COCONNECT INC
Form 10-Q
November 13, 2009

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

FORM 10-Q

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

For the quarterly period ended September 30, 2009

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

For the transition period from ___________ to _____________

Commission File Number: 000-29735

COCONNECT, INC.

Nevada (State or other jurisdiction of Incorporation)	63-1205304 (IRS Employer Identification Number)

2038 Corte del Nogal, Suite 110
Carlsbad, California 92011
(Address of principal executive offices)

760-804-8844
(Issuer's Telephone Number)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the 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 X No ___

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company.

Large accelerated filer ___ Accelerated filer ___ Non-accelerated filer ___ Smaller reporting company X

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13, or 15(d) of the Exchange Act of 1934 after the distribution of securities under a plan confirmed by a court. 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:

156,817 common shares outstanding, $0.001 par value, as of November 11, 2009

PART I

ITEM 1. FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors of Coconnect, Inc.

We have reviewed the accompanying condensed balance sheets of Coconnect, Inc. as of September 30, 2009, and the related condensed statements of operations, and cash flows for the three and nine months ended September 30, 2009. These condensed financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

The accompanying condensed financial statements have been prepared assuming that the Company will continue as a going concern. Because of the Company's current status and limited operations there is substantial doubt about its ability to continue as a going concern. Management's plans in regard to its current status are also described in the Notes to condensed financial statements. The condensed financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Chang G. Park__
Chang G. Park, CPA

November 12, 2009
San Diego, California

COCONNECT, INC
CONDENSED BALANCE SHEETS

		September 30, 2009		December 31, 2008
ASSETS		(unaudited)		
Current assets				
Other receivable	$	1,333	$	-
Total current assets		1,333		-
TOTAL ASSETS	$	1,333	$	-
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current liabilities				
Accounts payable	$	34,040	$	37,540
Related party paybable		-		11,609
Convertible notes payable, related party		84,586		55,000
Total current liabilities		118,626		104,149
TOTAL LIABILITIES		118,626		104,149
STOCKHOLDERS' DEFICIT				
Common stock, 150,000,000 shares authorized, $0.001 par value 156,817 and 133,915 shares issued and outstanding as of September 30, 2009 and December 31, 2008 respectively.		157		134
Additional paid-in capital		11,350,684		11,350,707
Deficit accumulated during the development stage		(11,468,134)		(11,454,989)
TOTAL STOCKHOLDERS' DEFICIT		(117,293)		(104,149)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$	1,333	$	-

The accompanying notes are an integral part of these financial statements

COCONNECT, INC
CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED)

	For the Period Three months ended September 30,		For the Period Nine months ended September 30,	
	2009	2008	2009	2008
Revenues				
Sales	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenses				
Professional Fees	1,333	-	7,333	-
General and administrative	1,310	10,966	5,282	10,966
Total operating expenses	2,643	10,966	12,615	10,966
Loss from operations	(2,643)	(10,966)	(12,615)	(10,966)
Other income (expense)				
Interest expense	(530)	-	(530)	(187)
Total other income (expense)	(530)	-	(530)	(187)
Net Loss before Income Tax	(3,173)	(10,966)	(13,145)	(11,153)
Income Tax	-	-	-	-
NET LOSS	$ (3,173)	$ (10,966)	$ (13,145)	$ (11,153)
Basic and diluted loss per common share	$ (0.02)	$ (0.08)	$ (0.08)	$ (0.08)

Weighted average common shares outstanding (2008 restated for split)	156,817	133,915	156,817	133,915

The accompanying notes are an integral part of these financial statements

COCONNECT, INC
CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the Period Nine months ended September 30, 2009 (unaudited)	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	$ (13,145)	$ (11,153)
Adjustments to reconcile net loss to net cash used in operating activities:		
Notes issued for services	-	187
Changes in operating assets and liabilities:		
Other receivable increase	(1,333)	-
Accounts payable increase	-	3,500
Accrued expenses and interest increase	13,145	7,466
NET CASH USED IN OPERATING ACTIVITIES	$ (1,333)	$ -
CASH FLOWS FROM INVESTING ACTIVITIES		
NET CASH USED IN INVESTING ACTIVITIES	$ -	$ -
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of convertible note	1,333	
NET CASH PROVIDED BY FINANCING ACTIVITIES	$ 1,333	$ -
NET CHANGE IN CASH	-	-
CASH BALANCES		
Beginning of period	-	-
End of period	$ -	$ -
SUPPLEMENTAL DISCLOSURE:		
Interest paid	-	-

Income taxes paid		-		-
NON-CASH ACTIVITIES:				
Convertible note issued as a debt settlement	$	27,724		

The accompanying notes are an integral part of these financial statements

COCONNECT, INC.
Notes to the condensed Financial Statements (Unaudited)
As of September 30, 2009

GENERAL

CoConnect, Inc. (the "Company") has elected to omit substantially all footnotes to the financial statements for the nine months ended September 30, 2009, since there have been no material changes (other than indicated in other footnotes) to the information previously reported by the Company in their Annual Report filed on the form 10 K for the twelve months ended December 31, 2008.

