

NORSTAR GROUP INC
Form 8-K
February 03, 2004

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of

the Securities Exchange Act of 1934

*Date of Report (Date of
earliest event reported)* *January 16,
2004*

*Gaming & Entertainment Group, Inc.
(Exact name of Registrant as specified in
charter)*

*Utah
(State or other jurisdiction of incorporation)*

000-28399 *59-1643698*
(Commission File Number) *(IRS Employee
Identification
No.)*

6094 S. Sandhill Rd., Suite 400 *84020*
(Address of principal executive *(Zip Code)*
offices)

Registrant's telephone *(702) 932-2274*
number, including area code

NorStar Group, Inc.

(Former name or former address, if changed since last report)

Items 1 and 2. Change in Control of Registrant and Acquisition or Disposition of Assets.

On January 16, 2004, NorStar Group, Inc., a Utah corporation ("Registrant"), acquired Gaming & Entertainment Group, Inc., a Nevada corporation ("G&EG") in accordance with the terms of an Agreement and Plan of Reorganization among the Registrant, G&EG and the stockholders of G&EG (the "Acquisition Agreement"). The acquisition was consummated by the issuance of 14,600,000 shares of the Registrant's common stock to the stockholders of G&EG in exchange for all of the issued and outstanding capital stock of G&EG. Prior to the acquisition, the Registrant effected a reverse split of its outstanding common stock. Immediately after the acquisition, there were 16,000,000 shares of the Registrant's common stock issued and outstanding.

The Registrant has changed its legal name to Gaming & Entertainment Group, Inc. Gaming & Entertainment Group, Inc. was formerly known as GET USA, Inc., with the name change occurring in June 2003. Gaming & Entertainment Group, Inc. will be effecting a mandatory stock certificate exchange with respect to all pre-reverse split common stock certificates of NorStar Group, Inc.

Gaming & Entertainment Group, Inc. is a leading edge supplier of server-based gaming systems and networked interactive electronic bingo games for the Native American gaming market in the U.S. and the Canadian gaming market, as well as a distributor of multi-player station gaming devices in such markets. G&EG designs and develops gaming systems, software, game content and networks to offer a comprehensive gaming system. In Europe, G&EG supplies its server-based gaming system and game content library to the Amusement With Prize (AWP) gaming market and to independent betting shops. In addition, G&EG develops and licenses its comprehensive government accredited online gaming system to major land-based casino operators for utilization outside the United States. Prior to its acquisition by the Registrant, G&EG was a closely held corporation.

The Registrant was not actively engaged in business prior to the acquisition. Upon consummation of the acquisition (a) all of the officers of the Registrant resigned and all of the directors of the Registrant, other than Jay Sanet, resigned, and (b) Gregory L. Hrcir was elected as a director and appointed as President of the Registrant, and Tibor N. Vertes was elected as a director and appointed as Chief Executive Officer of the Registrant.

The following table sets forth certain information as of January 16, 2004 with respect to shares of the Registrant's common stock owned by (a) each director and executive officer of the Registrant and (b) each person known to the Registrant to own beneficially more than 5% of the Registrant's Common Stock (the only class of stock

outstanding):

<i>Name of</i>	<i>Number of Shares</i>	<i>Percent</i>
<i>Beneficial Owner</i>	<i>Beneficially Owned</i>	<i>of Class</i>
<i>Tibor N. Vertes(1)</i>	<i>6,658,183</i>	<i>41.61%</i>
<i>Gregory L. Hrcir(2)</i>	<i>1,588,567</i>	<i>9.93%</i>
<i>Kevin J. Burman(3)</i>	<i>523,005</i>	<i>3.27%</i>
<i>Jay Sanet(4)</i>	<i>-0-</i>	<i>0%</i>
<i>Zen Investments Pty Ltd. (5)</i>	<i>1,892,839</i>	<i>11.83%</i>
<i>Gaming & Entertainment Group, Ltd. (6)</i>	<i>1,221,975</i>	<i>7.64%</i>

(1) Mr. Vertes is Chief Executive Officer and a director of the Registrant.

(2) Mr. Hrcir is President and a director of the Registrant.

