

# SECURITIES & EXCHANGE COMMISSION EDGAR FILING

## Provectus Pharmaceuticals, Inc.

**Form: 10QSB**

**Date Filed: 2002-05-21**

Corporate Issuer CIK:	315545
Symbol:	PVCT
SIC Code:	2834
Fiscal Year End:	12/31

**U.S. SECURITIES AND EXCHANGE COMMISSION****Washington, D. C. 20549****FORM 10-QSB**

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended: March 31, 2002

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 For  
the transition period from to

Commission File number: **0-9410****PROVCTUS PHARMACEUTICALS, INC.**

(Exact name of registrant as specified in charter)

<b>Nevada</b>	<b>83-0233011</b>
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer I.D. No.)

**7327 Oak Ridge Hwy, Suite B 37931**

(Address of principal executive offices) (Zip Code)

Issuer's telephone number, including area code: **(865) 539-9975**

Not Applicable

(Former name, address and fiscal year, if changed since last report)

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. (1) Yes [X] No [ ] (2) Yes [X] No [ ]

**APPLICABLE ONLY TO CORPORATE REGISTRANTS**

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the last practicable date.

Class Outstanding as of May 20, 2002

Common Stock, \$.001 Par Value 8,645,128

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

Check whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the  
Exchange Act subsequent to the distribution of securities under a plan confirmed by a court. Yes [ ] No [ ]

Transitional Small Business Format: Yes [ ] No [X]

Documents incorporated by reference: None

**FORWARD-LOOKING INFORMATION**

THIS FORM 10QSB AND OTHER STATEMENTS ISSUED OR MADE FROM TIME TO TIME BY THE COMPANY OR ITS  
REPRESENTATIVES CONTAIN STATEMENTS WHICH MAY CONSTITUTE "FORWARD-LOOKING STATEMENTS"  
WITHIN THE MEANING OF THE SECURITIES ACT OF 1933 AND THE SECURITIES EXCHANGE ACT OF 1934, AS  
AMENDED BY THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, 15 U.S.C.A. SECTIONS 77Z-2 AND  
78U-5. THOSE STATEMENTS INCLUDE STATEMENTS REGARDING THE INTENT, BELIEF OR CURRENT  
EXPECTATIONS OF THE COMPANY AND MEMBERS OF ITS MANAGEMENT TEAM AS WELL AS THE  
ASSUMPTIONS ON WHICH SUCH STATEMENTS ARE BASED.

PROSPECTIVE INVESTORS ARE CAUTIONED THAT ANY SUCH FORWARD-LOOKING STATEMENTS ARE NOT  
GUARANTEES OF FUTURE PERFORMANCE AND INVOLVE RISKS AND UNCERTAINTIES, AND THAT ACTUAL

RESULTS MAY DIFFER MATERIALLY FROM THOSE CONTEMPLATED BY SUCH FORWARD-LOOKING STATEMENTS. IMPORTANT FACTORS CURRENTLY KNOWN TO MANAGEMENT THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE IN FORWARD- LOOKING STATEMENTS ARE SET FORTH HEREIN. THE COMPANY UNDERTAKES NO OBLIGATION TO UPDATE OR REVISE FORWARD-LOOKING STATEMENTS TO REFLECT CHANGED ASSUMPTIONS, THE OCCURRENCE OF UNANTICIPATED EVENTS OR CHANGES TO FUTURE OPERATING RESULTS OVER TIME.

## **PART I - FINANCIAL INFORMATION**

### **ITEM 1. FINANCIAL STATEMENTS**

The accompanying balance sheets of Provectus Pharmaceuticals, Inc. (a development stage company) at March 31, 2002 and December 31, 2001, and the statements of operations for the three months ended March 31, 2002 and 2001 and the period from January 1, 1992 to March 31, 2002, and the cash flows for the three months ended March 31, 2002 and 2001, and the period from January 1, 1992 to March 31, 2002, have been prepared by the Company's management and they include all information and notes to the financial statements necessary for a complete presentation of the financial position, results of operations, and cash flows in conformity with generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature.

Operating results for the quarter ended March 31, 2002 are not necessarily indicative of the results that can be expected for the year ending December 31, 2002.

