

OPEXA THERAPEUTICS, INC.

FORM 10QSB (Quarterly Report of Financial Condition)

Filed 08/19/03 for the Period Ending 06/30/03

Address	2635 TECHNOLOGY FOREST BLVD. THE WOODLANDS, TX 77381
Telephone	(281) 272-9331
CIK	0001069308
Symbol	OPXA
SIC Code	2834 - Pharmaceutical Preparations
Fiscal Year	12/31

PHARMAFRONTIERS CORP

FORM 10QSB (Quarterly Report of Financial Condition)

Filed 8/19/2003 For Period Ending 6/30/2003

Address	2408 TIMBERLOCH PLACE, SUITE B-7 THE WOODLANDS, Texas 77380
Telephone	(281)272-9331
CIK	0001069308
Fiscal Year	12/31

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-QSB

☒ QUARTERLY REPORT UNDER SECTION 13 OR 15 (D) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended June 30, 2003

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (D) OF THE SECURITIES
EXCHANGE ACT OF 1934

Commission File Number: 000-25513

SPORTAN UNITED INDUSTRIES, INC.

(Exact name of Registrant as specified in its charter)

TEXAS
(State of Incorporation)

760333165
(IRS Employer
Identification Number)

**3170 OLD HOUSTON ROAD
HUNTSVILLE, TEXAS 77340**
936-577-1996

(Address and telephone number of principal executive offices)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to filing requirements for the past 90 days.

Yes ☒ No

The number of shares of common stock of the Registrant outstanding at June 30, 2003 was 8,339,447.

Financial Statements

SPORTAN UNITED INDUSTRIES, INC.
BALANCE SHEET
June 30, 2003

ASSETS	
Cash	\$240
Property and equipment, net of \$2,133 accumulated depreciation	1,012

TOTAL ASSETS	\$ 1,252
	=====
LIABILITIES AND STOCKHOLDERS' DEFICIT	
Current Liabilities	
Accounts payable	\$ 366,578
Accrued expenses	22,481
Accrued salary due to stockholder	255,652
Notes payable to stockholders	644,018

Total Current Liabilities	1,288,729

STOCKHOLDERS' DEFICIT	
Convertible preferred stock, \$.001 par value, 10,000,000 shares authorized, no shares issued and outstanding	
Common stock, \$.001 par value, 50,000,000 shares authorized, 8,339,447 issued and outstanding	8,339
Paid in capital	707,252
Retained deficit	(2,003,068)

Total Stockholders' Deficit	(1,287,477)

TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 1,252
	=====

SPORTAN UNITED INDUSTRIES, INC.
STATEMENTS OF OPERATIONS
Three Months and Nine Months Ended June 30, 2003 and 2002

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2003	2002	2003	2002
Revenues	\$ 276	\$ 1,146	\$ 2,828	\$ 15,760
Selling, general and administrative	27,380	33,850	94,745	128,072
Depreciation	157	3,238	471	9,714
Interest expense	14,046	14,010	42,147	40,879
Net Loss	(41,307)	(49,952)	(134,535)	(162,905)
Preferred stock dividends	(13,443)	(13,443)	(40,329)	(40,329)
Net loss available to common shareholders	\$ (54,750) =====	\$ (63,395) =====	\$ (174,864) =====	\$ (203,234) =====
Basic and diluted loss per per common shares	\$ (.01)	\$ (.01)	\$ (.03)	\$ (.03)
Weighted average common shares outstanding	6,172,247	6,017,447	6,151,268	6,017,447

SPORTAN UNITED INDUSTRIES, INC.
STATEMENTS OF CASH FLOWS
Nine Months Ended June 30, 2003 and 2002

