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YSEEK INC  
Form 10QSB  
August 09, 2005

U.S. SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-QSB

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

For the quarterly period ended June 30, 2005.

or

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

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

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Commission file number: 0-25097

ADVANCED 3-D ULTRASOUND SERVICES, INC.  
(Exact Name of Small Business Issuer in Its Charter)

Florida  
(State or other jurisdiction of  
incorporation or organization)

65-0783722  
(I.R.S. Employer  
Identification No.)

3900A 31st Street North, St. Petersburg, Florida 33714  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: 727-525-5552

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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 X No

The number of shares of the registrant's common stock, par value \$.0001 per  
share, outstanding as of August 3, 2005, was 198,063.

Part I. Financial Information

Item 1- Financial Statements

ADVANCED 3-D ULTRASOUND SERVICES, INC.  
BALANCE SHEET

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June 30, 2005  
(unaudited)

ASSETS	
Current assets	
Cash	\$ -
Property and equipment, net	3,763
	-----
Total Assets	\$ 3,763
	=====

LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)	
Current liabilities	
Accounts payable and accrued expenses	\$ 41,906
Notes payable	26,250
Loans from related party	1,830
	-----
Total current liabilities	69,986
Commitments and contingencies	
Stockholders' equity (deficit)	
Common stock; \$.0001 par value; 50,000,000 shares authorized; 198,063 shares issued and outstanding	20
Paid-in capital	8,968,303
Accumulated deficit	(9,034,546)
	-----
Total stockholders' equity (deficit)	(66,223)
	-----
Total Liabilities and Stockholders' Equity (Deficit)	\$ 3,763
	=====

The accompanying notes are an integral part  
of the financial statements.

ADVANCED 3-D ULTRASOUND SERVICES, INC.  
STATEMENTS OF OPERATIONS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005 (unaudited)	2004 (unaudited)	2005 (unaudited)	2004 (unaudited)
	-----	-----	-----	-----
Revenues	\$ -	\$ -	\$ -	\$ -
Expenses				
Selling, general and administrative	14,775	109,168	31,271	150,842
	-----	-----	-----	-----
Total expenses	14,775	109,168	31,271	150,842
	-----	-----	-----	-----
Other income (expense)				
Interest expense	(636)	(3)	(853)	(137)
	-----	-----	-----	-----
Total other				

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income (expense)	(636)	(3)	(853)	(137)
	-----	-----	-----	-----
Net loss	\$ (15,411)	\$ (109,171)	\$ (32,124)	\$ (150,979)
	=====	=====	=====	=====
Loss per common share	\$ (0.08)	\$ (0.76)	\$ (0.16)	\$ (1.14)
	=====	=====	=====	=====
Weighted average common shares outstanding	198,063	142,896	198,063	132,724
	=====	=====	=====	=====

The accompanying notes are an integral part  
of the financial statements.

ADVANCED 3-D ULTRASOUND SERVICES, INC.  
STATEMENTS OF CASH FLOWS

	Six Months Ended June 30,	
	2005 (unaudited)	2004 (unaudited)
	-----	-----
Cash flows from operating activities		
Net loss	\$ (32,124)	\$ (150,979)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	476	45
Increase in deposits	-	(3,641)
Increase in accounts payable and accrued expenses	3,455	3,510
	-----	-----
Total adjustments	3,931	(86)
	-----	-----
Net cash used in operating activities	(28,193)	(151,065)
	-----	-----
Cash flows from investing activities		
Purchase of equipment	-	(898)
	-----	-----
Cash flows from financing activities		
Proceeds from sale of common stock	-	170,000
Proceeds from notes payable	26,250	-
Repayments made on related party loans	(10,700)	-
Proceeds from related party loans	12,530	-
	-----	-----
Net cash provided by financing activities	28,080	170,000
	-----	-----
Net increase (decrease) in cash	(113)	18,037
Cash, beginning of period	113	3
	-----	-----
Cash, end of period	\$ -	\$ 18,040
	=====	=====

Supplemental disclosures of noncash investing and

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### financing activities:

Professional fees financed through loans from related parties totaled \$6,430 and \$0 for the six months June 30, 2005 and 2004, respectively

### Cash flow information:

	2005	2004
	-----	-----
Cash paid for interest	\$ -	\$ 137
Cash paid for income taxes	-	-

The accompanying notes are an integral part of the financial statements.

### ADVANCED 3-D ULTRASOUND SERVICES, INC. NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

The information presented herein as of June 30, 2005, and for the six-months ended June 30, 2005 and 2004, is unaudited.