#### **Provectus Pharmaceuticals, Inc.**

(A Development Stage Company)

#### **Financial Statements**

**March 31, 2002**

#### **Provectus Pharmaceuticals, Inc.**

(A Development Stage Company )

#### **BALANCE SHEETS**

	<b>March 31, 2002</b>	<b>December 31, 2001</b>
	(Unaudited)	
<b>ASSETS</b>		
CURRENT ASSETS		
Total Assets	\$ -	\$ -
	\$ -	\$ -
	=====	=====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
CURRENT LIABILITIES		
Accounts Payable - Related	\$ 2,100	\$ 2,100
Accounts Payable	1,544	1,544
Total Current Liabilities	3,644	3,644

STOCKHOLDERS' EQUITY		
Common Stock, 100,000,000 Shares Authorized at\$.001 Par Value; 32,312,768 & 25,719,181 Shares Issued and Outstanding, Respectively	32,313	25,719
Additional Paid-in Capital	5,719,617	5,719,617
Accumulated Deficit	(5,755,574)	(5,748,980)
Total Stockholders' Equity	(3,644)	(3,644)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ -	\$ -
	=====	=====

See accompanying notes to financial statements

**Provectus Pharmaceuticals, Inc.**

**( Development Stage Company )**

**STATEMENTS OF OPERATIONS**

**(Unaudited)**

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001	Deficit Accumulated During the Development Stage
<b>REVENUE</b>	\$ -	\$ -	\$ -
<b>EXPENSES</b>			
General & Administrative	6,594	10,000	161,799
Total Expenses	6,594	10,000	161,799
Operating Income (Loss)	(6,594)	(10,000)	(161,799)
<b>OTHER INCOME (EXPENSES)</b>			
Interest	-	-	(11,649)
Gain from Extinguishment of debt	-	-	361,263
Total Other Income (Expenses)	-	-	349,614
Net Loss	\$(6,594)	\$(10,000)	\$187,815
	=====	=====	=====

See accompanying notes to financial statements

**Provectus Pharmaceuticals, Inc.****( Development Stage Company )****STATEMENT OF CASH FLOWS****(Unaudited)**

	<b>For the Three Months Ended March 31, 2002</b>	<b>For the Three Months Ended March 31, 2001</b>	<b>Deficit Accumulated During the Development Stage</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net Income (Loss)	\$(6,594)	\$(10,000)	\$187,815
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Stock Issued for Services	6,594	10,000	169,804
Gain from Extinguishment of Debt	-	-	(361,263)
Increase (Decrease) in Accounts Payable	-	-	3,644
Net Cash Provided (Used) by Operating Activities	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	-	-	-
Net Cash Used by Investing Activities	-	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	-	-	-
Net Cash Used by Financing Activities	-	-	-
<b>Increase (Decrease) in Cash</b>	-	-	-
<b>Cash at Beginning of Period</b>	-	-	-
<b>Cash at End of Period</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	=====	=====	=====
<b>Disclosures from Operating Activities</b>			
Interest	\$ -	\$ -	\$11,649
Taxes	\$ -	\$ -	\$ -

See accompanying notes to financial statements

**Provectus Pharmaceuticals, Inc.****( Development Stage Company )**

## **Notes to Financial Statements**

**March 31, 2002**

### **NOTE 1 - Organization**

Provectus Pharmaceuticals, Inc. was incorporated on May 1, 1978, under the laws of the state of Colorado. In 1991, Provectus Pharmaceuticals, Inc. ceased operations and was considered to be a development stage company effective January 1, 1992. On April 3, 2002, the Company changed its domicile through the formation and merger with a subsidiary in Nevada. The Company also changed its par value from no par value to \$.001 per share. The Company has authority to issue 100,000,000 shares of common stock.

The Company has yet to fully develop any material income from its stated primary objective and it is classified as a development stage company. All income, expenses, cash flows and stock transactions are reported since the beginning of development stage.

### **NOTE 2 - Significant Accounting Policies**

The Company uses the accrual method of accounting.

Revenues and directly related expenses are recognized in the period when the goods are shipped to the customer.

