

TRANSPORTATION LOGISTICS INTL INC
Form 10QSB/A
September 13, 2004

U. S. Securities and Exchange Commission
Washington, D. C. 20549

FORM 10-QSB/A
(Amendment No. 1)

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

For the quarterly period ended June 30, 2004

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

For the transition period from _____ to _____

Commission File No. 0-25319

TRANSPORTATION LOGISTICS INT'L, INC.

(Name of Small Business Issuer in its Charter)

Colorado

84-1191355

(State or Other Jurisdiction of
incorporation or organization)

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

136 Freeway Drive East, East Orange, NJ 07018

(Address of Principal Executive Offices)

Issuer's Telephone Number: (973) 266-7020

Indicate by check mark whether the Registrant (1) has filed all reports
required to be filed by Sections 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

APPLICABLE ONLY TO CORPORATE ISSUERS: Indicate the number of shares
outstanding of each of the Registrant's classes of common stock, as of the
latest practicable date:

August 13, 2004

Common Voting Stock: 49,733,347

Transitional Small Business Disclosure Format (check one): Yes No

Amendment No. 1

The Registrant is filing this Amendment No. 1 to its quarterly report in
order to consolidate in the Registrant's financial statements the financial
statements of Advanced Medical Diagnostics LLC, which the Registrant acquired
on June 1, 2004.

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PART 1 - FINANCIAL INFORMATION

Transportation Logistics Int'l Inc. and Subsidiaries Consolidated Balance Sheet June 30, 2004

Assets	
Current Assets	
Cash	\$ 2,477

Total Current Assets	2,477
Goodwill	23,622

Total Assets	\$ 26,099
	=====
Liabilities and Stockholders' Equity	
Current Liabilities	
Accounts payable and accrued expenses	137,388
Convertible debenture	200,000
Notes payable	100,000
Net liabilities of discontinued operations	1,265,927
Due to officers'	2,205

Total Current Liabilities	1,705,520
Loan payable	1,055,294

Total Liabilities	2,760,814
Commitments and Contingencies	-
Stockholders' Equity	
Preferred stock, \$.01 par value; 5,000,000 shares authorized, and 0 shares issued and outstanding	-
Common stock, no par value; 50,000,000 shares authorized, 46,260,686 shares issued and 46,496,338 shares outstanding	4,765,492
Additional paid-in capital - stock options	44,748
Retained earnings (deficit)	(5,725,001)
Consulting services to be provided	(1,297,417)
Less: treasury stock, 235,652 shares at cost	(522,537)

Total Stockholders' Equity	(2,734,715)

Total Liabilities and Stockholders' Equity	\$ 26,099
	=====

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See Notes to Consolidated Financial Statements

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Transportation Logistics Int'l Inc. and Subsidiaries
Consolidated Condensed Interim Statements of Operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Revenues	\$ -	\$ -	\$ 10,350	\$ -
Operating Expenses	-	-	-	-
Gross Profit	-	-	10,350	-
Operating Expenses				
Selling, general and administrative	841	-	37,103	-
Stock issued for consulting services	244,583	61,775	267,583	123,550
Total Operating Expenses	245,424	61,775	304,686	123,550
Loss Before Discontinued Operations	(245,424)	(61,775)	(294,336)	(123,550)
Income (Loss) from Discontinued Operations	-	(281,000)	-	(357,046)
Net Income (Loss)	\$ (245,424)	\$ (342,775)	\$ (294,336)	\$ (480,596)
Earnings Per Share				
Income (loss) from continuing operations	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Income (loss) from discontinued operations	0.00	(0.01)	0.00	(0.01)
Basic and diluted earnings per share	\$ (0.01)	\$ (0.02)	\$ (0.01)	\$ (0.02)
Weighted Average Number of Common Shares Outstanding				
Basic and Diluted	46,496,338	40,396,338	46,496,338	40,396,338

See Notes to Consolidated Financial Statements

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Transportation Logistics Int'l Inc. and Subsidiaries
Consolidated Condensed Interim Statements of Cash Flows

	Six Months Ended June 30,	
	2004	2003

Cash Used in Operating Activities		
Continued	\$ (36,376)	\$ -
Discontinued	-	(2,757)
	-----	-----
Net Cash Used in Operating Activities	(36,376)	(91,213)
	-----	-----
Cash Flows From Financing Activities		
Proceeds from loan payable, net	37,289	-
	-----	-----
Net Cash Provided by Financing Activities	37,289	-
	-----	-----
Net (Decrease) in Cash and Equivalents	913	(2,757)
Cash and Equivalents at Beginning of Period	1,564	2,757
	-----	-----
Cash and Equivalents at End of Period	\$ 2,477	\$ -
	=====	=====

See Notes to Consolidated Financial Statements

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Transportation Logistics Int'l Inc. and Subsidiaries
Notes to the Consolidated Condensed Interim Financial Statements

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 Item 310 of Regulation S-B. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

DISCONTINUATION OF OPERATIONS

As of June 30, 2003 the Company had discontinued all of its operations. Historical results have been restated, therefore, to reflect the discontinuation.