#### (1) Basis of Presentation:

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The accompanying financial statements of Advanced 3-D Ultrasound Services, Inc. (the Company) have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and item 310(b) 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 required adjustments) considered necessary for a fair presentation have been included.

Operating results for the six-month period ended June 30, 2005, are not necessarily indicative of the results that may be expected for the year ending December 31, 2005. For further information, refer to the financial statements and footnotes included in the Company's annual report of Form 10-KSB for the year ended December 31, 2004.

Net loss per common share is computed in accordance with the requirements of Statement of Financial Accounting Standards No. 128 (SFAS 128). SFAS 128 requires net loss per share information to be computed using a simple weighted average of common shares outstanding during the periods presented.

#### (2) Stock Transactions:

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During the six months ended June 30, 2005 and 2004, the Company sold 0 and 34,000 shares of common stock for cash of \$0 and \$170,000.

#### (3) Notes and Loans Payable:

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During the six months ended June 30, 2005, a stockholder of the Company loaned \$12,530 to the Company, of which \$10,700 has been repaid. This loan is unsecured, bears interest at 10% and is due on demand. Accrued interest as of June 30, 2005 is \$369 related to this loan.

During the six months ended June 30, 2005, a stockholder of the Company loaned \$16,250 to the Company. This loan is unsecured, bears interest at 10% and is due September 15, 2005. Accrued interest at June 30, 2005 is \$322 related to this

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loan.

During the six months ended June 30, 2005, an individual loaned the Company \$10,000. This loan is unsecured, bears interest at 10% and is due August 29, 2005. Accrued interest at June 30, 2005 is \$162 related to this loan.

(4) Other:

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On May 25, 2005 the Company entered into a letter of intent to acquire Professional Technical Systems, Inc. (PTS). Subject to the due diligence of both parties and the execution of a definitive agreement, the Company anticipates that, in connection with the aforementioned transaction, PTS shareholders will receive one share of Company common stock for every PTS common share held.

(5) Going Concern:

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As shown in the accompanying financial statements, the Company has incurred recurring losses from operations and at June 30, 2005, the Company's cash balance was \$0 and its current liabilities exceeded its current assets by \$69,986.

Management has taken several actions to ensure that the Company will continue as a going concern through June 30, 2006, including the potential acquisition of a liquid company. In addition, the Company expects to continue to receive funds from the sale of its common stock. Management believes these actions will enable the Company to continue as a going concern through June 30, 2006. There can be no assurance, however, that the Company will raise funds from the sale of its securities beyond those disclosed in these financial statements.

### Item 2. Management's Discussion and Analysis or Plan of Operation

#### PLAN OF OPERATION

Currently the Company plans to acquire a profitable business. Company management is currently performing due diligence regarding potential business acquisitions. The Company entered into a letter of intent to acquire Professional Technical Systems, Inc (PTS). PTS is an operating company engaged in the business of developing, manufacturing and selling electrical surge protection devices. The Company has also discussed the merger of World Energy Solutions, Inc. (WESI) into the Company. WESI is not an operating company at this time however it has been formed to engage in the business of consulting regarding energy conservation technologies and installing such technologies at commercial and industrial facilities.

Previously, the Company's plans included developing a profitable business in 3-D fetal photography. In response to the Company's decision to pursue this business venture, the Company changed its name to Advanced 3-D Ultrasound Services, Inc. at its shareholders meeting on May 2, 2003. Subsequently, as a result of recent concerns of the FDA related to non-diagnostic ultrasounds, the Company has decided not to enter this market. In furtherance of pursuing a business in 3-D fetal photography, the Company entered into leases for office space and a photograph center, which have subsequently expired or were cancelled and not renewed. The Company's officers were working out of home offices through June 30, 2005.

In August 2004 the Company entered into consulting agreements with six individuals. These individuals will provide consulting services in the areas of marketing, business planning and legal services for a period of one year. The consultants each received 5,850 shares of common stock in exchange for their

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services.

In June, 2005, in light of the plans to acquire PTS and merge with WESI, the officers of the Company resigned and were replaced by new officers and directors with experience in the industries of PTS and WESI. The new officers and directors of the Company are officers and/or stockholders of PTS and/or WESI.

The Company's plans to acquire a profitable business and to expand operations will require additional funds. The Company plans to fund acquisitions through the sale of common stock.

In January 2004, the Company issued a private placement memorandum to issue up to 1,000,000 common shares at \$5.00 per share to raise up to \$5,000,000 to develop and operate imaging centers to provide ultrasound pictures of fetuses. The funds raised were to have been used for development costs, equipment, salaries, marketing and future public offering costs. The plans to develop and operate imaging centers has been abandoned.

In 2004, the Company received \$230,000 from sales of common stock. This funding was spent on development costs, salaries and other administrative costs.

