

ADVANT E CORP
Form 10QSB
August 06, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington D. C. 20549

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 June 30, 2004

OR

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

For the transition period from to

COMMISSION FILE NUMBER: 0-30983

ADVANT-E CORPORATION

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

Edgar Filing: ADVANT E CORP - Form 10QSB

DELAWARE
(State or other jurisdiction of
incorporation or organization)

88-0339012
(IRS Employer
Identification No.)

2680 Indian Ripple Rd.

Dayton, Ohio 45440

(Address of principal executive offices)

(937) 429-4288

(Issuer's telephone number)

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 No

As of July 23, 2004 the issuer had 6,244,917 outstanding shares of Common Stock, \$.001 Par Value.

Transitional Small Business Disclosure Format: Yes No

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ADVANT-E CORPORATION AND SUBSIDIARY

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2004	2003	2004	2003
Revenue	\$ 851,982	715,108	1,690,617	1,364,486
Cost of revenue	310,264	305,352	604,481	609,164
Gross margin	541,718	409,756	1,086,136	755,322
Marketing, general and administrative expenses	361,375	358,707	713,972	732,818
Operating income	180,343	51,049	372,164	22,504
Interest		53,076	2,180	106,362
Income (loss) before taxes	180,343	(2,027)	369,984	(83,858)
Income taxes (benefit)	73,000	3,952	148,400	(8,055)
Net income (loss)	\$ 107,343	(5,979)	221,584	(75,803)
Basic earnings (loss) per common share	\$ 0.02	0.00	0.04	(0.01)
Diluted earnings (loss) per common share	\$ 0.02	0.00	0.03	(0.01)
Weighted average common shares outstanding	6,244,917	5,661,002	6,244,917	5,661,002
Weighted average common shares outstanding, assuming dilution	6,722,654	5,661,002	6,627,694	5,661,002

The accompanying notes are an integral part of the financial statements.

ADVANT-E CORPORATION AND SUBSIDIARY
CONSOLIDATED CONDENSED BALANCE SHEETS (Unaudited)

	June 30, 2004	December 31, 2003
Assets		
Current Assets		
Cash and cash equivalents	\$ 529,578	\$ 216,448
Accounts receivable, net	244,428	215,895
Prepaid expenses and deposit	9,362	16,187
Deferred income taxes	157,000	266,400
Total current assets	940,368	714,930
Software development costs, net	401,909	481,678
Property and equipment, net	261,202	168,687
Total assets	\$ 1,603,479	\$ 1,365,295
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 104,975	\$ 72,172
Accrued salaries and other expenses	88,226	71,867
Deferred revenue	122,279	90,931
Notes payable		94,965
Total current liabilities	315,480	329,935
Long-term liabilities		
Deferred income taxes	195,000	156,000
Total liabilities	510,480	485,935
Shareholders' equity		
Common stock, \$.001 par value; 20,000,000 shares authorized; 6,244,917 outstanding	6,245	6,245
Paid-in capital	1,483,482	1,491,427
Accumulated deficit	(396,728)	(618,312)
Total shareholders' equity	1,092,999	879,360
Total liabilities and shareholders' equity	\$ 1,603,479	\$ 1,365,295

The accompanying notes are an integral part of the financial statements.

ADVANT-E CORPORATION AND SUBSIDIARY

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (Unaudited)

	Six Months Ended	
	June 30,	
	2004	2003
Cash flows from operating activities		
Net income (loss)	\$ 221,584	(75,803)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	34,099	22,846
Amortization of software development costs	164,014	139,881
Deferred income taxes (benefit)	148,400	(8,055)
Amortization of note discount resulting from valuation of warrants and beneficial conversion features		43,586
Increase (decrease) in cash arising from changes in assets and liabilities:		
Accounts receivable	(28,533)	(17,612)
Prepaid expenses	6,825	9,666
Accounts payable	32,803	(24,253)
Accrued salaries, interest and other expenses	16,359	66,545
Deferred revenue	31,348	(16,538)
Net cash provided by operating activities	626,899	140,263
Cash flows from investing activities		
Purchases of equipment	(126,614)	(22,083)
Software development costs	(84,245)	(83,166)
Net cash used in investing activities	(210,859)	(105,249)
Cash flows from financing activities		
Payments on bank notes	(94,965)	(6,867)
Payments of direct costs of securities registration	(7,945)	
Net cash used in financing activities	(102,910)	(6,867)
Net increase in cash and cash equivalents	313,130	28,147
Cash and cash equivalents, beginning of period	216,448	98,740
Cash and cash equivalents, end of period	\$ 529,578	126,887
Supplemental disclosures of cash flow information		
Interest paid	\$ 3,014	12,382

The accompanying notes are an integral part of the financial statements.