ACQUISITION OF ADVANCED MEDICAL DIAGNOSTICS, LLC

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On June 1, 2004 the Company acquired the entire membership interest in Advanced Medical Diagnostics LLC ('AMD'). AMD began operations on October 30, 2003 and is engaged in the business of manufacturing and distributing the 'Advanced Medical Diagnostics HIV (1 & 2) Rapid Test.' The membership interests in AMD were acquired by the Company in exchange for 100,000 shares of the Company's common stock. The Company also agreed to issue 500,000 shares of its common stock to the management of AMD as employment incentives.

Following is a condensed balance sheet showing the fair values of the assets acquired and the liabilities assumed as of the date of the acquisition:

Goodwill arising in the acquisition	\$	23,622
Current liabilities		2,205

Net assets acquired	\$	21,417
		=====

The following pro forma information is based on the assumption that the acquisition took place as of January 1, 2004:

June 30, 2004		
Revenues	\$	10,350
Net Income (Loss)		(341,651)
Earnings (Loss) Per Share		(0.01)

RESTATEMENT OF FINANCIAL RESULTS

The Company has restated its financial statements for the six months ended June 30, 2004. The restated financial results properly reflect the June 1, 2004 acquisition of Advanced Medical Diagnostics, LLC. The impact on the Company's financial results as originally reported is summarized below.

	Three Months Ended June 30, 2004		Six Months Ended June 30, 2004	
	As Reported	As Restated	As Reported	As Restated
Total Assets	\$ 2,477	\$ 26,099	\$ 2,477	\$ 26,099
Accumulated Deficit	(5,737,418)	(5,725,001)	(5,737,418)	(5,725,001)
Net Income (Loss)	(257,841)	(245,424)	(306,754)	(294,336)
Earnings (Loss) Per Share	(0.01)	(0.01)	(0.01)	(0.01)

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Results of Operations

Effective as of June 30, 2003, the Company terminated the operations of Xcalibur Xpress, the only operation which had been continuing prior to that date. The Company liquidated the assets of Xcalibur Xpress and used the proceeds to reduce its debts. In its financial statements for the first half of 2003 the Company recorded a \$281,000 "loss from discontinued operations of subsidiary."

The only revenue recorded by the Company for the first half of 2004 was \$10,350 that it was paid for consulting services rendered. At the present time the Company has only one business operation: its newly acquired subsidiary, Advanced Medical Diagnostics LLC. However, Advanced Medical Diagnostics has not generated any revenue to date.

The Company intends to negotiate for one or more acquisitions of operating companies in the field of transportation and logistics or in the field of medicine. Any such acquisition, however, will involve the issuance of a large number of shares of capital stock. Moreover it is unlikely that the Company will be able to achieve any acquisition unless management is able to negotiate compromises with the Company's principal creditors.

Liquidity and Capital Resources

The Company has no operating assets and \$2,758,337 in net liabilities. The Company will be unable to satisfy its liabilities unless its creditors agree to compromise their claims in connection with the Company's acquisition of an operating business.

ITEM 3. CONTROLS AND PROCEDURES

Michael Margolies, our Chief Executive Officer and Chief Financial Officer, performed an evaluation of the Company's disclosure controls and procedures as of June 30, 2004. Based on his evaluation, he concluded that the controls and procedures in place are sufficient to assure that material information concerning the Company which could affect the disclosures in the Company's quarterly and annual reports is made known to him by the other officers and employees of the Company, and that the communications occur with promptness sufficient to assure the inclusion of the information in the then-current report.

There have been no significant changes in the Company's internal controls or in other factors that could significantly affect those controls subsequent to the date on which Mr. Margolies performed his evaluation.

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PART II - OTHER INFORMATION

Item 6. Exhibits and reports on Form 8-K.

Reports on Form 8-K. Report dated June 1, 2004 concerning acquisition of Advanced Medical Diagnostics, LLC

Exhibits:

31 Rule 13a-14(a) Certification

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32 Rule 13a-14(b) Certification

SIGNATURES

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.

TRANSPORTATION LOGISTICS INT'L, INC.

Date: September 10, 2004

By: /s/ Michael Margolies

Michael Margolies, Chief Executive
Officer, Chief Financial Officer, Chief
Accounting Officer