CONVERTIBLE DEBENTURES, RELATED PARTY

A $55,000 0% convertible debenture was issued on October 25, 2007. The note was payable on the first day of the month, beginning on November 1, 2007 and ending on February 1, 2008, the amount of $13,750 per month. At the time of this note was issued it was convertible into common stock at $0.09. This note was later purchased from the third party it was originally issued to by a related party, the Noctua Fund, LP. Noctua Fund, LP is managed by Noctua Fund Manager, LLC. Mark Baum, the Company's president as of September 30, 2009, is also a managing member of Noctua Fund Manager, LLC.

As of August 15, 2009 no payments had been made and as a result of nonpayment this convertible debenture was in default. On August 15, 2009 the Company entered into a note exchange with Noctua Fund, LP. The $55,000 0% convertible debenture was cancelled, and in exchange Noctua Fund, LP was issued two new convertible notes and guaranteed a future payment of $1,333 to help pay future Company expenses. The two notes issued are both in the amounts of $28,167 with interest accruing at 5% of the principal balance. The notes are both due on November 15, 2009 and are convertible into the Company's common stock at $.01 per share. At the time of the note agreement date, there was no determinable stock price, therefore there is no beneficial conversion feature that applies to this debenture.

On August 15, 2009 the Company issued two convertible notes both in the amount of $13,862 with interest accruing at 5% of the principal balance. The notes were issued as part of a debt settlement agreement with Noctua Fund Manager, LLC. These notes are due on November 15, 2009 and are convertible into the Company's common stock at $.01 per share. At the time of the note agreement date, there was no determinable stock price, therefore there is no beneficial conversion feature that applies to this debenture. Noctua Fund Manager, LLC's managing member is Mark Baum our President as of September 30, 2009.

Convertible notes payable consists of the following:

	As of September 30, 2009	As of September 30, 2008
Gross proceeds from notes	$ 84,056	$ 55,000
Less: Principal Payments	-	-
Add: Accrued	530	-

Interest		
Carrying Value of Notes	$ 84,586	$ 55,000

EQUITY TRANSACTIONS

On December 12, 2008 the Company's Board of Directors approved a 1-for-12,000 reverse stock split of the Company's common stock such that shareholders of the Company's common stock were issued one share of common stock in exchange for every 12,000 shares of common stock held as of the record date, with a reverse split floor of 100 shares. The reverse split floor has resulted in brokerage firms struggling to properly account for the reverse split in a timely manner. As a result, the companies issued and outstanding common shares has changed since our annual report 10 K originally filed on March 31, 2009, despite no new issuances being made.

As of the date of this filing, the amount of issued and outstanding common shares is, 156,817. The increase is directly related to the reverse split, and has had no material affect on our financial statements.

RELATED PARTY TRANSACTIONS

Noctua Fund Manager, LLC's managing member is Mark Baum our President as of September 30, 2009. For the nine months ended September 30, 2009, Noctua Fund Manager, LLC paid $12,615 to cover professional fees and certain general and administrative expenses of the Company. As of August 15, 2009, there is $27,724 due to related parties. On August 15, 2009 the Company issued two convertible notes both in the amount of $13,862 with interest accruing at 5% of the principal balance. The notes were issued as part of a debt settlement agreement with Noctua Fund Manager, LLC.

UNAUDITED INFORMATION

The information furnished herein was taken from the books and records of the Company without audit. However, such information reflects all adjustments which are, in the opinion of management, necessary to properly reflect the results of the interim period presented. The information presented is not necessarily indicative of the results from operations expected for the full fiscal year.

