

Edgar Filing: Eco-Trade Corp - Form 10-Q

Eco-Trade Corp
Form 10-Q
August 04, 2011

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

Form 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2011

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

Commissions file number 001-12000

ECO-TRADE CORP. (f/k/a Yasheng Eco-Trade Corp.)
(Exact name of registrant - registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

13-3696015
(I.R.S. Employer Identification No.)

c/o SMIRNOV HOLDINGS, LTD
410 Park Avenue
Suite 1530
New York, NY 10022
(Address of principal executive offices)

(917) 310-5810
Issuer's telephone number

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 such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

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

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

Common Stock, \$0.001 par value (Class)	1,802,718 (Outstanding at July 31, 2011)
--------------------------------------------	---------------------------------------------

ECO-TRADE CORP. (F/K/A YASHENG ECO-TRADE CORP.)

INDEX

Part I – Financial Information		
Item 1	Financial Statements	
	1	
	Consolidated Balance Sheets as of June 30, 2011 (unaudited) and December 31, 2010	2
	Consolidated Statements of Operations for the six months ended June 30, 2011 and 2010 (unaudited)	3
	Consolidated Statements of Cash Flows for the six months ended June 30, 2011 and 2010 (unaudited)	4
	Notes to the Unaudited Consolidated Financial Statements (unaudited)	5
Item 2	Management’s Discussion and Analysis or Plan of Operation	18
Item 3	Quantitative and Qualitative Disclosures about Market Risk	19
Item 4	Controls and Procedures	20
Part II – Other Information		
Item 1	Legal Proceedings	20
Item 2	Unregistered Sales Of Equity Securities And Use Of Proceeds	21
Item 3	Defaults Upon Senior Securities	21
Item 4	Submission Of Matters To A Vote Of Security Holders	21
Item 5	Other Information	21
Item 6	Exhibits	21
	Signatures	23

PART I FINANCIAL INFORMATION

ITEM 1.

Financial Statements

Management's Representation of Interim Financial Information

Eco-Trade Corporation prepared the accompanying financial statements without audit pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with generally accepted accounting principles may have been shortened or omitted as allowed by such rules and regulations. Management believes that the disclosures are adequate to make the information presented not misleading. These financial statements include all of the adjustments that, in the opinion of management, are necessary for a fair presentation of financial position and results of operations. All such adjustments are of a normal and recurring nature. These financial statements should be read in conjunction with the audited financial statements at December 31, 2010 included in the Annual Report on Form 10-K and the associated amendments for the year then ended. The results of operations for the periods presented are not necessarily indicative of the results we expect for the full year.

ECO-TRADE CORP.
(f/k/a Yasheng Eco-Trade Corp.)
Condensed Consolidated Balance Sheet

	June 30, 2011 (unaudited)	December 31, 2010 (audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$-	\$ -
Total current assets	-	-
Other assets		
Total assets	\$-	\$ -
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Convertible notes payable	\$ 1,957,379	\$ 1,957,379
Convertible notes payable to related parties	442,324	264,139
Accounts payable	281,537	442,008
Accrued expenses	275,430	-
Dividends payable	188,712	84,575
Total current liabilities	3,145,382	2,748,101
Total liabilities	3,145,382	2,748,101
Stockholders' equity (deficit):		
Preferred stock, series E convertible, \$0.001 par value, 300,000 shares authorized issued and outstanding par value \$0.001, 7% dividend per annum	300	300
Preferred stock, series F convertible, \$0.001 par value, 10,000 shares authorized issued and outstanding	10	10
Common stock, \$0.001 par value - authorized 400,000,000 shares; 1,802,718 shares issued and outstanding as of June 30, 2011 and December 31, 2010	1,803	1,803
Additional paid-in capital	95,985,767	95,985,767
Accumulated deficit	(99,106,227)	(98,708,946)
Accumulated other comprehensive loss	(2,226)	(2,226)
Treasury stock – 1,000 common shares at cost	(24,809)	(24,809)
Total stockholders' equity (deficit)	(3,145,382)	(2,748,101)
Total liabilities and stockholders' equity (deficit)	\$-	\$ -

See accompanying notes to unaudited consolidated financial statements.

ECO-TRADE CORP.
(f/k/a Yasheng Eco-Trade Corp.)
Condensed Consolidated Statements of Operations and Comprehensive Income
(unaudited)

	For the Three Months Ended		For the Six Months Ended	
	2011	2010	2011	2010
Revenues from discontinued operations	\$ -	\$ -	\$-	\$-
Cost of revenues from discontinued operations	-	-	-	-
Gross profit from discontinued operations	-	-	-	-
Selling, general and administrative expenses	133,160	1,799,950	182,437	2,036,643
Operating loss	(133,160)	(1,799,950)	(182,437)	(2,036,643)
Other income (expense)				
Interest expense	(43,063)	(86,118)	(110,707)	(i)
Sole power to vote or to direct the vote:	24,800			

(ii)
Shared power to vote or to direct the vote : 1,480,000

(iii)
Sole power to dispose or to direct the disposition of : 24,800

(iv)
Shared power to dispose or to direct the disposition of : 1,480,000
Potomac Capital Partners, LP

(a)
Amount beneficially owned: 640,611

(b)
Percent of class: 5.93%.

(c)
Number of shares as to which the person has:

(i)
Sole power to vote or to direct the vote: 640,611

(ii)

Shared power to vote or to direct the vote : 0

(iii)

Sole power to dispose or to direct the disposition of : 640,611

(iv)

Shared power to dispose or to direct the disposition of : 0

Item 5. Ownership of Five Percent or Less of a Class

If this Statement is being filed to report the fact that as of the date hereof the Reporting Persons have ceased to be the beneficial owner of more than five percent of the class of securities, check the following []

Item 6. Ownership of More than Five Percent on Behalf of Another Person

Not Applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person

See Exhibit A attached hereto.

Item 8. Identification and Classification of Members of the Group

Not Applicable.

Item 9. Notice of Dissolution of Group

Not Applicable.

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated this 17th day of September, 2007

**POTOMAC CAPITAL MANAGEMENT
LLC**

By: /s/ Paul J. Solit---
Paul J. Solit, Managing Member

**POTOMAC CAPITAL MANAGEMENT
INC.**

By: /s/ Paul J. Solit
Paul J. Solit, President

PAUL J. SOLIT

By: /s/ Paul J. Solit
Paul J. Solit

POTOMAC CAPITAL PARTNERS, LP

By: /s/ Paul J. Solit
Paul J. Solit, Managing Member of the General Partner

EXHIBIT INDEX

The following exhibits are filed with this report on Schedule 13G:

Exhibit A Identification of entities which acquired the shares which are the subject of this report on Schedule 13G.

Exhibit B Joint Filing Agreement dated September 17, 2007 among Potomac Capital Management LLC, Potomac Capital Management, Inc. and Paul J. Solit