

TRANSPORTATION LOGISTICS INTL INC
Form 8-K/A
July 01, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A
Amendment No. 1

Current Report
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 19, 2002

TRANSPORTATION LOGISTICS INT'L, INC.

(Exact name of Registrant as Specified in its Charter)

| | | |
|--------------------------|-----------------------------|--------------------------------------|
| Colorado | 0-25319 | 84-1191355 |
| ----- | ----- | ----- |
| (State of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

136 Freeway Drive, East Orange, NJ 07018

(Address of principal executive offices)

(973) 266-7020

Registrant's Telephone Number

Amendment No. 1

This amendment is being filed to include the Pro Forma Financial Statements

Item 5. Sale of Transportation Logistics Int'l (UK) Ltd.

On April 19, 2002 the Registrant sold all of the capital stock of its subsidiary, Transportation Logistics Int'l (UK) Ltd. ("TLI/UK"). The purchasers were James Thorpe, David Paul Parsons, Lisa Marie Thorpe and Valerie Ann Usher. Messrs. Thorpe and Parsons and Ms. Thorpe had transferred TLI/UK to the Registrant in 1999 in exchange for shares of the Registrant's common stock. Messrs. Thorpe and Parsons and Ms. Usher are employees of TLI/UK. In addition, Mr. Thorpe had been a member of the Board of Directors and President of the Registrant from 1999 until April 19, 2002, when his resignation from those positions became effective.

The purchase price given by the purchasers consisted of (a) \$35,000 to be paid between November 2002 and April 2003 and (b) 940,867 shares of the Registrant's common stock, which were surrendered by Mr. Thorpe. The purchase price was determined to be the fair market value of TLI/UK by negotiations between the Registrant and the purchasers. In addition, the parties exchanged general releases of claims and liabilities.

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As part of the transaction, TLI/UK and the purchasers agreed that if within the next two years they participate in the Translogistics Network or in any similar cooperative global network of logistics providers, then 50% of the profits they derive from the network during the next five years will be paid to the Registrant.

EXHIBITS

Pro Forma Financial Statements

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 hereunto duly authorized.

TRANSPORTATION LOGISTICS INT'L, INC.

Dated: July 1, 2002

By: /s/ Michael Margolies

Michael Margolies
Chief Executive Officer

* * * * *

EXHIBIT - Pro Forma Financial Statements

Transportation Logistics Int'l Inc. and Subsidiaries
Unaudited Proforma Combined Balance Sheet
March 31, 2002

| | March 31, 2002 Actual | Proforma Adjustments | March 31, 2002 Proforma |
|--|--------------------------|-------------------------|----------------------------|
| | | | |
| Assets | | | |
| Current Assets | | | |
| Cash and equivalents | \$ - | \$ - | \$ - |
| Accounts receivable, net of allowance for doubtful accounts | 1,278,221 | | 1,278,221 |
| Note receivable | | 35,000 (1) | 34,999 |
| Prepaid expenses | 46,087 | - | 46,087 |
| | | | |
| Total Current Assets | 1,324,308 | 35,000 | 1,359,308 |
| | | | |
| Property and equipment, net of accumulated depreciation | 304,194 | - | 304,194 |
| | | | |
| Goodwill and customer lists, net of accumulated amortization | 102,711 | (78,000) (1) | 24,710 |
| | | | |
| Other Assets | | | |
| Security deposits | 61,500 | - | 61,500 |

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| | | | |
|--------------------|--------------|-------------|--------------|
| Other assets | 208,807 | - | 208,807 |
| | ----- | | |
| Total Other Assets | 270,307 | - | 270,307 |
| Total Assets | \$ 2,001,520 | \$ (43,000) | \$ 1,958,520 |
| | ===== | | |

Liabilities and Stockholders' Equity

Current Liabilities

| | | | |
|---------------------------------------|------------|------|------------|
| Accounts payable and accrued expenses | \$ 918,218 | \$ - | \$ 918,218 |
| Convertible debenture | 200,000 | - | 200,000 |
| Note payable to bank | 413,002 | - | 413,002 |
| Current maturities of long-term debt | 145,000 | - | 145,000 |
| Income taxes payable | 7,446 | - | 7,446 |
| | ----- | | |
| Total Current Liabilities | 1,683,666 | - | 1,683,666 |
| | ----- | | |

| | | | |
|--------------|---------|---|---------|
| Loan payable | 789,791 | - | 789,791 |
| | ----- | | |

| | | | |
|-------------------|-----------|---|-----------|
| Total Liabilities | 2,473,457 | - | 2,473,457 |
| | ----- | | |

| | | | |
|-------------------------------|---|---|---|
| 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, 31,159,205 shares issued and outstanding | 3,007,892 | - | 3,007,892 |
| Additional paid-in capital - stock options | 36,748 | - | 36,748 |
| Retained earnings | (2,283,516) | (27,276) (1) | - |
| Accumulated other comprehensive income (loss) | (54,706) | 50,137 (1) | (4,570) |
| Less: treasury stock | (456,675) | (65,861) (1) | (522,537) |
| Consulting services to be provided | (721,680) | - | (721,680) |
| | ----- | | |
| Total Stockholders' Equity | (471,937) | (43,000) | (514,937) |
| | ----- | | |

| | | | |
|--|-------------|-------------|-------------|
| Total Liabilities and Stockholders' Equity | \$2,001,520 | \$ (43,000) | \$1,958,520 |
| | ===== | | |

(1) To record proceeds to be received from the Sale and record the elimination of certain assets and stockholder's equity accounts as a result of the sale.

