

Edgar Filing: ACCESS SOLUTIONS INTERNATIONAL INC - Form 10QSB

ACCESS SOLUTIONS INTERNATIONAL INC  
Form 10QSB  
May 14, 2003

United States  
Securities and Exchange Commission  
Washington, D.C. 20549

FORM 10-QSB  
-----

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the Quarterly Period ended March 31, 2003

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-28920

Access Solutions International, Inc.  
-----

(Exact name of small business issuer as specified in its charter)

Delaware  
-----

(State or other jurisdiction of incorporation or organization)

05-0426298  
-----

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

850 Main Street  
East Greenwich, Rhode Island 02818  
-----

Formerly  
650 Ten Rod Road  
North Kingstown, Rhode Island 02852

(Address of principal executive offices)

(401) 885-5544  
-----

(Issuer's telephone number)

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

The number of shares of the issuer's Common Stock, \$.01 par value, outstanding as of April 30, 2003 was 4,498,940.

Edgar Filing: ACCESS SOLUTIONS INTERNATIONAL INC - Form 10QSB

Access Solutions International, Inc.

INDEX

-----

PART I.	FINANCIAL INFORMATION
Item 1.	Financial Statements
	Condensed balance sheets--March 31, 2003 (unaudited) and June 30, 2002
	Condensed (unaudited) statements of operations --Three months and nine months ended March 31, 2003 and 2002
	Condensed (unaudited) statements of cash flows -- Nine months ended March 31, 2003 and 2002
	Notes to unaudited condensed financial statements
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations
Item 3.	Controls and Procedures
PART II.	OTHER INFORMATION
Item 4.	Submission of Matters to a Vote of Security Holders
Item 6.	Exhibits and Reports on Form 8-K
Certification	

2

Access Solutions International, Inc.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Access Solutions International, Inc.  
Condensed Balance Sheets

	March 31, 2003 (Unaudited)	June 30, 2002
Assets		
Current assets:		
Cash and cash equivalents	\$ 997,242	\$2,350,692
Trade accounts receivable, net of allowance for doubtful accounts of \$0 and \$17,375,		

Edgar Filing: ACCESS SOLUTIONS INTERNATIONAL INC - Form 10QSB

respectively	200	290,668
Inventories	--	15,003
Prepaid expenses and other current assets	15,040	18,287
	-----	-----
Total current assets	1,012,482	2,674,650
Fixed assets, net	--	1,798
	-----	-----
Total assets	\$1,012,482	\$2,676,448
	=====	=====

See notes to condensed financial statements.

3

Access Solutions International, Inc.  
Condensed Balance Sheets

	March 31, 2003 (Unaudited)	June 30, 2002
Liabilities and stockholders' deficit		
Current liabilities:		
Accounts payable	\$ 128,073	\$ 147,156
Accrued salaries and wages	--	22,069
Accrued expenses	15,935	65,004
Deferred revenue-prepaid service contract	--	432,918
	-----	-----
Total current liabilities	144,008	667,147
	-----	-----
Total liabilities	144,008	667,147
	-----	-----
Stockholders' equity:		
Common Stock, \$.01 par value, 13,000,000 shares authorized, 4,500,199 shares issued	45,002	39,652
Additional paid-in capital	17,675,144	17,637,694
Accumulated deficit	(16,833,616)	(15,649,989)
	-----	-----
Total	886,530	2,027,357

Edgar Filing: ACCESS SOLUTIONS INTERNATIONAL INC - Form 10QSB

Treasury stock, at cost (1,259 shares)	(18,056)	(18,056)
	-----	-----
Total stockholders' equity	868,474	2,009,301
	-----	-----
Total liabilities and stockholders' equity	\$ 1,012,482	\$ 2,676,448
	=====	=====

Note: The balance sheet at June 30, 2002 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

See notes to unaudited condensed financial statements.