The Company considers all short term, highly liquid investments that are readily convertible, within three months, to known amounts as cash equivalents. The Company currently has no cash equivalents.

Basic Earnings Per Share are computed by dividing income available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted Earnings Per Share shall be computed by including contingently issuable shares with the weighted average shares outstanding during the period. When inclusion of the contingently issuable shares would have an antidilutive effect upon earnings per share no diluted earnings per share shall be presented.

Inventories: Inventories are stated at the lower of cost, determined by the FIFO method or market.

Depreciation: The cost of property and equipment is depreciated over the estimated useful lives of the related assets. The cost of leasehold improvements is amortized over the lesser of the length of the lease of the related assets for the estimated lives of the assets. Depreciation and amortization are computed on the straight line method.

Estimates: The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Provectus Pharmaceuticals, Inc.**

**( Development Stage Company )**

## **Notes to Financial Statements**

**March 31, 2002**

### **NOTE 3 - Income Taxes**

The Company has adopted Statements of Financial Accounting Standards No. 109, "Accounting for Income Taxes". The Company had net operating losses of approximately \$5,800,000 which expire through 2007. In 2000, there was a significant change in control of the ownership of the Company which will prohibit the use of net operating losses sustained by the Company in prior years.

### **NOTE 4 - Stockholders' Equity**

During the year, the Company issued 1,000,000 shares of common stock to an officer for services performed on behalf of the Company. The cost of the services has been charged to operations and additional paid-in capital has been increased by \$9,000, representing the excess of the cost of the services over the par value of the common stock issued.

On November 15, 2001, the Company entered into an Agreement and Plan of Reorganization with Zamage Digital

Imaging, Inc., a Delaware corporation. The Company issued 22,212,614 shares of its common stock in exchange for 100 percent of the stock of Zamage Digital Imaging, Inc., pursuant to the acquisition.

On November 15, 2001, the Company issued 2,327,000 shares of its common stock for services rendered pursuant to an S-8 Registration Statement at \$.05 per share. Accordingly \$114,023 has been charged to additional paid-in capital.

On March 29, 2001, an Agreement Rescinding and Terminating Merger, Release and Indemnification ("Rescission Agreement") was signed by the Company and Zamage, rescinding the Agreement and Plan of Reorganization approved in the November 2001 shareholders' meeting. The Company is in the process of executing the Rescission Agreement and returning the Company back to the status it was immediately prior to November 15, 2001. Pursuant to the Rescission Agreement 22,212,614 shares will be canceled.

During the three months ended March 31, 2002; 6,593,587 shares were issued by the officers and directors of Zamage, for services performed on behalf of the Company. These shares have been issued at par value of \$.001 or \$6,594.

## **Provectus Pharmaceuticals, Inc.**

### **( Development Stage Company )**

## **Notes to Financial Statements**

### **March 31, 2002**

#### **NOTE 5 - Going Concern**

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplates continuation of the company as a going concern. However, the Company has sustained substantial operating losses in recent years. In addition, the Company currently has no assets or operations from which it can provide working capital. Under new management in 2001, the Company seeks to acquire or merge with an operating entity that can provide capital and managerial leadership to enable it to continue in existence.

#### **NOTE 6 - Subsequent Events**

During April 2002, the Company changed its name to Provectus Pharmaceuticals, Inc. As a result of the changes, management has decided to present the financial statements with the new name of the Company in order to eliminate confusion about ownership of the Company to users of the financial statements.

On April 15, 2002, the Company effected a three hundred for one (300 for 1) reverse split. No shareholder was reversed below 100 shares. Shareholders with 100 shares or less, prior to the reverse, were not affected.

On April 23, 2002, the Company entered into an Agreement and Plan of Reorganization with Provectus Pharmaceuticals, Inc., (a Tennessee corporation). As such, 6,680,000 post-split shares of common stock were issued in exchange for all of the issued and outstanding shares of the Tennessee corporation and 800,000 post-split shares of common stock were issued for consideration pursuant to the Agreement and Plan of Reorganization.

On April 23, 2002, the Company issued 900,000 post-split shares of its common stock for services rendered pursuant to an S-8 Registration Statement at \$.01 per share.