(3) Mr. Burman is Chief Operating Officer of the Registrant.

(4) Mr. Sanet is a director of the Registrant.

(5) Issued upon the formation of Gaming & Entertainment Group, Inc.

(6) Gaming & Entertainment Group, Ltd. ("G&E Ltd.") is an Australian corporation, and is publicly traded on the Australian Stock Exchange under the symbol "GAM." G&E Ltd. was issued shares in 2001 in conjunction with a private placement.

The basis upon which shares of G&EG common stock were exchanged for the shares of common stock of the Registrant was established through arm's length negotiations between the Registrant and G&EG. There was no relationship between G&EG or its stockholders, on the one hand, and the Registrant, on the other hand, prior to entering into the Acquisition Agreement.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(a) Audited financial statements of Gaming & Entertainment Group, Inc., f/k/a GET USA, INC. as of December 31, 2002 and 2001, and the related statements of operations, balance sheet, stockholders' equity and cash flows for the years then ended.

(b) *Unaudited pro forma consolidated financial statements of NorStar Group, Inc. and Gaming & Entertainment Group, Inc. for the nine months ended September 30, 2003, and the related statements of operations and balance sheet for such period.*

(c) *Exhibits*

2.1 *Agreement and Plan of Reorganization dated September 18, 2003, among the Registrant, Gaming and Entertainment Group, Inc. and the stockholders of Gaming & Entertainment Group, Inc.*

22.1 *The Registrant's sole subsidiary is Gaming & Entertainment Technology Pty Ltd., an Australian corporation. Gaming & Entertainment Technology Pty Ltd. is a wholly owned subsidiary of G&EG.*

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Gaming & Entertainment Group, Inc. has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: February 03, 2004 Gaming & Entertainment Group, Inc.

By: /s/ Gregory L. Hrcir

Gregory L. Hrcir, President

GET USA, INC.

December 31, 2002, 2001, and 2000

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*GET USA, INC.**CONSOLIDATED BALANCE SHEETS**DECEMBER 31, 2002 AND 2001**ASSETS*

	<i>2002</i>	<i>2001</i>
<i>Current Assets</i>		
<i>Cash</i>	<i>\$ 281,992</i>	<i>\$ 2,037</i>
<i>Short-term investment</i>	<i>-</i>	<i>1,575,328</i>
<i>Accounts receivable</i>	<i>281,275</i>	<i>-</i>
<i>Note receivable</i>	<i>374,970</i>	<i>158,000</i>
<i>Employee advances</i>	<i>-</i>	<i>9,988</i>
<i>Total current assets</i>	<i>938,237</i>	<i>1,745,353</i>
<i>Property Plant and Equipment, net</i>	<i>90,313</i>	<i>116,940</i>
<i>Other Assets</i>		
<i>Intellectual property</i>	<i>23,585</i>	<i>21,747</i>
<i>Total assets</i>	<i>\$1,052,135</i>	<i>\$1,884,040</i>

*LIABILITIES AND STOCKHOLDERS' EQUITY**Current Liabilities*

<i>Accounts payable</i>	<i>\$ 130,268</i>	<i>\$ 61,856</i>
<i>Accrued expenses</i>	<i>82,383</i>	<i>135,367</i>
<i>Related party payable</i>	<i>-</i>	<i>689,470</i>
<i>Accrued income taxes</i>	<i>117,698</i>	<i>78,376</i>
<i>Deposit</i>	<i>20,000</i>	<i>-</i>
<i>Short-term loan from stockholders</i>	<i>-</i>	<i>16,523</i>

<i>Total liabilities</i>	<i>350,349</i>	<i>981,592</i>
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*Stockholders' Equity**Common stock; authorized 50,000,000 shares;*

<i>issued and outstanding 2002, 10,827,707 shares</i>	<i>10,828</i>	<i>9,578</i>
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*2001, 9,548,053 shares**Preferred stock; authorized 10,000,000 shares;*

<i>issued and outstanding 2002, 0 shares;</i>	<i>-</i>	<i>284</i>
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2001, 130 shares