4

Access Solutions International, Inc.  
Condensed Statements of Operations (Unaudited)

	For the Three Months Ended March 31,		For the Nine Mo Ended March	
	2003	2002	2003	
	-----	-----	-----	-----
Net sales:				
Products	\$ --	\$ 3,750	\$ --	\$
Services	--	175,343	18,000	
	-----	-----	-----	-----
Total net sales	--	179,093	18,000	
	-----	-----	-----	-----
Cost of sales:				
Products	--	--	--	
Services	--	42,544	11,829	
	-----	-----	-----	-----
Total cost of sales	--	42,544	11,829	
	-----	-----	-----	-----
Gross profit	--	136,549	6,171	
	-----	-----	-----	-----
Operating expenses:				
Selling expense	--	30,037	29,506	
General and administrative expense	58,182	118,490	289,539	
	-----	-----	-----	-----
Total operating expenses	58,182	148,527	319,045	
	-----	-----	-----	-----
Loss from operations	(58,182)	(11,978)	(312,874)	
	-----	-----	-----	-----

Edgar Filing: ACCESS SOLUTIONS INTERNATIONAL INC - Form 10QSB

Other revenue:				
Gain on sale of service contracts, net of expenses	--	--	97,968	
Gain on sale of PaperClip preferred stock, net of expenses	106,986	--	106,986	
Gain on sale of PaperClip Note, net of expenses	101,382	--	101,382	
Gain on disposal of assets, net of expenses	--	--	712	
Interest income	1,131	17,293	34,092	
Miscellaneous income	--	23,620	47,239	
	-----	-----	-----	-----
Total other revenue	209,499	40,913	388,379	
	-----	-----	-----	-----
Net income	\$ 28,935	\$ 75,505	\$ 48,224	\$
	=====	=====	=====	=====
Primary net income per common share	0.03	0.01	0.02	
Weighted average number of common shares	4,498,940	3,963,940	4,201,718	3

See notes to unaudited condensed financial statements.

5

Access Solutions International, Inc.  
Condensed Statements of Cash Flows (Unaudited)

	For the Nine Months Ended March 31,	
	2003	2002
Cash flows from operating activities		
Net income	\$ 75,505	\$ 48,224
	-----	-----
Adjustments to reconcile net loss to net cash used by operating activities:		
Gain on sale of service contracts	(97,968)	--
Gain on sale of fixed assets	(712)	--
Gain on sale of PaperClip preferred stock	(106,986)	--
Gain on sale of PaperClip note	(101,382)	--
Depreciation and amortization	775	3,934
Provision for doubtful accounts	(17,375)	13,031
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Trade accounts receivable	307,843	107,112
Inventories	--	6,469
Prepaid expenses and other current assets	11,800	17,831
Increase (decrease) in:		
Accounts payable	(19,083)	(80,791)

## Edgar Filing: ACCESS SOLUTIONS INTERNATIONAL INC - Form 10QSB

Accrued expenses	(71,138)	(15,705)
Provision for income taxes	--	(95,000)
Deferred revenue - prepaid service contracts	--	(92,533)
	-----	-----
Net Cash provided by (used FOR) OPERATING ACTIVITIES	(18,721)	(87,428)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
proceeds from sale of fixed assets	1,735	--
Payment for settlement on sale of service contracts	(262,656)	--
Payment for service expenses incurred in association with sale of service contracts	(65,844)	--
Proceeds from sale of PaperClip preferred stock	106,986	--
	-----	-----
Proceeds from sale of PaperClip note	101,382	--
	-----	-----
Net Cash Used for Investing ACTIVITIES	(118,397)	--
	-----	-----
CASH FLOWS USED FOR Financing ACTIVITIES		
Proceeds from options exercised	42,800	--
Payment of dividend	(1,259,132)	--
	-----	-----
Net Cash used for Financing ACTIVITIES	(1,216,332)	--
	-----	-----
Net (decrease) in cash and cash equivalents	(1,353,450)	(87,428)
Cash and cash equivalents, BEGINNING	2,350,692	2,426,279
	-----	-----
Cash and cash equivalents, ending	\$ 997,242	\$ 2,338,851
	=====	=====

See notes to unaudited condensed financial statements.