ADVANT-E CORPORATION AND SUBSIDIARY
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited)**Note 1: Basis of Presentation**

The accompanying unaudited consolidated financial statements include the accounts of Advant-e Corporation and its wholly-owned subsidiary Edict Systems, Inc. (the Company).

The statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and the instructions to Form 10-QSB. Accordingly, they do not include all of the information and notes to financial statements required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, the unaudited consolidated financial statements include all adjustments considered necessary for a fair presentation of financial position, results of operations, and cash flows for the interim periods.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Results of operations for the six months ended June 30, 2004 are not necessarily indicative of the results to be expected for the full year ending December 31, 2004. These unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements, accounting policies, and financial notes thereto included in Advant-e Corporation's 2003 Form 10-KSB filed with the Securities and Exchange Commission.

Note 2: Software Development Costs

Software development costs at June 30, 2004 and the changes during the six months then ended are summarized as follows:

	Cost	Accumulated Amortization	Net
	<u> </u>	<u> </u>	<u> </u>
Balance, January 1, 2004	\$ 1,067,297	585,619	481,678
Additions	84,245		84,245
Amortization		164,014	(164,014)
	<u> </u>	<u> </u>	<u> </u>
Balance, June 30, 2004	<u>\$ 1,151,542</u>	<u>749,633</u>	<u>401,909</u>

Edgar Filing: ADVANT E CORP - Form 10QSB

The unamortized costs relate exclusively to internal use software and costs associated with web site development and related enhancements.

The ongoing assessment of recoverability of capitalized software development costs requires considerable judgment by management with respect to certain

external factors, including, but not limited to, anticipated future revenues, estimated economic life and changes in software and hardware technologies. Impairment of asset value is considered whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Note 3: Deferred revenue

Deferred revenue is comprised of the following:

	June 30,	December 31,
	2004	2003
Annual software license fees recognized as revenue ratably over twelve months	\$ 52,734	58,451
Amounts received for customized Web EDI and EnterpriseEC development recognized as revenue over twelve months when services are performed	43,533	14,625
Advance payments from a customer in exchange for discounted future services recognized as revenue monthly as services are performed	26,012	17,855
	<u>\$ 122,279</u>	<u>\$ 90,931</u>

Note 4: Income taxes

Income tax expense (benefit) for the three months ended June 30, 2004 and 2003 and for the six months ended June 30, 2004 and 2003 consist solely of deferred taxes. The current tax expense for the three months ended June 30, 2004 of \$136,900 and for the six months ended June 30, 2004 of \$214,000 was offset by the benefit from a net operating loss carryforward.

The following is a reconciliation of the income tax expense (benefit) to the amount computed at the statutory rate of 34%:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2004	2003	2004	2003
Income taxes (benefit) at statutory rate	\$ 61,000	(689)	64,500	(28,512)
State income taxes	12,000	(359)	10,900	(5,031)
Amount attributable to lower graduated rates expected to apply when tax benefits are expected to be realized		(2,410)		10,672
Non-deductible interest on debt discount amortization		7,410		14,816
Federal income tax expense (benefit) applicable to income (loss) before income tax	<u>\$ 73,000</u>	<u>3,952</u>	<u>75,400</u>	<u>(8,055)</u>

Management has not recognized a valuation allowance for the net deferred tax assets because it believes that it is more likely than not that future taxable income will result in realization of such assets. This amount, however, could be reduced in the near term if estimates of future taxable income during the net operating loss carryforward period are reduced. The Company's remaining net operating loss carryforwards of approximately \$323,000 begin to expire in 2020.

