judgment of defendants, jointly and severally, for the sum of no less than one hundred seventy-seven thousand dollars (\$177,000) for the tort of embezzlement, conversion, (as to defendants Tanner and Warnick) breach of fiduciary duty, punitive damages in the amount of \$1,700,000, (as to defendant David Thayne) false representation of presently existing material facts in the amount of \$2,400,000, for reasonable attorney s fees, for costs of court, for prejudgment interest; and for such other and further relief as the court deems just and proper in the circumstances.

May 1, 2006, Judge Timothy Hanson denied a Motion for Partial Summary Judgment brought by Martin Tanner, David Thayne, former director Jerry Warnick and Brian Steffenson, (the Heritage Parties ). This Motion for Partial Summary Judgment relates to Heritage Communications, Inc. vs. CoConnect, Inc., Case #05-091-1718 filed in the State of Utah, Third District Court. The Court ruled in favor of CoConnect and denied the motion brought by the Heritage Parties as not being supported by sufficient weight of evidence to grant such a motion.

## **Item 2. Unregistered Sales Of Equity Securities And Use Of Proceeds.**

During November 2004, the Company issued a total of 10,360,000 shares of its restricted common stock to two former presidents in payment of accrued compensation related obligations totaling \$410,000. In making these share issuances, the Company relied on the exemptions from the registration requirements of Section 5 provided by Section 4(2), Regulation D, and Regulation S.

During the year ended December 31, 2005, we issued and sold shares of our common stock to accredited investors for a total of \$1,245,000 in cash. We believe the transactions to be exempt under Section 4(2) of the Securities Act of 1933, as amended, because they did not involve a public offering, and on the basis that each investor is an accredited

investor as defined in Rule 501 of Regulation D. We believe that this sale of securities did not involve a public offering because we provided each of our investors with a private placement memorandum disclosing items set out in Rule 501 and 506 of Regulation D. On this basis, we believe the securities were sold subject to a safe-harbor afforded by Regulation D. The shares sold were restricted securities as defined in Rule 144 (a)(3). Further, each common stock certificate issued in connection with this private offering bears a legend providing, in substance, that the securities have been acquired for investment only and may not be sold, transferred or assigned in the absence of an effective registration statement or opinion of our counsel that registration is not required under the Securities Act of 1933.

The Company issued a convertible promissory note on March 20, 2005 in exchange for \$50,000. The note was convertible into common stock of the Company at the rate of \$0.50 per share at the option of the note holder. The note holder converted the entire balance into 100,000 shares of common stock on April 7, 2005.

During November and December of 2005, the Company issued 1,350,000 shares of its previously un-issued common stock to former officers and directors of the Company for services rendered valued. The shares were valued at the trading price (market value) of the stock on the day the shares were authorized for issuance which totaled \$655,000 or an average price of \$0.49 per share.

During December of 2005, the Company issued 6,013,133 shares of its common stock for services.

During the quarter ended March 31, 2006, the Company issued 1,950,000 shares of its previously un-issued common stock to convert notes payable and accrued interest of \$229,646.

**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.**

None; not applicable.

**Item 6. Exhibits And Reports On Form 8-K.**

(a) Exhibits

Copies of the following documents are included as exhibits to this report pursuant to Item 601 of Regulation S-B.

| <b>Exhibit No.</b> | <b>Title of Document</b>  | <b>Location</b> |
|--------------------|---|-----------------|
| 31.1               | Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002  | Attached        |
| 31.2               | Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002  | Attached        |
| 32.1               | Certification of the Principal Executive Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | Attached        |

|      |   |          |
|------|---|----------|
| 32.2 | Certification of the Principal Financial Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | Attached |
|------|---|----------|

(b) Reports on Form 8-K

None

### 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.

**CoConnect, Inc.**

Date: May 22, 2006

By: /s/ Robert Thele

Robert Thele

Chief Executive Officer

Date: May 22, 2006

By: /s/ Dean Becker

Dean Becker

Chief Financial Officer