Access Solutions International, Inc.  
Notes to Unaudited Condensed Financial Statements

### 1. Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and Article 10-01 of Regulation S-B. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months and nine months ended

## Edgar Filing: ACCESS SOLUTIONS INTERNATIONAL INC - Form 10QSB

March 31, 2003 are not necessarily indicative of the results that may be expected for the year ended June 30, 2003. For further information, refer to the financial statements and footnotes thereto included in the Access Solutions International, Inc. ("ASI") annual report on Form 10-KSB for the year ended June 30, 2002.

### 2. Recent Developments

On September 18, 2002, the Company announced that it had sold its remaining hardware and software maintenance contracts to Computer Upgrade Corporation (CUC) of Corona, California, a privately owned, full service integrator specializing in proven turn-key cross platform storage solutions, for consideration of one-half of the gross margin on the contracts from July 1, 2002 through July 1, 2004. In consideration of this agreement, Access Solutions paid CUC \$262,656 representing one-half of the accrued but unearned maintenance gross margin on the contracts in force as of July 1, 2002. The Company had also incurred approximately \$66,000 in service related expenses during the period of July 1, 2002 through August, 2002 that were not reimbursed by CUC as part of the sale.

Having maximized the value of its maintenance contracts, the Board of Directors unanimously approved a plan of complete liquidation and dissolution of the Company (the "Plan"), subject to stockholder approval. Within the terms of the Plan, the Company would sell its remaining assets, including inventory, property and equipment and intellectual property, discharge its liabilities and distribute the net proceeds to stockholders.

On December 23, 2003, a stockholder meeting was held and, a quorum being present, stockholders overwhelmingly approved the Plan.

The Company plans to file a Certificate of Dissolution, and stockholders will then be eligible to share in the liquidation proceeds based on their proportionate interest at the time. Holders of the Company's options will need to exercise those options prior to the date the Certificate of Dissolution is filed in order to share in the liquidation proceeds. Under Delaware law the Company will remain in existence as a non-operating entity for three years from the date the Company files a Certificate of Dissolution in Delaware, and will maintain a certain level of reserves to cover any remaining liabilities and pay operating costs during the dissolution period. During the dissolution period, the Company will attempt to convert its remaining assets into cash and settle its liabilities as expeditiously as possible.

On November 26, 2002, anticipating stockholder approval of the Plan, the Board of Directors declared a cash dividend of \$.28 per share, which was paid on December 26, 2002 to holders as of December 13, 2002. A portion of the Company's assets will continue to be held in a contingency reserve, and the Board of Directors anticipates that stockholders may periodically receive additional distributions subsequent to the initial distribution.

In November, 2000, the Company and PaperClip Software, Inc. entered into an agreement whereby PaperClip's previous indebtedness to ASI in the amount of \$300,000, plus all accrued interest through December 31, 1999 in the amount of \$105,300 would be paid for by the execution and delivery of a new promissory note from PaperClip to ASI in the aggregate principal amount of \$405,300. All amounts due under this note were to be paid over a period of three (3) years in thirty-six (36) equal installments of \$11,265 beginning January 1, 2001. Since then, payments remained current. However, due to PaperClip's poor financial condition ASI had fully reserved for the value of the note. The outstanding

## Edgar Filing: ACCESS SOLUTIONS INTERNATIONAL INC - Form 10QSB

balance on December 31, 2002 was approximately \$135,176. On March 20, 2003, the Company signed an agreement with PaperClip in which PaperClip agreed to pay the Company \$101,382 in cash as payment in full for the promissory note. In connection with the Paperclip note settlement agreement, the Company agreed to terminate the security agreement securing the payments on the promissory note.