GOING CONCERN

The accompanying financial statements have been prepared assuming we will continue as a going concern. Because of the recurring operating losses and excess of current liabilities over current assets, there is substantial doubt about the Company's ability to continue as a going concern. The Company had substantial operating losses for the past years and is dependent upon outside financing to continue operations. The Company's continuation as a going concern is dependent on attaining profitable operations, restructuring its financial obligations, and obtaining additional outside financing. The Company plan to raise necessary funds from shareholders to satisfy the expense requirements of the Company.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

FORWARD-LOOKING STATEMENTS

This discussion and analysis in this Quarterly Report on Form 10-Q should be read in conjunction with the accompanying Consolidated Financial Statements and related notes. Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent liabilities at the financial statement date and reported amounts of revenue and expenses during the reporting period. We review our estimates and assumptions on an on-going basis. Our estimates are based on our historical experience and other assumptions that we believe to be reasonable under the circumstances. Actual results are likely to differ from those estimates under different assumptions or conditions, but we do not believe such differences will materially affect our financial position or results of operations. Our critical accounting policies, the policies we believe are most important to the presentation of our financial statements and require the most difficult, subjective and complex judgments, are outlined below in ‘‘Critical Accounting Policies,’’ and have not changed significantly.

In addition, certain statements made in this report may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements involve known or unknown risks, uncertainties and other factors that may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Specifically, but not limited to, 1) our ability to obtain necessary regulatory approvals for our products; and 2) our ability to increase revenues and operating income, is dependent upon our ability to develop and sell our products, general economic conditions, and other factors. You can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continues" or the negative of these terms or other comparable terminology. We base these forward-looking statements on our expectations and projections about future events, which we derive from the information currently available to us. Such forward-looking statements relate to future events or our future performance. Although we believe that the expectations reflected-in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Forward-looking statements are only predictions. The forward-looking events discussed in this Quarterly Report, the documents to which we refer you, and other statements made from time to time by us or our representatives, may not occur, and actual events and results may differ materially and are subject to risks, uncertainties, and assumptions about us. For these statements, we claim the protection of the “bespeaks caution” doctrine. The forward-looking statements speak only as of the date hereof, and we expressly disclaim any obligation to publicly release the results of any revisions to these forward-looking statements to reflect events or circumstances after the date of this filing.

OVERVIEW AND PLAN OF OPERATION

We are currently seeking to acquire assets or shares of an entity actively engaged in business which generates revenues. We have several acquisitions in mind and are investigating the candidates to determine whether or not they will add value to the Company for the benefit of our shareholders. Our Board of Directors intends to obtain certain assurances of value of the target entity's assets prior to consummating such a transaction. Any business combination or transaction will likely result in a significant issuance of shares and substantial dilution to our present stockholders.

RECENT DEVELOPMENTS

On August 15, 2009 the Company entered into a note exchange with Noctua Fund, LP wherein a $55,000 convertible debenture previously held by Noctua Fund, LP was cancelled, and in exchange the Company issued two new convertible notes to Noctua Fund, LP in the combined amount of $56,334, which total amount included an additional $1,333 paid by Noctua Fund, LP on behalf of the Company to cover certain corporate maintenance expenses with the Nevada Secretary of State. The two notes were both issued to Noctua Fund, LP in equal amounts of $28,167 with interest accruing at 5% of the principal balance. The two notes are both due on November 15, 2009 and are convertible into the Company's common stock at a conversion price of $.01 per share. At the time of the issuance of the notes, there was no determinable stock price, therefore there is no beneficial conversion feature that applies to these notes. Noctua Fund, LP's general partner is Noctua Fund Manager, LLC and Noctua Fund Manager, LLC's managing member is Mark Baum, our President as of September 30, 2009.

On August 15, 2009 the Company issued two convertible notes both in the amount of $13,862 with interest accruing at 5% of the principal balance. These notes were issued as part of a debt settlement agreement with Noctua Fund Manager, LLC. The notes are due on November 15, 2009 and are convertible into the Company's common stock at $.01 per share. At the time of the issuance of the notes, there was no determinable stock price, therefore there is no beneficial conversion feature that applies to these notes. Noctua Fund Manager, LLC's managing member is Mark Baum, our President as of September 30, 2009.

On October 30, 2009, Mark L. Baum, Esq. resigned from his position as President, Chief Executive Officer, Chief Financial Officer and Secretary of the Company. Immediately following his resignation, the Company's Board of Directors appointed Mr. Brad M. Bingham, Esq. as the Company's Interim Chief Executive Officer, Chief Financial Officer, Secretary and Director.

On October 31, 2008, Mark L. Baum, Esq. resigned from his position as a member of the Board of Directors.

RESULTS OF OPERATIONS

During the periods ended September 30, 2009 and 2008, the Company had no revenues from operations.

The Company had $2,643 in total operating expenses for the three months ended September 30, 2009 and $12,615 in total operating expenses for the nine months ended September 30, 2009. Total operating expenses for the three months and nine months ended September 30, 2008 were $10,966 respectively.