	2003	2002
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (134,535)	\$ (162,905)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	471	9,714
Net change in:		
Accounts receivable		3,306
Other current assets		6,023
Accounts payable	11,085	2,494
Accrued expenses	117,647	128,168
	-----	-----
NET CASH USED IN OPERATING ACTIVITIES	(5,332)	(13,200)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable to stockholder	8,472	13,200
Payment on note payable to stockholder	(2,900)	
	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	5,572	13,200
	-----	-----
NET CHANGE IN CASH	240	0
CASH BALANCES		
-Beginning of period	0	150
	-----	-----
-End of period	\$ 240	\$ 150
	=====	=====

SPORTAN UNITED INDUSTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited interim financial statements of Sportan United Industries, Inc. ("Sportan") have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained in Sportan's latest annual report filed with the SEC on Form 10KSB. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for fiscal year 2002, as reported in the 10KSB, have been omitted.

NOTE 2 - COMMON STOCK

On June 25, 2003, 2,144,006 shares of convertible preferred stock and all the unpaid accrued dividends were converted into 2,322,000 shares of common stock.

NOTE 3 - SUBSEQUENT EVENT

In July 2003, Sportan sold 25,000,000 shares of common stock to an individual at \$.002 per share or \$50,000.

SPORTAN UNITED INDUSTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited interim financial statements of Sportan United Industries, Inc. ("Sportan") have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained in Sportan's latest annual report filed with the SEC on Form 10KSB. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements, which would substantially duplicate the disclosure contained in the audited financial statements for fiscal year 2002, as reported in the 10KSB, have been omitted.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis as of June 30, 2003 and for the three-month period ended June 30, 2003 should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto set forth in Item 1 of this report.

The information in this discussion contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based upon current expectations that involve risks and uncertainties. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. For example, words such as, "may," "will," "should," "estimates," "predicts," "potential," "continue," "strategy," "believes," "anticipates," "plans," "expects," "intends," and similar expressions are intended to identify forward-looking statements. Our actual results and the timing of certain events may differ significantly from the results discussed in the forward-looking statement. Factors that might cause or contribute to such a discrepancy include, but are not limited to the risks discussed in our other SEC filings, including those in our annual report on Form 10-KSB for the year ended September 30, 2002. These forward-looking statements speak only as of the date hereof. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

GENERAL

We recognize revenues from sales of sports memorabilia at the time of shipment. General and administrative costs are charged to expense as incurred. Property, plant and equipment are recorded at cost and depreciated using an appropriate accounting method over the estimated useful lives of the assets. Expenditures for repairs and maintenance are charged to expense as incurred. The costs of major renewals and betterments are capitalized and depreciated over the estimated useful lives. The cost and related accumulated depreciation of the assets are removed from the accounts upon disposition.

The Company, founded in 1986, has competed in the sports trading card and memorabilia business. In 1998, Jason G. Otteson became Chief Executive Officer. In 1999, management concluded the trading card business was providing insufficient growth and subsequently sold the sports cards and supplies segment of its business. Under the management of Mr. Otteson, management elected to establish a more expanded and comprehensive marketing strategy, while electing to leave the trading card business through a timely exit.

The Company proceeded down the novelty and memorabilia merchandise path after the sale of the trading card business. From this place, the expanded view began to focus around Internet fulfillment of products in the sports marketplace. The inventory requirements for the fulfillment business are very substantial.

Today, Sportan has reduced operations to a minimal level while the company seeks to acquire a viable solution to provide stability in the future. This reduction in business is due to many factors, but primarily the lack of funding to weather the decline of the marketplace. Sportan is seeking solutions within merger related growth prospects while performing essential operations for cash flow needs. These operations consist of selling closed-out inventory and assets, collecting debt, negotiating payables, seeking viable merger candidates and various other alternative methods to revive the business in general. Sportan maintains a minimum amount of operations while it seeks solutions for growth while being willing and flexible to handle various amounts of historical business operations.

RESULTS OF OPERATIONS

Three-months ended June 30, 2003 compared to the same period in 2002

Our sales for the three months ended June 30, 2003 were \$276 a decrease of 76% from the same period in 2002. The decrease from the three-month period ending June 30, 2003 of 76% from \$1,146 from the same period ending June 30, 2002 is attributable to the lack of operations brought about by lack of funding, which reduced our sales and marketing capability. This lack of funding also limited our ability to purchase new inventory. We reduced our inventory values to zero, due to remnant status, during 2001.