As a result of advances issued to PaperClip from November 12, 1997 through August 24, 1998 PaperClip was also indebted to ASI in the amount of \$2,305,506, including accrued interest through March 31, 1999. In November, 2000 ASI exchanged the above indebtedness for 3,649,543 shares of PaperClip's Series A Preferred Stock, \$.01 par value per share. No value had been recorded on the Company's financial statements for this investment due to PaperClip's deteriorating stock value and its poor financial condition. On March 20, 2003, ASI entered into a Stock Purchase agreement with William Weiss, who is the Chief Executive Officer of PaperClip, in which Mr. Weiss purchased from ASI the 3,649,543 shares of Series A Preferred Paperclip Stock, par value \$0.01 per share. The purchase price for the shares was \$106,986.

<

8

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

---

#### Overview

ASI had no system sales in the current quarter. As of March 31, 2003, ASI had no deferred revenue since all the service contracts have been sold as of July 1, 2002 and the Company's share of that revenue has been recognized.

ASI's primary operating expenses include general and administrative expenses. General and administrative expenses in the third quarter consisted primarily of insurance premiums, legal fees, stockholder services fees, and normal contractual services.

On September 18, 2002, the Company announced that it had sold all of its remaining hardware and software maintenance contracts to Computer Upgrade Corporation, of Corona, CA, a full service integrator specializing in proven turn-key cross platform storage solutions for consideration of one-half of the gross margin on the contracts from July 1, 2002 through July 1, 2004. Reflecting the downsizing of the business, the Company sold its remaining inventory, closed down its base of operations in North Kingstown, RI on October 31, 2002 and moved the remaining administrative functions to a smaller office in East Greenwich, RI. A majority of fixed assets have been liquidated and staff has been reduced



## Edgar Filing: ACCESS SOLUTIONS INTERNATIONAL INC - Form 10QSB

to one part-time employee.

The Company also announced that its Board of Directors had unanimously approved a plan of complete liquidation and dissolution of the Company, subject to stockholder approval. A special meeting of stockholders was held on December 23, 2002 where the Plan was approved.

On March 20, 2003, the Company announced that it had signed an agreement with PaperClip Software, Inc. in which PaperClip agreed to pay the Company \$101,382 in cash as payment in full for the Paperclip promissory note held by the Company. The original principal amount of the Note was \$405,530, and the principal amount outstanding on March 20, 2003 was approximately \$135,176 but the Company had set up an allowance against the note which fully reserved for its value. In connection with the agreement to settle the promissory note, the Company agreed to terminate the security agreement securing the payments on the Note.

On the same date, March 20, 2003, the Company also announced that it had entered into a Stock Purchase agreement with William Weiss, who is the Chief Executive Officer of PaperClip, in which Mr. Weiss purchased from ASI its 3,649,543 shares of Series A Preferred Paperclip Stock, par value \$0.01 per share. The purchase price for the shares was \$106,986.

The Company plans to file a Certificate of Dissolution, and stockholders will then be eligible to share in the liquidation proceeds based on their proportionate interest at the time. Holders of the Company's options will need to exercise those options prior to the date the Certificate of Dissolution is filed in order to share in the liquidation proceeds. Under Delaware law the Company will remain in existence as a non-operating entity for three years from the date the Company files a Certificate of Dissolution in Delaware, and will maintain a certain level of reserves to cover any remaining liabilities and pay operating costs during the dissolution period. During the dissolution period, the Company will attempt to convert its remaining assets into cash and settle its liabilities as expeditiously as possible.

9

On November 26, 2002, the Board of Directors declared a dividend of \$.28 per share, which was paid to stockholders on or about December 26, 2002. A portion of the Company's assets will be held in a contingency reserve, and the Board of Directors anticipates that stockholders may periodically receive additional distributions subsequent to the final distribution.

### Results of Operations

The following discussion should be read in conjunction with the unaudited condensed financial statements and notes thereto of Access Solutions International, Inc. contained elsewhere herein.