Note 5: Earnings (loss) per share

The reconciliation of the numerators and denominators of the basic and diluted earnings per share calculations for the three months and the six months ended June 30, 2004 and 2003, respectively, follows:

	Income	Shares	Per Share
	(Numerator)	(Denominator)	Amount
<u>Three months ended June 30, 2004</u>			
Basic earnings per share:			
Net income available to common shareholders	\$ 107,343	6,244,917	\$ 0.02
Effect of dilutive securities:			
Outstanding warrants		477,737	
Diluted earnings per share:			
Net income available to common shareholders plus assumed exercise of warrants	\$ 107,343	6,722,654	\$ 0.02
<u>Three months ended June 30, 2003</u>			
Basic earnings (loss) per share:			
Net loss available to common shareholders	\$ (5,979)	5,661,002	\$ 0.00
Effect of dilutive securities:			
Outstanding warrants			
Convertible subordinated notes			
Diluted earnings (loss) per share:			
Loss available to common shareholders plus assumed exercise and conversion	\$ (5,979)	5,661,002	\$ 0.00
<u>Six months ended June 30, 2004</u>			
Basic earnings per share:			
Net income available to common shareholders	\$ 221,584	6,244,917	\$ 0.04
Effect of dilutive securities:			
Outstanding warrants		374,959	(0.01)
Convertible subordinated notes	200	7,818	
Diluted earnings per share:			
Net income available to common shareholders plus assumed exercise and conversion	\$ 221,784	6,627,694	\$ 0.03
<u>Six months ended June 30, 2003</u>			
Basic earnings (loss) per share:			
Net loss available to common shareholders	\$ (75,803)	5,661,002	\$ (0.01)
Effect of dilutive securities:			
Outstanding warrants			
Convertible subordinated notes			

Edgar Filing: ADVANT E CORP - Form 10QSB

Diluted earnings (loss) per share:			
Loss available to common shareholders plus assumed exercise and conversion	\$ (75,803)	5,661,002	\$ (0.01)

In both the three-month and the six-month periods ended March 31, 2003 the effects of the outstanding warrants and the assumed conversion of the convertible subordinated notes are antidilutive.

At June 30, 2004 the Company has outstanding warrants for the issuance of 750,000 shares of the Company's common stock at \$1.205 per common share; for the issuance of 250,000 shares at \$1.25 per common share; and for the issuance of 20,000 shares at \$1.48 per common share. The warrants are exercisable as follows: 925,000 warrants through dates that range from September 27, 2005 through December 13, 2005, 20,000 warrants through June 25, 2006, and 75,000 warrants through December 5, 2006.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward Looking Statements

This Form 10-QSB contains forward-looking statements, including statements regarding the expectations of future operations. For this purpose, any statements contained in this Form 10-QSB that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, words such as may, will, expect, believe, anticipate, estimate, or continue or comparable terminology are intended to identify forward-looking statements. These statements by their nature involve substantial risks and uncertainties, and actual results may differ materially depending on a variety of factors, many of which are not within the Company's control. These factors include, but are not limited to, economic conditions generally and in the industries in which the Company may participate, competition within the chosen industry, including competition from much larger competitors, technological advances, and the failure to successfully develop business relationships. In light of these risks and uncertainties, you are cautioned not to place undue reliance on these forward-looking statements. The Company acknowledges that the safe harbor contained in the Litigation Reform Act of 1995 is not applicable to the disclosure in this Form 10-QSB.

This item should be read in conjunction with Item 1. Financial Statements and other items contained elsewhere in this report.

Products and services

The Company, through its wholly owned subsidiary Edict Systems, Inc., is a provider of business-to-business (B2B) electronic commerce (e-commerce) products and services, offering EDI-based and proprietary solutions for businesses of all sizes. The Company develops, markets, and supports B2B e-commerce software products and provides Internet-based communication and data processing services that enable businesses to process transactions electronically.

The Company s software products enable businesses to integrate e-commerce data into their businesses and enable smaller companies to process electronic transactions.

The Company provides consultative services for its customers, generally small and medium sized suppliers of larger companies, where the Company interfaces between its customers and the buyers to facilitate the EDI connectivity required for document processing.

