

Edgar Filing: COMBINED PROFESSIONAL SERVICES INC - Form 10QSB/A

COMBINED PROFESSIONAL SERVICES INC
Form 10QSB/A
December 26, 2002

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-QSB/A

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

For the quarterly period ended: September 30, 2002

Commission File No. 0-25675

COMBINED PROFESSIONAL SERVICES, INC.
(PATRON HOLDINGS INC. as of October 11, 2002)

(Exact name of registrant as specified in its charter)

| | | |
|---------------------------------------------------|-----------------------------|--------------------------------------|
| NEVADA | 0-25675 | 88-0346441 |
| ----- | ----- | ----- |
| (State or other jurisdiction of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

212 West Kinzie Street, Chicago, IL 60610

(Address and principal executive offices)

(312) 493-2171

(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

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 6,687,200 shares as of September 30, 2002.

Transitional Small Business Format: NO

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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Registrant's updated unaudited Financial Statements as of September 30, 2002 are filed herewith following the signature.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COMBINED PROFESSIONAL SERVICES, INC.
(PATRON HOLDINGS INC.)

December 26, 2002

By: /s/ MARIE MEISENBACH GRAUL

Marie Meisenbach Graul,
Chief Financial Officer

CERTIFICATIONS*

I, Patrick J. Allin, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Patron Holdings, Inc. (Formerly know as Combined Professional Services).

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of

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the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: December 26, 2002

/s/ Patrick J. Allin

Patrick J. Allin
Chief Executive Officer

* Provide a separate certification for each principal executive officer and principal financial officer of the registrant. See Rules 13a-14 and 15d-14. The required certification must be in the exact form set forth above.

CERTIFICATIONS*

I, Marie Meisenbach Gaul, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Patron Holdings, Inc. (Formerly know as Combined Professional Services).

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the

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registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: December 26, 2002

/s/ Marie Meisenbach Graul

Marie Meisenbach Graul
Chief Financial Officer

* Provide a separate certification for each principal executive officer and principal financial officer of the registrant. See Rules 13a-14 and 15d-14. The required certification must be in the exact form set forth above.

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COMBINED PROFESSIONAL SERVICES, INC.
 (A Development Stage Enterprise)
 NOTES TO FINANCIAL STATEMENTS
 (UNAUDITED)

1. Basis of Presentation

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-QSB and Regulation S-B of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements and should be read in conjunction with Notes to Financial Statements contained in the Company's Annual Report on Form 10-KSB for the year ended December 31, 2001. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine months ended September 30, 2002 are not necessarily indicative of the results that may be expected for the year ended December 31, 2002.

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

2. Available-for-Sale Security

On June 7, 2001, the Company exchanged 150,000 shares of its common stock for 49 shares of the common stock (4.9%) of a privately owned Florida corporation, PBJ Holdings, Inc. (PBJ). PBJ has no assets, nor liabilities, but is the sole owner of Florida Discount Securities, Inc. (FDSI). As of June 30, 2001, the 49 shares of PBJ were valued at \$3,320. The 49 shares of PBJ are valued at \$3,664 at September 30, 2002 and \$3,914 as of December 31, 2001, according to the following summaries of the fair value of FDSI's assets and liabilities:

| | Sept. 30, 2002 | Dec. 31, 2001 |
|------------------|----------------|---------------|
| | ----- | ----- |
| Cash | \$ 14,668 | \$ 16,183 |
| Receivables | 58,887 | 209,057 |
| NASDAQ Deposit | 3,300 | 3,300 |
| Accrued Expenses | (2,100) | (148,643) |
| | ----- | ----- |
| Net Assets | \$ 74,755 | \$ 79,897 |
| | x 4.9% | x 4.9% |
| | ----- | ----- |
| Fair Value | \$ 3,664 | \$ 3,914 |
| | ===== | ===== |

As per SFAS 115, the increase in fair value of \$594 as of December 31,

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2001 is recorded as other comprehensive income. The decrease in fair value of \$250 for the nine months ended September 30, 2002 is recorded as other comprehensive loss, resulting in accumulated other comprehensive income of \$344.

3. Related Party Transactions

During the nine months ended September 30, 2002, the Company's two presidents have paid all of the administrative expenses for the Company. This total amount of \$10,421 has been contributed to the Company and added to additional paid in capital.

COMBINED PROFESSIONAL SERVICES, INC.
(A Development Stage Enterprise)
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

4. Stock Transactions

On July 18, 2002, the Company elected a new director and president. On that same day, the Company cancelled the outgoing president's 4,500,000 shares of common stock and issued 4,000,000 shares to the new president. The 4,000,000 shares represent compensation to the new president over the next two years. Such shares are restricted and are subject to return to the Company under certain circumstances; consequently, they are not included in the shares outstanding as of September 30, 2002.

5. Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has sustained recurring operating losses and has minimal assets. These factors raise substantial doubt as to the Company's ability to continue as a going concern. The future of the Company is dependent upon its ability to raise additional working capital and to seek potential merger candidates.