Three Months and Nine Months Ended March 31, 2003 Compared to Three Months and Nine Months Ended March 31, 2002

### Net Sales

On September 18, 2002, the Company announced that it had sold all of its remaining hardware and software maintenance contracts to Computer Upgrade Corporation for consideration of one-half of the gross margin on the contracts from July 1, 2002 through July 1, 2004. As a result of the sale of the Company's main business, there were no net sales for the three months ended March 31, 2003 compared with \$179,093 for the three months ended March 31, 2002. Net sales for the nine months ended March 31, 2003, decreased \$498,759 or 97% to \$18,000 compared with \$516,759 for the nine months ended March 31, 2002. There were no

## Edgar Filing: ACCESS SOLUTIONS INTERNATIONAL INC - Form 10QSB

product sales in Fiscal 2003 compared with \$3,750 for the third quarter of Fiscal 2002 and \$16,326 for the nine months ended March 31, 2002. Service revenues were \$0 for the third quarter of Fiscal 2003, compared with \$175,343 for the third quarter of Fiscal 2002 and \$18,000 for the nine months ended March 31, 2003 compared with \$500,433 for the nine months ended March 31, 2002, a decrease of \$482,433 or 96%. The sale in the current year was related to non-contractual services.

### Cost of Sales

Cost of sales includes component costs, labor, travel and certain overhead costs. As a result of the sale of the Company's hardware and service contracts, cost of sales decreased proportionately. Cost of sales in the aggregate decreased to \$0 for the three months ended March 31, 2003 from \$42,544 for the three months ended March 31, 2002 and decreased 90% to \$11,829 for the nine months ended March 31, 2003 from \$121,341 for the nine months ended March 31, 2002.

The cost of product sales was \$0 for both the three months ended March 31, 2003 and the nine months ended March 31, 2003 compared with \$0 for the three months ended March 31, 2002 and \$1,317 for the nine months ended March 31, 2002. The cost of services was \$0 for the three months ended March 31, 2003 compared with \$42,544 for the three months ended March 31, 2002 and \$11,289 for the nine months ended March 31, 2003 compared with \$120,024 for the nine months ended March 31, 2002. Those costs incurred during the first quarter of Fiscal 2003 were directly related to the performance of non-contractual service calls.

### General and Administrative Expenses

General and administrative expenses this fiscal year consisted primarily of legal fees, stockholder services, and normal contractual services, including director and officer liability insurance. General and administrative expenses decreased 51% or \$60,308 to \$58,182 for the three months ended March 31, 2003 from \$118,490 for the three months ended March 31, 2002, while decreasing 25% or \$96,843 to \$289,539 for the nine months ended March 31, 2003 from \$386,382 for the nine months ended March 31, 2002. Year-to-date savings realized during Fiscal 2003 as a result of downsizing have been mitigated by one-time charges associated with the termination of personnel, and various stockholder and legal services.

10

### Selling Expenses

Selling and customer service expenses decreased to \$0 for the three months ended March 31, 2003 from \$30,037 for the three months ended March 31, 2002 and to \$29,506 for the nine months ended March 31, 2003 from \$97,016 for the nine months ended March 31, 2002. This decrease resulted from the sale of ASI's maintenance contracts.

### Other Income and Expenses

Other income and expenses consisted of the gain on the sale of ASI's maintenance business, the gain on the disposal of fixed assets, the gain on the sale of PaperClip preferred stock, the gain on the sale of PaperClip's promissory note, payments on the PaperClip's note prior to that sale, and interest income.

During the first quarter of 2003, ASI realized a net gain of \$97,968 on the sale of its prepaid hardware and software maintenance contracts. During the quarter ended March 31, 2003, proceeds from the sale of PaperClip's Preferred Stock were \$106,986 and from the proceeds from the sale of PaperClip's promissory note were

## Edgar Filing: ACCESS SOLUTIONS INTERNATIONAL INC - Form 10QSB

\$101,382. A net gain of \$0 for the quarter ended March 31, 2003 and \$712 for the nine months ended March 31, 2003 was derived from the disposal of various assets.