Transportation Logistics Int'l Inc. and Subsidiaries
 Unaudited Proforma Combined Statement of Operations
 Three Months Ended March 31, 2002

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| | Three Months Ended March 31, 2001 Actual | Proforma Adjustments | Three Months Ended March 31, 2002 Proforma |
|--|---|-------------------------|---|
| Operating Revenues | \$3,533,480 | \$(858,842) (1) | \$2,674,638 |
| Direct Operating Expenses | 2,496,468 | (668,848) (2) | 1,827,620 |
| Gross Profit | 1,037,012 | (189,994) | 847,018 |
| Operating Expenses | | | |
| Selling, general and administrative | 848,174 | (162,846) (3) | 685,328 |
| Stock issued for consulting services | 24,920 | - | 24,920 |
| Depreciation and amortization | 58,272 | - | 58,272 |
| Total Operating Expenses | 931,366 | (162,846) | 768,520 |
| Operating Income | 105,646 | (27,148) | 78,498 |
| Other Income (Expense) | | | |
| Interest expense | (11,985) | - | (11,985) |
| Total Other Income (Expense) | (11,985) | - | (11,985) |
| Income Before Income Taxes | 93,661 | (27,148) | 66,513 |
| Provision (Benefit) for Income Taxes | - | - | - |
| Income Before Minority Interest | 93,661 | (27,148) | 66,513 |
| Minority Interest | (35,280) | - | (35,280) |
| Net Income | \$ 58,381 | \$ (27,148) | \$ 31,233 |
| Earnings Per Share | | | |
| Income from continuing operations | \$ - | \$ - | \$ - |
| Basic and diluted earnings per share | \$ - | \$ - | \$ - |
| Weighted Average Number of Common Shares Outstanding | | | |
| Basic | 25,412,881 | 25,412,881 | 25,412,881 |
| Diluted | 25,412,881 | 25,412,881 | 25,412,881 |

(1) To reflect the decrease in operating revenue resulting from the disposition on TLI, UK net sales in the quarter ended March 31, 2002.

(2) To reflect the decrease in direct operating expenses associated with the elimination of TLI, UK's operating revenue in adjustment (1).

(3) To reflect the reduction in selling, general and administrative expenses

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resulting from the disposition of TLI, UK.

Transportation Logistics Int'l Inc. and Subsidiaries Unaudited Proforma Combined Statement of Operations For the Year Ended December 31, 2001

| | For the Year Ended December 31, 2001 Actual | Proforma Adjustments | For the Year Ended December 31, 2001 Proforma |
|---|---|-------------------------|---|
| Operating Revenues | \$10,368,968 | \$ (2,289,505) (1) | \$8,079,463 |
| Direct Operating Expenses | 8,031,619 | (1,732,132) (2) | 6,299,487 |
| Gross Profit | 2,337,349 | (557,373) | 1,779,976 |
| Operating Expenses | | | |
| Selling, general and administrative | 2,666,749 | (484,571) (3) | 2,182,178 |
| Depreciation and amortization | 254,484 | - | 254,484 |
| Stock issued for consulting services | 446,775 | - | 446,775 |
| Provisions for impairment to assets | 802,674 | - | 802,674 |
| Total Operating Expenses | 4,170,682 | (484,571) | 3,686,111 |
| Operating Loss | (1,833,333) | (72,802) | (1,906,135) |
| Other Income (Expense) | | | |
| Interest income | 5,678 | - | 5,678 |
| Interest expense | (59,152) | - | (59,152) |
| Total Other Income (Expense) | (53,474) | - | (53,474) |
| Loss Before Income Taxes | (1,886,807) | (72,802) | (1,959,609) |
| Benefit (Provision) for Income Taxes | - | - | - |
| Net Loss | \$ (1,886,807) | \$ (72,802) | \$ (1,959,609) |
| Earning (Loss) Per Share | | | |
| Loss from continuing operations | \$ (0.09) | \$ - | \$ (0.09) |
| Basic and diluted earnings per share | \$ (0.09) | \$ - | \$ (0.09) |
| Weighted Average Number of Common Shares Outstanding | | | |
| Basic | 21,624,816 | 21,624,816 | 21,624,816 |
| Diluted | 21,624,816 | 21,624,816 | 21,624,816 |

(1) To reflect the decrease in operating revenue resulting from the disposition on TLI, UK net sales in the quarter ended March 31, 2002.

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- (2) To reflect the decrease in direct operating expenses associated with the elimination of TLI, UK's operating revenue in adjustment (1).
- (3) To reflect the reduction in selling, general and administrative expenses resulting from the disposition of TLI, UK.