

TOT Energy  
Form 10-Q  
February 17, 2009

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended December 31, 2008

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 000-51108

TOT Energy, Inc.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation or organization)

20-0715816  
(IRS Employer Identification No.)

19950 W. Country Club Drive  
8th Floor  
Aventura, FL 33180  
(Address of principal executive offices)

(305) 933-3778  
(Registrant's telephone number, including area code)

201 S. Biscayne Blvd.  
Suite 2868  
Miami, FL 33131  
(Former name, former address and former fiscal year, if changed since last report)

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: At December 31, 2008, the number of shares outstanding of the issuer's common stock, \$0.001 par value, was 289,885,858 shares.

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References in this Form 10-Q to “we”, “us”, “our”, the “Company” and “TOT Energy” refers to TOT Energy, Inc. and its consolidated subsidiaries, unless otherwise noted.

## PART I — FINANCIAL INFORMATION

## Item 1. Financial Statements.

## TOT ENERGY, INC.

## UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2008	December 31, 2008
<b>ASSETS</b>		
Current assets		
Cash	\$ 88,007	\$ 190,042
Deposits	-	6,000
Contract receivable	-	161,836
Cost in excess of related billings on uncompleted contract	-	136,116
Inventory of raw materials	-	35,371
Prepaid expenses and other assets	20,500	30,584
Total current assets	108,507	559,949
Fixed assets		
Building	-	186,097
Machinery and equipment	-	3,535,930
Less: accumulated depreciation	-	(180,895)
Total fixed assets (net)	-	3,541,132
Other Assets		
Accounting software license	1,197	-
Total assets	\$ 109,704	\$ 4,101,081
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY) IN ASSETS</b>		
Current liabilities		
Accounts payable	\$ 15,193	\$ 48,108
Accrued expenses	32,641	676,433
Due to related parties	500,000	-
Total liabilities	547,834	724,541
Minority Interest	-	5,894
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDERS' EQUITY (DEFICIENCY) IN ASSETS</b>		
Preferred stock (\$.001 par value, 100,000,000 shares authorized and no shares issued and outstanding)	-	-
Common stock (\$.001 par value, 400,000,000 shares authorized and 214,507,773 and 289,885,858 shares issued and outstanding)	214,508	289,886
Treasury stock, at cost; 250,000 shares	(62,500)	(62,500)
Paid in capital	5,115,356	18,338,095
Accumulated other comprehensive income	-	(697,205)
Accumulated deficit	(5,705,494)	(14,497,630)

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Total stockholders' equity (deficiency) in assets	(438,130)	3,370,646
Total liabilities and stockholders' equity (deficiency) in assets	\$ 109,704	\$ 4,101,081

See accompanying notes.

## TOT ENERGY, INC.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Three Months Ended		Nine Months Ended		Nine Months Ended	
	December 31,		December 31,		December 31,		December 31,	
	2007		2008		2007		2008	
Sales	\$	-	\$	-	\$	98	\$	-
Cost of sales		-		-		-		-
Gross Profit		-		-		98		-
Operating Expenses								
General and administrative		21,877		6,390,505		60,937		8,879,536
Loss from operations		(21,877)		(6,390,505)		(60,839)		(8,879,536)
Other income (expense)								
Interest expense, net		(27,734)		-		(110,464)		-
Other income (expense)		-		841		-		532
Income from settlements		735,869		-		735,869		-
Income (loss) before minority interest		686,258		(6,389,664)		564,566		(8,879,004)
Minority interest in loss of consolidated subsidiary		-		61,076		-		86,868
Income taxes		-		-		-		-
Net income (loss)	\$	686,258	\$	(6,328,588)	\$	564,566	\$	(8,792,136)
Other comprehensive income								
Foreign currency translation loss		-		(681,285)		-		(697,205)
Comprehensive income (loss)	\$	686,258	\$	(7,009,873)	\$	564,566	\$	(9,489,341)
Net income (loss) per share - basic and diluted								
	\$	0.01	\$	(0.03)	\$	0.01	\$	(0.04)
Weighted average shares outstanding - basic and diluted								
		100,757,770		223,758,378		100,757,770		218,501,521

See accompanying notes

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TOT ENERGY, INC.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended December 31, 2007	Nine Months Ended December 31, 2008
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ 564,566	\$ (8,792,136)
<b>Adjustments to reconcile net income (loss) to net cash used in operating activities:</b>		
Depreciation	-	176,895
Amortization of accounting software license	-	1,197
Decrease in minority interest	-	(35,815)
Share Based Compensation	-	7,482,075
Non cash interest expense	110,464	-
<b>Changes in assets and liabilities, net of acquisitions and the effect of consolidation of equity affiliates:</b>		
Prepaid expenses	5,133	(10,084)
Increase in contract receivables	-	(161,836)
Cost in excess of related billings on uncompleted contract	-	(136,116)
Inventory of raw materials	-	(35,371)
Deposits	-	(6,000)
Accounts payable	(402,336)	32,915
Accrued expenses	(463,427)	643,792
Total adjustments	(750,166)	7,951,652
<b>Net cash used in operating activities</b>	<b>(185,600)</b>	<b>(840,484)</b>
<b>Cash flows from investing activities:</b>		
Purchase of equipment	-	(8,877)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(8,877)</b>
<b>Cash flows from financing activities:</b>		
Contributed capital from equity investors	-	803,152
Contributed capital for Korlea-TOT joint venture	-	41,709
Increase in related party payables	-	1,472,442
Decrease in related party payables	-	(1,343,615)
Note payable related party	558,900	-
<b>Net cash provided by financing activities</b>	<b>558,900</b>	<b>973,688</b>