6. Subsequent Event

On September 27, 2002, the Company executed a share exchange agreement with Patron Systems, Inc. (a Delaware privately-owned corporation) and the shareholders of Patron Systems, Inc. Patron Systems, Inc. is a development stage corporation which has been organized to provide information security solutions. The agreement is scheduled to close during early October 2002.

COMBINED PROFESSIONAL SERVICES, INC.
(A Development Stage Enterprise)
BALANCE SHEETS

September 30,
2002
(Unaudited)

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ASSETS

| | |
|-----------------------------|----------|
| CURRENT ASSETS | |
| Prepaid Expense | \$ 186 |
| | ----- |
| TOTAL CURRENT ASSETS | 186 |
| OTHER ASSETS | |
| Available-for-Sale Security | 3,664 |
| | ----- |
| TOTAL ASSETS | \$ 3,850 |
| | ===== |

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| CURRENT LIABILITIES | |
| Accounts Payable | \$ 16,447 |
| Due to Officer | - |
| | ----- |
| TOTAL CURRENT LIABILITIES | 16,447 |
| | ----- |
| STOCKHOLDERS' EQUITY (DEFICIT) | |
| Common Stock, \$.001 par value authorized 50,000,000 shares; 2,687,200 shares issued and outstanding at 2002 and 9,300,000 shares issued and outstanding at 2001 | 2,687 |
| Additional Paid in Capital | 22,195 |
| Deficit Accumulated During Development Stage | (37,823) |
| Accumulated other comprehensive income | 344 |
| | ----- |
| TOTAL STOCKHOLDERS' EQUITY (DEFICIT) | (12,597) |
| | ----- |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | \$ 3,850 |
| | ===== |

See accompanying notes to financial statements.

COMBINED PROFESSIONAL SERVICES, INC.
(A Development Stage Enterprise)
STATEMENTS OF OPERATIONS
(UNAUDITED)

| | | | |
|--|--------------------|-----------|-------------------|
| | Three Months Ended | | Nine Months Ended |
| | Sept. 30, | Sept. 30, | Sept. 30, |
| | 2002 | 2001 | 2002 |
| | ----- | ----- | ----- |

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| | | | |
|---------------------------------------------------------------------|-------------|------------|-------------|
| INCOME | | | |
| Revenue | \$ 0 | \$ 0 | \$ 0 |
| | ----- | ----- | ----- |
| TOTAL INCOME | 0 | 0 | 0 |
| OPERATING EXPENSES | | | |
| General and Administrative | 19,141 | 1,013 | 24,055 |
| | ----- | ----- | ----- |
| TOTAL OPERATING EXPENSES | 19,141 | 1,013 | 24,055 |
| | ----- | ----- | ----- |
| INCOME (LOSS) FROM OPERATIONS | (19,141) | (1,013) | (24,055) |
| OTHER INCOME | 0 | 0 | 0 |
| | ----- | ----- | ----- |
| NET INCOME (LOSS) | \$ (19,141) | \$ (1,013) | \$ (24,055) |
| | ===== | ===== | ===== |
| NET INCOME (LOSS) PER SHARE | \$ (0.00) | \$ (0.00) | \$ (0.00) |
| | ===== | ===== | ===== |
| WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK OUTSTANDING | | | |
| | 3,981,009 | 4,650,000 | 7,507,519 |
| | ===== | ===== | ===== |

See accompanying notes to financial statements.

COMBINED PROFESSIONAL SERVICES, INC.
(A Development Stage Enterprise)
STATEMENTS OF CASH FLOWS
(UNAUDITED)

| | Nine Months Ended | |
|---------------------------|-------------------|-------------------|
| | Sept. 30, 2002 | Sept. 30, 2001 |
| | ----- | ----- |
| CASH FLOWS FROM | | |
| FROM OPERATING ACTIVITIES | | |
| Net (Loss) | \$ (24,055) | \$ (1,013) |
| Prepaid Expense | (186) | - |
| Accounts Payable | 14,234 | - |
| Due to Officer | (600) | 1,013 |
| | ----- | ----- |
| NET CASH USED IN | (10,607) | 0 |
| OPERATING ACTIVITIES | ----- | ----- |
| CASH FLOWS FROM | | |

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| | | |
|----------------------------------------------|--------|--------|
| INVESTING ACTIVITIES | 0 | 0 |
| | ----- | ----- |
| CASH FLOWS FROM FROM FINANCING ACTIVITIES | | |
| Contributions from Officers | 10,607 | - |
| Issue Common Stock | - | - |
| Purchase Treasury Stock | - | - |
| | ----- | ----- |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | 10,607 | 0 |
| | ----- | ----- |
| Net increase (decrease) in cash | - | - |
| Cash, Beginning of Period | - | 296 |
| | ----- | ----- |
| Cash, End of Period | \$ - | \$ 296 |
| | ===== | ===== |

See accompanying notes to financial statements.