The following comprise the Company s four principal business products/services:

Web EDI Internet-based supply chain solution for the grocery and other industries

EnterpriseEC Internet-based Electronic Business Transaction Network Services

Formula_One EDI software and Bar Code Label Module software

Value-Added Applications Internet-based solutions that enhance the value of electronic commerce capabilities

Critical Accounting Estimates and Policies

Revenue recognition for Web-EDI and EnterpriseEC subscription fees

The Company recognizes monthly subscription fees of \$25 per month per customer (\$45 if the Customer does not pay by credit card) and \$5 per month per trading partner the customer connects to (up to 5 partners) upon the completion of one month of services. These fees are non-refundable. The Company recognizes transaction fees (document processing fees) upon completion of the processed transactions; these transactions are invoiced or charged to a customer s credit card once per month at the end of a monthly period. These fees are non-refundable and are only billed after services are provided.

Edgar Filing: ADVANT E CORP - Form 10QSB

The Company recognizes as revenues one-time Account Activation Fees (\$100 per new customer), Trading Partner Setup Fees (\$50 per partner for web-EDI) and Interconnect Setup Fees (\$50 per interconnect) after the Company performs consultative work required in order to establish the electronic trading partnership between the customer and their desired trading partner. The Company's EDI administration, technical support and systems maintenance personnel provide these consultative services that enable the Company's customers (suppliers) and their trading partners (usually buying organizations of large companies or "hubs") to conduct EDI transactions as requested by the hub by interfacing with the hub on behalf of the Company's customers. Because

each hub has established processes in place to migrate a non-EDI supplier to an EDI-enabled supplier, and because these procedures vary among the hubs, the Company acts as a liaison between its customers and the hub to establish this EDI connection. Since most of the Company's customers are small to medium-sized companies, they recognize that the Company has the resources and expertise to establish this connection for them. This trading partner connection and relationship, once established, is portable to other EDI service providers if the customer chooses to do so.

Time periods of these web-EDI agreements can be cancelled at any time by customers with 30-days prior written notice. EnterpriseEC agreements can be cancelled at any time during the one-year contract period with 90-days prior written notice and in subsequent years, when the agreement extends automatically on a month-to-month basis, with 30-days prior written notice.

The Company periodically receives payments from customers in advance for the Company's development of Web-EDI and EnterpriseEC applications designed to meet specific customer specifications for processing Internet transactions. The Company expects to re-sell some of these applications, with minor modifications, to other customers. The Company recognizes these advance payments as revenue over the twelve-month contract period. The Company recognizes revenue from the transaction fees that result from processing Internet transactions upon completion of the processed transactions at the end of each month. These transaction fees are non-refundable and are only invoiced after services are provided.

Software Development Costs

The Company capitalizes software development costs and amortizes those costs over a three-year estimated economic life of the software applications. Internet technology can change and does change quickly. As a result, any or all of our products could have an economic life of less than (or more than) three years. In addition, our products could become economically obsolete if we cannot sell the products in the marketplace at a margin that is adequate to produce cash flow. We review quarterly the economic lives of our capitalized products, expected cash flow, and profitability of our products. Capitalized software costs are reported at the lower of unamortized cost or net realizable value.

Deferred Income Taxes

Deferred income taxes are provided to recognize future tax benefits of net operating loss carry forwards, to the extent realization of such benefits is more likely than not. Deferred income taxes are also provided for temporary differences in recognition of assets and liabilities for financial statements and for income tax purposes. The tax rates used are those expected to be in effect when the temporary differences reverse.

Results of Operations

Revenue

Revenue for the second quarter of 2004 exceeded revenue for the second quarter of 2003 by \$136,186, or 19%. Revenue for the first six months of 2004 exceeded revenue for the first six months of 2003 by \$326,131, or 24%.

Edgar Filing: ADVANT E CORP - Form 10QSB

The following table details revenues by product and percentage growth for the quarters ended June 30, 2004 and 2003, respectively:

	Quarter Ended June 30,			Six Months Ended June 30,		
			Growth			Growth
	2004	2003	(Decline)	2004	2003	(Decline)
<u>Internet products and services</u>						
Web-EDI - GroceryEC	\$ 729,456	593,895	23%	1,432,875	1,149,928	24%
Web-EDI - other	25,968	20,425	27%	54,177	40,824	33%
EnterpriseEC	71,218	41,177	73%	136,438	74,689	83%
	826,642	655,497	26%	1,623,490	1,265,441	28%
Software and software licenses	25,340	59,611	(58)%	67,127	99,045	(32)%
	\$ 851,982	715,108	19%	\$ 1,690,617	1,364,486	24%

Web-EDI for the grocery industry continues to provide the largest source of revenue for the Company. The Company is a leading provider of web-based B2B e-commerce in the grocery industry with its GroceryEC service. Revenue from the sale of software and software licenses continues its overall decline as the Company's major focus is, and has been since the year 2000, on Internet products and services.