<i>Additional paid-in capital</i>	<i>2,061,009</i>	<i>1,668,656</i>
<i>Accumulated other comprehensive income</i>	<i>115,311</i>	<i>39,091</i>
<i>Accumulated deficit</i>	<i>(1,485,362)</i>	<i>(815,161)</i>

<i>Total stockholders' equity</i>	<i>701,786</i>	<i>902,448</i>
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<i>Total liabilities and stockholders' equity</i>	<i>\$1,052,135</i>	<i>\$1,884,040</i>
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*See accompanying notes.**1**GET USA, INC.**CONSOLIDATED AND COMBINED STATEMENTS OF OPERATIONS**FOR THE YEARS ENDED DECEMBER 31, 2002, 2001, AND 2000*

<i>Consolidated</i>	<i>Consolidated</i>	<i>Combined</i>
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	2002	2001	2000
<i>Revenues</i>			
<i>Site development and license fees</i>	\$1,820,265	\$1,474,068	\$1,288,346
<i>Sales, less returns and allowances</i>	-	71,558	346,300
	1,820,265	1,545,626	1,634,646
<i>Costs of sales</i>			
<i>Purchases</i>	-	61,866	285,587
<i>Wages and benefits</i>	982,646	1,043,845	705,345
	982,646	1,105,711	990,932
<i>Gross Profit</i>	837,619	439,915	643,714
<i>General and administrative expenses</i>	1,619,634	1,156,706	976,565
<i>Operating (loss)</i>	(782,015)	(716,791)	(332,851)
<i>Other income (expense)</i>			
<i>Gain (loss) on foreign currency exchange</i>	48,685	(60,316)	(408)
<i>Interest income/dividends</i>	35,646	90,119	27,822
<i>Loss on disposal of assets</i>	-	(34,164)	-
<i>Miscellaneous income (expense)</i>	3,394	(2,060)	44,615
<i>Total other income (expense), net</i>	87,725	(6,421)	72,029
<i>(Loss) before provision for income taxes</i>	(694,290)	(723,212)	(260,822)
<i>Provision for income taxes</i>	24,224	79,938	3,836
<i>Net (loss)</i>	(718,514)	(803,150)	(264,658)
<i>Other comprehensive income (loss)</i>			
<i>Foreign currency translation adjustment</i>	77,072	40,049	(21,195)
<i>Total comprehensive net (loss)</i>	\$ (641,442)	\$ (763,101)	\$ (285,853)
<i>Weighted average number of shares outstanding</i>	9,748,295	56,344	2,345
<i>(Loss) per share</i>	\$ (0.07)	\$ (13.54)	\$ (121.90)

See accompanying notes.

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GET USA, INC.

CONSOLIDATED AND COMBINED STATEMENTS OF STOCKHOLDERS' EQUITY

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FOR THE YEARS ENDED DECEMBER 31, 2002, 2001, AND 2000

	<i>Common Stock</i>		<i>Preferred Stock</i>		<i>Additional Paid-in Capital</i>	<i>Other Comprehensive Income (Loss)</i>	<i>Retained Earnings (Accumulated Deficit)</i>	<i>Total</i>
	<i>Shares</i>	<i>Amount</i>	<i>Shares</i>	<i>Amount</i>				
<i>Balance at December 31, 1999,</i>	1,230	\$ 2,983	-	\$ -	\$ -	\$ -	\$ (1,065)	\$1,918
<i>Combined GET Holdings Sale/issue of common stock; par value \$2.31</i>	1,230	2,838	-	-	-	-	-	2,838
<i>Other comprehensive (loss)</i>	-	-	-	-	-	(2,616)	-	(2,616)
<i>Net income</i>	-	-	-	-	-	-	11,749	11,749
<i>GET AU Sale/issue of common stock; par value \$.56</i>	1,000	560	-	-	-	-	-	560
<i>Contributed assets</i>	-	-	-	-	44,792	-	-	44,792
<i>Other comprehensive (loss)</i>	-	-	-	-	-	(18,579)	-	(18,579)
<i>Net (loss)</i>	-	-	-	-	-	-	(276,407)	(276,407)
<i>Balance at December 31, 2000,</i>	3,460	6,381	-	-	-	-	-	-
<i>Combined</i>								