Administrative costs in 2005 have been funded from loans from Company stockholders and an unrelated individual.

### Item 3. CONTROLS AND PROCEDURES

#### (a) Evaluation of disclosure controls and procedures.

The Company's management, recognizes its responsibility for establishing and maintaining internal control over financial reporting for the Company. After evaluating the effectiveness of our "disclosure controls and procedures" (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)) as of December 31, 2004 (the "Evaluation Date"), the Company's management has concluded, as of the Evaluation Date, the Company's disclosure controls and procedures were adequate and designed to ensure the information required to be disclosed in the reports filed or submitted by us under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported with in the requisite time periods.

#### (b) Effectiveness of Internal Control

The Company's management is reviewing the Company's internal controls over financial reporting to determine the most suitable recognized control framework. The Company will give great weight and deference to the product of the discussions of the SEC's Advisory Committee on Smaller Public Companies (the "Advisory Committee") and the Committee of Sponsoring Organizations' task force entitled Implementing the COSO Control Framework in Smaller Businesses (the "Task Force"). Both the Advisory Committee and the Task Force are expected to provide practical, needed guidance regarding the applicability of Section 404 of the Sarbanes-Oxley Act to small business issuers. The Company's management intends to perform the evaluation required by Section 404 of the Sarbanes-Oxley Act at such time as a framework is adopted by the Company. For the same reason, the Company's registered accounting firm has not issued an "attestation report" on the Company management's assessment of internal controls.

#### (c) Changes in internal controls.

After evaluation by the Company's management, the Company's management has determined there were no significant changes in the Company's internal controls or in other factors that could significantly affect the Company's internal

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controls subsequent to the Evaluation Date.

### Part II. Other Information

#### Item 1. Legal Proceedings.

NONE

#### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

NONE

#### Item 3. Defaults Upon Senior Securities

NONE

#### Item 4. Submission of Matters to a Vote of Security Holders

NONE

#### Item 5. Other Information

NONE

#### Item 6. Exhibits and Reports on Form 8-K

Exhibit	Description	Number
(2)	Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession.....	None
(3)	(i) Articles of Incorporation.....	*
	(ii) By-Laws.....	**
	(iii) Articles of Amendment (Name Change).....	***
(4)	Instruments defining the rights of holders, including Indentures	
	(a) Subscription Agreement.....	None
	(b) Warrant Agreement.....	*
	(c) Warrant Resolution dated March 2, 2000.....	***
(10)	Material contracts.....	None
(11)	Statement re: computation of per share earnings.....	Note 1 to Financial Statements
(15)	Letter re: Unaudited Interim Financial Information.....	None
(18)	Letter on change in accounting principles.....	None

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(19) Report Furnished to Security Holders .....	None
(22) Published report regarding matters submitted to vote.....	None
(23) Consents of Experts and Counsel.....	None
(24) Power of Attorney.....	None
(31) Certification of Chief Executive Officer and Chief Financial Officer.....	****
(32) Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.....	****
(99) Additional Exhibits	
(a) Letter of Intent with Professional Technical Systems, Inc.....	+
(b) Election of Directors and Appointment of Principal Officers.....	++

- \* Previously filed with Form 10-SB on November 23, 1998.
- \*\* Previously filed with Form 10-SBA No. 1 on February 2, 1999.
- \*\*\* Previously filed with Form 10KSB filed March 29, 2001.
- \*\*\*\* Filed herewith.
- + Previously filed with Form 8-K on May 25, 2005.
- ++ Previously filed on Form 8-K on July 6, 2005.

(b) REPORTS ON FORM 8-K:

Item 8 on Form 8-K: Other Events.

A Letter of Intent ("LOI") to acquire Professional Technical Systems, Inc. ("PTS"), subject to the due diligence of both parties and the execution of a definitive agreement. A copy of the LOI was filed as an Exhibit to the Company's Form 8-K filed with the Securities and Exchange Commission on May 25, 2005. (See Exhibit 99(a), incorporated by reference, herein).

Item 5.02 on Form 8-K: Departures of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

On June 29, 2005, Registrant's board elected the following persons to serve as directors: Benjamin C. Croxton, Mike Prentice and Jodi Crumbliss. Biographical information and qualifications of those elected are included in the Company's Form 8-K filed with the Securities and Exchange Commission on July 6, 2005. (See Exhibit 99(b), incorporated by reference, herein).

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.

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ADVANCED 3-D ULTRASOUND SERVICES, INC.

Dated: August 9, 2005

/s/ Benjamin C. Croxton

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Benjamin C. Croxton  
Chief Executive Officer  
Chief Financial Officer