

OPEXA THERAPEUTICS, INC.

FORM 10QSB (Quarterly Report of Financial Condition)

Filed 05/23/02 for the Period Ending 03/31/02

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CIK	0001069308
Symbol	OPXA
SIC Code	2834 - Pharmaceutical Preparations
Fiscal Year	12/31

PHARMAFRONTIERS CORP

FORM 10QSB (Quarterly Report of Financial Condition)

Filed 5/23/2002 For Period Ending 3/31/2002

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 March 31, 2002

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
936-295-2726

(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 May 20, 2002 was 6,017,447.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis as of March 31, 2002 and for the six-month period ended March 31, 2002 and 2001 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, 2001. 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.

Results of Operations

Six months ended March 31, 2002 compared to the same period in 2001

Our sales for the six months ended March 31, 2002 was \$14,614, a decrease of 95% from the same period in 2001, and our gross margin increased for the six months ended March 31, 2002 to \$14,614 from -\$25,856 during the same period in 2001. We believe the decrease in sales was due to a 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 thereby increasing our gross margin.

Our general and administrative expenses declined during the six months ended March 31, 2002, 39% to \$100,698 from the same period in 2001. The decrease in general and administrative expenses is due to the reduction in all operations within the company until such further progress can be determined on mergers and acquisitions potential.

Because of the reduced operations, our net loss reduced 36% to \$112,953 for the six months ended March 31, 2002.

Cash used by operations for the six-month period decreased from \$12,445 to \$5,842 for the six months ended March 31, 2002 because we are no longer able to maintain productivity in sales of sports related merchandise.

Cash provided by investing activities was \$2,366 for the six months ended March 31, 2001, compared to no cash provided by investing activities for the six months ended March 31, 2002. The decrease was due to the fact that we did not sell or purchase any equipment for the six months ended March 31, 2002.

Cash provided from financing activities was \$9,000 during the six-month period ended March 31, 2002, as compared to cash flows used of \$220 during the six-month period ended March 31, 2001. The increase is due to \$9,000 of loans to the company from a major stockholder.

Liquidity and Capital Resources

As of March 31, 2002, we had negative working capital of \$1,100,944, and cash of \$3,308. We are in the process of restructuring the company to make use of the remaining assets through a merger or acquisition.

**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 \$50,000, alleging that we owed them money for delivered goods and merchandise. We are in the process of evaluating the merits of this claim.

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. We are in the process of evaluating the merits of the claim.

In December 2001, Duck House, Inc. sued us in the Justice Court of Harris County, Texas, Precinct 1, Position 2, for the amount of approximately \$2,500, alleging that we owed them money for delivered goods and merchandise. We are in the process of evaluating the merits of this claim.

In April 2002, Casey's Distributing sued us 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. We are in the process of evaluating the merits of this claim.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

We currently have outstanding 2,144,006 shares of Series A Convertible Preferred Stock. We must pay a monthly 6% annualized dividend on the \$.418 per share stated value, or \$4,481 per month. As of the date of this report, we are currently twenty-seven months behind on our dividend payments, or \$103,641.

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: May 21, 2002

By: /s/ Jason G. Otteson

Jason G. Otteson, President

SPORTAN UNITED INDUSTRIES, INC.
BALANCE SHEET
March 31, 2002

ASSETS

Current Assets	
Cash	\$ 3,308

Total Current Assets	3,308

Property and Equipment, net of \$92,152 accumulated depreciation	32,830
Trademarks, net of \$71 accumulated amortization	1,373

TOTAL ASSETS	\$ 37,511
	=====

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current Liabilities	
Accounts payable	\$ 398,852
Accrued expenses	23,384
Accrued salary due to stockholder	128,152
Notes payable to stockholders	553,864

Total Current Liabilities	1,104,252

STOCKHOLDERS' DEFICIT	
Convertible preferred stock, \$.001 par value, 10,000,000 shares authorized, 2,144,006 shares issued and outstanding	2,144
Common stock, \$.001 par value, 50,000,000 shares authorized, 6,017,447 issued and outstanding	6,017
Paid in capital	707,430
Retained deficit	(1,782,332)

Total Stockholders' Deficit	(1,066,741)

TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 37,511
	=====

SPORTAN UNITED INDUSTRIES, INC.
STATEMENTS OF OPERATIONS

For the Three Months and Six Months Ended March 31, 2002 and 2001

	Three Months Ended March 31,		Six Months Ended March 31,	
	2002	2001	2002	2001
	-----	-----	-----	-----
Revenues	\$ 7,557	\$ 92,787	\$ 14,614	\$ 279,686
Cost of Sales		161,095		305,542
	-----	-----	-----	-----
Gross Margin	7,557	(68,308)	14,614	(25,856)
	-----	-----	-----	-----
Selling, general and administrative	44,912	61,308	100,698	257,862
	-----	-----	-----	-----
Operating Loss	(37,355)	(129,616)	(86,084)	(283,718)
	-----	-----	-----	-----
Other Income and (Expense)				
Gain (loss) on sale of assets		376		(760)
Interest expense	(13,487)	(13,731)	(26,869)	(26,719)
Miscellaneous income		150		150
	-----	-----	-----	-----
Total Other Income (Expense)	(13,487)	(13,205)	(26,869)	(27,329)
	-----	-----	-----	-----
NET LOSS	(50,842)	(142,821)	(112,953)	(311,047)
	-----	-----	-----	-----
Preferred dividends	(13,443)	(13,443)	(26,886)	(26,886)
	-----	-----	-----	-----
NET LOSS APPLICABLE TO COMMON SHAREHOLDERS	\$ (64,285)	\$(156,264)	\$(139,839)	\$(337,933)
	=====	=====	=====	=====
Net loss per common share	\$ (.01)	\$(.03)	\$(.02)	\$(.06)
Weighted average common shares outstanding	6,017,447	5,881,336	6,017,447	5,846,613

SPORTAN UNITED INDUSTRIES, INC.
STATEMENTS OF CASH FLOWS
For the Six Months Ended March 31, 2002 and 2001

	2002	2001
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$(112,953)	\$(311,047)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	6,476	8,161
Stock issued for services		69,951
Loss on disposal of property and equipment		1,137
Net (increase) decrease in:		
Accounts receivable	3,510	78,430
Inventory		82,760
Other current assets	6,023	(8,838)
Net increase (decrease) in:		
Accounts payable	1,728	44,196
Accrued expenses	89,374	22,805
	-----	-----
NET CASH USED BY OPERATING ACTIVITIES	(5,842)	(12,445)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment		2,366
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from notes to stockholders	9,000	(4,579)
Stock subscription receivable		4,359
	-----	-----
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	9,000	(220)
	-----	-----
NET CHANGE IN CASH	3,158	(10,299)
CASH BALANCES		
-Beginning of period	150	14,865
	-----	-----
-End of period	\$ 3,308	\$ 4,566
	=====	=====

SPORTAN UNITED INDUSTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited 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 the Sportan's latest Annual Report filed with the SEC on Form 10-KSB. 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 disclosures contained in the audited financial statements for the most recent fiscal year 2001 as reported in the 10-KSB, have been omitted.

End of Filing

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