The Company is continuing its program of strengthening its sales and marketing capabilities to help in achieving increased market share in the grocery industry, improved marketing of Web-EDI services to companies in other industries and increased revenues from EnterpriseEC services. In addition, the Company is attempting to identify and develop new products that have significant sales potential.

Expenses

Marketing, general and administrative amounted to approximately 42% of revenue in both the three months and the six months ended June 30, 2004.

Interest expense in the second quarter of 2004 declined significantly compared to the second quarter of 2003. This occurred because in the first quarter of 2004 the Company paid in full the principal and accrued interest on all outstanding interest bearing payables.

Margins

The Company reported income before taxes of \$180,343, or 21% of revenue, in the quarter ended June 30, 2004. The second quarter of 2004 was the third consecutive quarter in which income before taxes as a percent of revenue exceeded 20%. The Company intends to continue its goal to achieve a pre-tax income of at least 20% of revenues per year with continued efforts to grow revenue and contain costs.

Edgar Filing: ADVANT E CORP - Form 10QSB

The Company's gross margin, as a percent of revenue, of 64% in both the first quarter of 2004 and the first six months of 2004 improved over 2003 levels (57% and 55%, respectively) primarily due to the revenue increases in both periods in 2004 compared to 2003.

Income taxes (benefit)

Income taxes in the first six months of 2004 were recorded at a 40% tax rate; no income taxes are currently payable, however, because the Company has a net operating loss carryforward sufficient to offset taxable income. At June 30, 2004 the Company has a remaining unused net operating loss carryforward of \$323,000.

Capitalized Development Costs

The following table sets forth the cost and accumulated amortization of the products comprising the Software Development Costs asset at June 30, 2004:

<u>Product</u>	<u>Cost</u>	<u>Accumulated</u>	
		<u>Amortization</u>	<u>Net</u>
GroceryEC (Web EDI)	\$ 428,260	385,804	42,456
Web EDI enhancements	252,621	69,666	182,955
EnterpriseEC	470,661	294,163	176,498
Total	\$ 1,151,542	749,633	401,909

GroceryEC (WebEDI) is the Company's largest and primary source of revenue. Sales of EnterpriseEC continue to grow in 2004, up 83% from the first six months of 2003. Based on our current marketplace analysis and marketing efforts we expect EnterpriseEC product revenues and cash flows to continue to increase.

Liquidity and Capital Resources

In the quarter ended June 30, 2004 the Company reported net cash provided by operating activities of \$360,717, affording it the ability to acquire computer equipment and related software to increase data processing throughput and other capabilities at a cost of \$120,742 and to increase its cash balance from March 31, 2004 by \$193,184 to \$529,578 at June 30, 2004.

ITEM 3. CONTROLS AND PROCEDURES

Disclosure controls and procedures. The Chief Executive Officer and the Director of Accounting have carried out an evaluation of the effectiveness of Advant-e's disclosure controls and procedures that are designed to ensure that information relating to Advant-e required to be disclosed by Advant-e in the reports that it files or submits under the Securities and Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Based upon this evaluation, these officers have concluded, that as of June 30, 2004, Advant-e's disclosure controls and procedures were adequate.

Edgar Filing: ADVANT E CORP - Form 10QSB

Changes in internal control over financial reporting. During the period covered by this report, there were no changes in Advant-e s internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, Advant-e s internal control over financial reporting.

ITEM 5. OTHER INFORMATION

(a) The Securities and Exchange Commission informed the Company that its registration statement for 1,603,915 common shares became effective on July 23, 2004. The shares included 583,915 outstanding shares that were issued to former holders of the Company's convertible subordinated notes and 1,020,000 shares to be issued upon the exercise of warrants held principally by former note holders.