Interest income decreased \$16,163 from \$17,293 for the three months ended March 31, 2002 to \$1,130 for the three months ended March 31, 2003 and decreased \$31,254 to \$34,091 for the nine months ended March 31, 2003 from \$65,345 for the nine months ended March 31, 2002. This decrease was largely attributed to a drop in interest rates and investment balances.

Miscellaneous income of \$23,620 and \$70,859 for the quarter and the nine months ended March 31, 2002 dropped to \$0 for the quarter ended March 31, 2003 and \$47,239 for the nine months ended March 31, 2003. For both years, this income represented monthly repayments of principal on the note receivable from PaperClip, which had been fully reserved for until the sale of the note on March 20, 2003. No payments were received during the quarter ended March 31, 2003 while negotiations to sell the note were proceeding.

Consequently, other income and expenses in the aggregate increased \$168,586 or 412% to \$209,499 of income for the three months ended March 31, 2003 from income of \$40,913 for the three months ended March 31, 2002. For the nine months ended March 31, 2003, net other income and expenses increased \$252,175 or 185% to \$388,379 income from \$136,204 income for the nine months ended March 31, 2002.

### Net Income (Loss)

As a result of the foregoing, ASI realized a net profit of \$151,317 (\$.03 per share on 4,498,940 weighted average shares outstanding) for the three months ended March 31, 2003, an increase of \$122,382 from a net profit of \$28,935 (\$.01 per share on 3,963,940 weighted average shares outstanding) during the three months ended March 31, 2002 and a net profit of \$75,505 (\$.02 per share on 4,201,718 weighted average shares outstanding) for the nine months ended March 31, 2003, an increase of \$27,281 from a net profit of \$48,224 (\$.02 per share on 3,963,940 weighted average shares outstanding) during the nine months ended March 31, 2002.

11

### Liquidity and Capital Resources

ASI had a working capital surplus of \$868,474 as of March 31, 2003 compared to a working capital surplus of \$1,948,007 at March 31, 2002.

Total cash used for operating activities during the nine-month period ended March 31, 2003 was \$18,721, compared to the nine-month period ended March 31, 2002 in which operating activities used a total of \$87,428. For the nine months ended March 31, 2003, the major use of cash was related to the sale of ASI's maintenance contracts to Computer Upgrade Corporation, which includes customer service related costs, and the settlement price. The major source of cash for that period was the collection of outstanding trade accounts receivable. Cash used during the nine-month period ended March 31, 2002 was primarily the result of the prepayment of income taxes, the repayment of old payables and a reduction in prepaid service contracts.

Total cash used for investing activities during the nine-month period ended March 31, 2003 was related to the sale of service contracts. Access Solutions paid CUC \$262,656 representing one-half of the accrued but unearned maintenance gross margin on the contracts in force as of July 1, 2002. The Company had also incurred approximately \$65,844 in service related expenses during the period of July 1, 2002 through August, 2002 that were not reimbursed by CUC as part of the

## Edgar Filing: ACCESS SOLUTIONS INTERNATIONAL INC - Form 10QSB

sale. Total cash provided by investments was derived from the sale of PaperClip's promissory note and from the sale of PaperClip's preferred stock. In comparison, no cash was used for or provided by investing activities during the nine months ended March 31, 2002.

Cash used for stockholder-related financing activities totaled \$1,216,332 for the nine months ended March 31, 2003. Outstanding options were exercised for \$42,800, and dividends were paid out to the amount of \$1,259,132. There was no stockholder related activity in the previous year.

As a result of the foregoing, total cash used by the Company totaled \$1,353,450 for the nine months ended March 31, 2003 compared with \$87,428 for the nine months ended March 31, 2002.