Our general and administrative expenses declined during the three months ended June 30, 2003, 20% to \$27,380 from the same period in 2002. The decrease in general and administrative expenses is due to the reduction in all operations and staff within the company until such further progress can be determined on mergers, acquisitions, and addition of more products and/or revenue channels.

Because of the reduced operations, our net loss reduced 17% to \$41,307 for the three months ended June 30, 2003.

Cash used by operations for the three-month period decreased from \$13,200 to \$5,332 for the three month ended June 30, 2003 because of our reduction of all operations as discussed above.

Cash provided from financing activities was \$5,572 during the three-month period ended June 30, 2003, as compared to cash flows provided of \$13,200 during the three-month period ended June 30, 2002. During the three-months ended June 30, 2003 we also accrued \$25,500 in salary due to our CEO, which brings the total accrued to \$255,652.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2003, we had negative working capital of \$1,288,489 and cash of \$240. We are in the process of restructuring the company to make use of the remaining assets through mergers, acquisitions, and possibly the addition of more products and potential revenue channels.

On June 25, 2003, 2,144,006 shares of convertible preferred stock and all the unpaid accrued dividends were converted into 2,322,000 shares of common stock.

On July 24, 2003, Sportan sold 25,000,000 shares of common stock to an individual at \$.002 per share or \$50,000. These funds were used to pay accounts payable and to settle debts.

**PART II
OTHER INFORMATION**

Pursuant to the Instructions to Part II of the Form 10-Q, Items 1, 2, and 5 are omitted.

ITEM 2. LEGAL PROCEEDINGS

In September 2000, Racing Champions South Inc. sued us in the County Civil Court at Law No. 2 of Harris County, for the amount of approximately \$30,000, alleging that we owed them money for delivered goods and merchandise. On January 14 2002, a judgment was granted to Racing Champions for the amount of \$30,143.76.

In February 2001, Riddell, Inc sued us in the 61st Judicial District Court of Harris County, for the amount of approximately \$124,000, alleging that we owed them money for delivered goods and merchandise. As of July 31, 2003, the case with Riddell has been settled.

In August 2001, C & J Fire and Safety was awarded a default judgment for the amount of \$95.80

In December 2001, Duck House, Inc. was awarded a default judgment for the amount of \$2581.66.

In April 2002, Casey's Distribution sued Sportan United Industries, Inc. in the Justice Court of Walker County, Texas, Precinct 4, Pack 1, for the amount of approximately \$2,300, alleging that we owed them money for delivered goods and merchandise. On April 22nd, Casey's was awarded default judgment for the amount of \$2,236.63.

ITEM 6 EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS

None.

(b) REPORTS ON FORM 8-K

None.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Sportan United Industries, Inc.

Date: February 17, 2003 By: Jason G. Otteson Jason G. Otteson, President

CERTIFICATIONS

Jason G. Otteson Certifies as President of Sportan United Industries, Inc. that:

1. I have reviewed this quarterly report on Form 10-QSB of Sportan United Industries, Inc.
2. Based on my knowledge, this quarterly report does not contain any untrue statements of a material fact or omit to state a material fact necessary to 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;
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;

I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and I have;

I have disclosed, based on my 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

I 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 my most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: May 20, 2003

By: /S/ Jason G. Otteson

Jason G. Otteson
President

**CERTIFICATION OF
PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO**

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Jason G. Otteson, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that the Quarterly Report of Sportan United Industries, Inc. on Form 10-QSB for the quarterly period ended March 31, 2003 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-QSB fairly presents in all material respects the financial condition and results of operations of Sportan United Industries, Inc.

By: /s/ Jason G. Otteson

Name: Jason G. Otteson
Title: President
May 20, 2003

End of Filing

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