## **ITEM 2. PLAN OF OPERATIONS**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION OR PLAN OF OPERATION**

#### **Plan of Operation**

On April 23, 2002, an Agreement and Plan of Reorganization between the Company and Provectus Pharmaceuticals, Inc., a privately-held Tennessee corporation, was approved by a majority consent of the outstanding shares of the Company, whereby 6,680,000 shares of Provectus Pharmaceutical, Inc. were exchanged for all of the issued and outstanding shares of Provectus Pharmaceuticals, Inc. As part of the acquisition, the Company changed its name to Provectus Pharmaceuticals, Inc.

The Company will be licensing and selling products in three sectors of the healthcare industry: 1) Prescription Drugs, 2) Medical Devices, and 3) Over the Counter (OTC) Pharmaceuticals. Prescription drug products will encompass the areas of dermatology, primarily for the treatment of acne, and oncology, and will involve several types of drugs including those produced by advanced biotechnology methods. Medical device sales will initially be centered in the area of laser systems,

while OTC products will address markets primarily involving skin care and nutraceutical applications. Research and development efforts will be directed primarily at treatments for infectious agents, such as viruses.

Sales are expected to come initially from the OTC products within the U.S., and these sales commenced on May 10, 2002. The Company's products will be sold through existing distributorships that market and distribute medical products and/or pharmaceuticals.

#### Liquidity and Capital Resources

The Company remains in the development stage and has experienced no significant change in liquidity or capital resources or stockholder's equity since re-entering the development stage. The Company's balance sheet as of March 31, 2002, reflects a total asset value of \$0.00. The Company has no cash or line of credit, other than that which present management may agree to extend to or invest in the Company.

#### Need for Additional Financing

Based upon current management's willingness to extend credit to the Company and/or invest in the Company, the Company believes that its existing capital will be sufficient to meet the Company's cash needs required for the next three months, but not for the next twelve months. As a result, the Company will need to locate debt or equity financing, and presently intends to engage an underwriter to assist the Company in placing approximately \$2,000,000 of the Company's common stock in a private offering to accredited investors under Regulation D of the Securities Act of 1933.

## **Part II - Other Information**

### **Item 1. Legal Proceedings**

None; not applicable.

### **Item 2. Changes in Securities.**

On April 15, 2002, the Company effected a three hundred for one (300 for 1) reverse split. No shareholder was reversed below 100 shares. Shareholders with 100 shares or less, prior to the reverse, were not affected.

On April 23, 2002, the Company entered into an Agreement and Plan of Reorganization with Provectus Pharmaceuticals, Inc., (a Tennessee corporation). As such, 6,680,000 post-split shares of common stock were issued in exchange for all of the issued and outstanding shares of the Tennessee corporation and 800,000 post-split shares of common stock were issued for consideration pursuant to the Agreement and Plan of Reorganization.

On April 23, 2002, the Company issued 900,000 post-split shares of its common stock for services rendered pursuant to an S-8 Registration Statement at \$.01 per share.

### **Item 3. Defaults Upon Senior Securities.**

None; not applicable.

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

On April 23, 2002, an Agreement and Plan of Reorganization between the Company and Provectus Pharmaceuticals, Inc., a privately-held Tennessee corporation, was approved by a majority consent of the outstanding shares of the Company, whereby 6,680,000 shares of Provectus Pharmaceutical, Inc. were exchanged for all of the issued and outstanding shares of Provectus Pharmaceuticals, Inc. As part of the acquisition, the Company changed its name to Provectus Pharmaceuticals, Inc., and elected three directors. 119,999 shares of 381,794 shares outstanding consented to the acquisition, name change and election of directors as follows: H. Craig Dees, Chairman of the Board; Timothy C. Scott, Director; and Eric A. Wachter, Director.

### **Item 5. Other Information.**

None; not applicable.

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

Form 8-K Current Report filed April 24, 2002.

No other exhibits or reports were filed on Form 8-K.



## **SIGNATURES**

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

Provectus Pharmaceuticals, Inc.

Date: May 20, 2002 By: /s/ Timothy C Scott

Timothy C. Scott, President

Date: May 20, 2002 By: /s/ Daniel R Hamilton

Daniel R. Hamilton, CFO