For the current fiscal year, the Company anticipates incurring a loss as a result of legal and accounting expenses, and expenses associated with locating and evaluating acquisition candidates. The Company anticipates that until a business combination is completed with an acquisition candidate, it will not generate substantial revenues, and may continue to operate at a loss after completing a business combination, depending upon the performance of the acquired business.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2009, the Company had total assets of $1,333 and total liabilities of $118,626, resulting in a working capital deficiency of $117,293. The Company had a stockholders' deficit of $117,293 at September 30, 2009.

NEED FOR ADDITIONAL FINANCING

Additional funding will be required in order for the company to survive as a going concern and to finance growth and to achieve our strategic objectives. Management is actively pursuing additional sources of funding. If we do not raise sufficient funds in the future, we may not be able to fund expansion, take advantage of future opportunities, meet our existing debt obligations or respond to unanticipated requirements. Financing transactions in the future may include the issuance of equity or debt securities, obtaining credit facilities, or other financing mechanisms.

The amount and timing of our future capital requirements will depend upon many factors, including the level of funding received from possible future private placements of our common stock and the level of funding obtained through other financing sources, and the timing of such funding.

We intend to retain any future earnings to retire any existing debt, finance the expansion of our business and any necessary capital expenditures, and for general corporate purposes.

GOING CONCERN

The accompanying financial statements have been prepared assuming we will continue as a going concern. We have had substantial operating losses for the past years and are dependent upon outside financing to continue operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. It is management's plan to raise necessary funds from shareholders to satisfy the expense requirements of the Company.

OFF-BALANCE SHEET FINANCINGS

None.

GOVERNMENTAL REGULATIONS

None.

RESEARCH AND DEVELOPMENT

None.

EMPLOYEES

We currently have no full time employees.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

None.

ITEM 4. CONTROLS AND PROCEDURES

As required by Rule 13a-15 under the Securities Exchange Act of 1934 ("Exchange Act") we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as September 30, 2009, being the date of our most recently completed fiscal quarter. This evaluation was carried out under the supervision and with the participation of our Chief Executive and Chief Financial Officer. Based upon that evaluation, our Chief Executive and Chief Financial Officer have concluded that our disclosure controls and procedures are not effective to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to them to allow timely decisions regarding required disclosure. Such reasons for ineffectiveness were described in the Company's Form 10-K, and subsequent amendments, for the period ending December 31, 2008.

During our most recently completed fiscal quarter ended September 30, 2009, there were no changes in our internal control over financial reporting that have materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

We currently do not have an audit committee, or a person serving on our Board of Directors who would qualify as a financial expert.

PART II

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

Not Applicable.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

As disclosed in our previous filings, on December 12, 2008 the Company's Board of Directors approved a 1-for-12,000 reverse stock split of the Company's common stock such that shareholders of the Company's common stock were issued one share of common stock in exchange for every 12,000 shares of common stock held as of the record date, with a reverse split floor of 100 shares. The reverse split floor has resulted in brokerage firms struggling to properly account for shares held in street name which were affected by the reverse split in a timely manner. As a result, the companies issued and outstanding common shares has changed since our last report in our Form 10-Q filed for the period ending June 30, 2009. The number of shares issued and outstanding has increased by 22,902 to a current total of 156,817 shares, despite no new issuances being made to any new shareholders. Such increase is directly and solely related to the reverse split, and has had no material affect on our financial statements.

ITEM 3. DEFAULT UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Ex. #	Description
3(i).1	Certificate of Incorporation filed as an exhibit to the Company's registration statement on Form 10SB12G filed on July 29, 1999 and incorporated herein by reference.
3(ii).1	

	By-Laws filed as an exhibit to the Company's registration statement on Form 10SB12G filed on July 29, 1999 and incorporated herein by reference.
10.1	Debt Exchange Agreement between the Company and Noctua Fund Manager, LLC and related Convertible Promissory Notes
10.2	Note Exchange Agreement between the Company and Noctua Fund, LP and related Convertible Promissory Notes
14.1	CoConnect, Inc. Code of Ethics filed as an exhibit to our annual report on Form 10-KSB filed on June 19, 2005 and incorporated herein by reference
31.1	Rule 13a-12(a)/15d-14(a) Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 302 the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Signatures

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf on November 12, 2009, by the undersigned, thereunto duly authorized.

COCONNECT, INC.

/s/ Brad M. Bingham, Esq.
By: Brad M. Bingham, Esq.
Its: Interim Chief Executive Officer and
Principal Accounting Officer