### Seasonality and Inflation

To date, seasonality and inflation have not had a material effect on ASI's operations.

### Forward Looking Statements

Statements contained in this Form 10-QSB that are not historical facts are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. In addition, words such as "believes", "will", "should", "anticipates", "expects" and similar expressions are intended to identify forward looking statements. These statements are based on current information that we have assessed but which by its nature is dynamic and subject to rapid and even abrupt changes. Such statements contain a number of risks and uncertainties, including, but not limited to the announced sale of the Company's remaining hardware and software maintenance contracts and the plan of complete liquidation and dissolution of the Company. ASI cautions that its actual results could differ materially from those stated or implied by our forward-looking statements due to risks and uncertainties associated with the wind down of our business. Results of operations in any past period should not be considered indicative of results to be expected in future periods. Fluctuations in operating results may result in fluctuations in the price of ASI's securities.

12

### Risk Factors

This Quarterly Report on Form 10-Q contains certain forward looking statements, including statements concerning the Company's future financial results from the sale of assets and settlement of liabilities, dissolution proceedings, and distribution of proceeds to stockholders. Some remaining assets of the Company may be difficult for us to convert into cash, and we can make no assurance that we will receive any material amounts in respect of such assets. No assurance can be given that the amount to be received in liquidation will equal or exceed the price or prices at which the Common Stock traded prior to our dissolution. In addition, you should keep in mind that the risks described in the Annual Report Form 10-K are not the only risks that we face. The risks described in the Annual Report 10-K are the risks that we currently believe are material to the Company. However, additional risks not presently known to us, or risks that we currently believe are immaterial, may also impair our ability to distribute proceeds to our stockholders. You should also refer to the other information set forth in the Annual Report Form 10-K, including the discussions set forth in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business," as well as our financial statements and the related notes.

There can be no assurance that the liquidation value per share of Common Stock

## Edgar Filing: ACCESS SOLUTIONS INTERNATIONAL INC - Form 10QSB

in the hands of the stockholders will equal or exceed the price or prices at which the Common Stock has recently traded or may trade at in the future, or that the liquidation value will exceed zero. However, the Board of Directors believes that it is in the best interests of the Company and its stockholders to distribute to the stockholders the Company's net assets, if any, pursuant to the Plan.

### Item 3. Controls and Procedures

Management, including the President and Chief Executive Officer and the Chief Financial Officer and Treasurer, evaluated our disclosure controls and procedures (as defined in Rules 13a - 14 and 15d - 14 under the Securities Exchange Act of 1934, as amended) within 90 days prior to the filing date of this quarterly report. Based on this evaluation, the President and Chief Executive Officer and the Chief Financial Officer and Treasurer concluded that our disclosure controls and procedures are effective. There were no significant changes in our internal controls or in other factors that could significantly affect those controls since the date of the evaluation.

## PART II - OTHER INFORMATION

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

a. The meeting was held on December 23, 2002 and was a special meeting of stockholders.

b. N/A

c. Approval of the Plan of Complete Liquidation and Dissolution:

2,448,780 votes for  
7,632 votes against  
6,570 abstentions  
0 broker non votes

d. N/A

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

(a) Exhibits

None

(b) Reports on Form 8-K

Current Report of 10K filed on March 20, 2003 (announcing the disposition of certain assets) 13

13

## CERTIFICATION

Each of the undersigned, being the Chief Executive Officer and the Chief Financial Officer of Access Solutions, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Access Solutions, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to

Edgar Filing: ACCESS SOLUTIONS INTERNATIONAL INC - Form 10QSB

make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; and

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report. 4. The registrant's other certifying officers and we are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a - 14 and 15d - 14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and we have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and we have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

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.

Access Solutions International, Inc.  
(Registrant)

Date: May 14, 2003

/s/ Robert H. Stone  
-----  
President and Chief Executive Officer

/s/ Thomas E. Gardner  
-----  
Chief Financial Officer and Treasurer