PART II. OTHER INFORMATION**ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K**

(a) Exhibits

Exhibit	Method
Number	of Filing
2	Previously filed (I)
3(i)	Previously filed (A)
3(ii)	Previously filed (B)
4.1	Previously filed (A)
4.2	Previously filed (C)
4.3	Previously filed (E)
4.4	Previously filed (H)
4.5	Previously filed (K)
4.5.1	
4.5.2	
4.5.3	
4.5.4	
4.5.5	
4.5.6	
4.5.7	
4.5.8	
4.5.9	

Edgar Filing: ADVANT E CORP - Form 10QSB

10.1	Lease Agreement, dated as of January 1, 2000, between Jason K. Wadzinski and EDICT Systems, Inc.	Previously filed (B)
10.2	Stock Purchase Agreement, dated April 10, 2000, among Twilight Productions, Ltd., Halter Financial Group, Inc. and Art Howard Beroff	Previously filed (B)
10.3	Software Term License Agreement, including Amendment No. 1, dated as of April 18, 2001 between Cyclone Commerce, Inc. and Edict Systems Inc.	Previously filed (D)
10.4	Lease, dated as of July 30, 2002, between Fritz J. Russ and Dolores H. Russ and Edict Systems, Inc.	Previously filed (F)
31.1	Certification of Chief Executive Officer pursuant to Securities Exchange Act Rule 13A-14(a)	Filed herewith
31.2	Certification of Director of Accounting pursuant to Securities Exchange Act Rule 13A-14(a)	Filed herewith
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002	Filed herewith
32.2	Certification of Director of Accounting pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002	Filed herewith

-
- (A) Filed with Amendment No. 2 to Form 10-SB filed as of October 13, 2000
 - (B) Filed with Amendment No. 1 to Form 10-SB filed as of July 17, 2000
 - (C) Filed as Exhibit 4(ii) to Form 10-QSB for the quarterly period ended March 31, 2001 filed as of May 9, 2001, and filed as Exhibit 4(ii) to Form 10-QSB/A-1 for the quarterly period ended March 31, 2001 as amended, as filed on January 13, 2003.
 - (D) Filed with Form 10-QSB for the quarterly period ended June 30, 2001 filed as of August 14, 2001 and filed with Form 10-QSB/A-1 for the quarterly period ended June 30, 2001, filed as of January 13, 2003.
 - (E) Filed as Exhibits 4(ii) and 4(iii) to Form 10-QSB for the quarterly period ended September 30, 2001 filed as of November 14, 2001, and filed as Exhibits 4(ii) and 4(iii) to Form 10-QSB/A-1 for the quarterly period ended September 30, 2001, as amended, as filed as of January 13, 2003.
 - (F) Filed with Form 10-QSB for the quarterly period ended March 31, 2003 filed as of May 15, 2003.
 - (H) Filed with Form 10-QSB for the quarterly period ended September 30, 2002 as of December 16, 2002.
 - (I) Filed as Exhibit 2 with Amendment No. 1 to Form 10-SB as of July 11, 2000.
 - (K) Filed with Form 10-KSB for the fiscal year ended December 31, 2003 as of March 23, 2004.

(b) Reports on Form 8-K

The Company filed Form 8-K on April 19, 2004 to announce that on April 16, 2004 the Company issued a press release announcing that it had reached a major milestone by processing over \$8 billion worth of purchase orders via Web EDI Solutions. The text of the press release was attached as an exhibit to the Form 8-K.

The Company filed Form 8-K on April 29, 2004 to announce that on the same date the Company issued a press release announcing its financial results for the quarterly period ended March 31, 2004. The press release included the Company's Consolidated Condensed Balance Sheets at March 31, 2004 and December 31, 2003, the Consolidated Condensed Statements of Operations for the quarterly periods ended March 31, 2004 and 2003, and the Consolidated Condensed Statements of Cash Flows for the quarterly periods ended March 31, 2004 and 2003. The text of the press release including the above described financial statements was attached as an exhibit to the Form 8-K.

Signatures

In accordance with 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.

Advant-e Corporation
(Registrant)

August 6, 2004

By: /s/ Jason K. Wadzinski

Jason K. Wadzinski
Chief Executive Officer

August 6, 2004

By: /s/ John F. Sheffs

John F. Sheffs
Treasurer