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NEWS COMMUNICATIONS INC
Form 8-K
November 26, 2002

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 11, 2002

NEWS COMMUNICATIONS, INC.
(Exact Name of Registrant as Specified in Charter)

Nevada	0-18299	13-3
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer I
2 Park Avenue		10016
(Address of Principal Executive Offices)		(ZIP Code)

Registrant's telephone number, including area code: (212) 689-2500

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Item 2. Acquisition or Disposition of Assets.

On November 11, 2002, News Communications, Inc. ("NCI") sold substantially all of the assets and liabilities of its subsidiary, Tribco Incorporated ("Tribco") to Tribco, LLC ("Tribco LLC") for a purchase price of \$1,115,000; which consisted of (a) \$318,333 in cash, (b) the surrender of 500,000 shares of NCI's common stock having a value of \$410,000, based upon a

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price of \$0.82 per share; and (c) a 5% promissory note in the principal amount of \$386,667. The note is payable in installments of \$135,000 plus accrued interest, \$135,000 plus accrued interest, and \$116,667 plus accrued interest on the first, second and third anniversary dates. The purchase price was negotiated in an arm's length transaction. Tribco's assets included Queens Tribune and other related publications. Tribco LLC is headed by Tribco's publisher of 24 years, Mr. Michael Schenkler. Mr. Schenkler was also a member of the board of directors of NCI until his resignation on November 11, 2002.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(a) Not Applicable

(b) Unaudited Pro Forma Statement of Operations for nine months ended September 30, 2002, Unaudited Pro Forma Statement of Operations for year ended December 31, 2001, Unaudited Pro Forma Balance Sheet as of September 30, 2002.

(c) Exhibit. The following exhibit is filed with this report:

10.1 Asset Purchase Agreement, dated November 11, 2002, by and among Tribco Incorporated, Tribco, LLC and News Communications, Inc.

Unaudited Pro Forma Consolidated Financial Information

The unaudited pro forma consolidated financial information gives effect to News Communications, Inc.'s ("NCI" or the "Company") sale of substantially all of the assets and liabilities of Tribco Incorporated ("Tribco") to Tribco, LLC ("Tribco LLC") on November 11, 2002. The pro forma adjustments are described in the accompanying notes.

The following historical and unaudited pro forma consolidated financial information has been derived from the application of pro forma adjustments to NCI's consolidated balance sheet as of September 30, 2002, as though the sale had occurred on September 30, 2002; and NCI's consolidated statements of operations for the year ended December 31, 2001 and for the nine months ended September 30, 2002, as though the sale had occurred on January 1, 2001.

These pro forma statements are presented for illustrative purposes only. The pro forma adjustments are based upon available information and certain assumptions that management believes are reasonable. The pro forma consolidated financial statements do not purport to represent what the results of operations or financial position of NCI would actually have been if the sale had in fact occurred on such dates, nor do they purport to project the results of operations or financial position of NCI for any future period or as of any date respectively. The unaudited pro forma statements should be read in conjunction with NCI's consolidated historical financial statements, and the notes thereto.

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Item 7(b)

News Communications, Inc.
 Unaudited Pro Forma Statements of Operations
 Nine months ended September 30, 2002

	Historical -----	Sale of Tribco -----	P ---
Net revenues	\$ 9,648,231	\$2,452,821	\$
Expenses:			
Editorial	881,963	143,916	
Production and distribution	2,726,308	876,644	
Selling	2,131,546	581,997	
General and administrative	3,714,654	778,733	
Depreciation and amortization	184,842	15,943	
	-----	-----	---
Total expenses	9,639,313	2,397,233	
Income (loss) before interest, minority interest in income of subsidiary and taxes	8,918	55,588	
Interest income, net	13,602	-	
Minority interest in income of subsidiary	(121,500)	-	
	-----	-----	---
Net loss before taxes	(98,980)	55,588	
Provision for income taxes	71,082	-	
	-----	-----	---
Net loss	\$ (170,062)	\$ 55,588	\$
Net loss per share - basic and diluted	\$ (0.02)		\$
	=====		==
Weighted average number of common shares outstanding - basic and diluted	10,686,114	500,000	1
	=====	=====	==

(1) Proforma net loss per share reflects the increase in Net loss from the disposal of Tribco and the return of 500,000 shares of NCI's common stock

News Communications, Inc.
 Unaudited Pro Forma Statements of Operations
 Year ended December 31, 2001

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	Historical -----	Sale of Tribco -----	Pro -----
Net revenues	\$13,581,542	\$3,352,435	\$10,2
Expenses:			
Editorial	1,428,027	212,860	1,2
Production and distribution	4,710,878	1,383,133	3,3
Selling	3,158,122	747,153	2,4
General and administrative	5,544,957	1,031,328	4,5
Depreciation and amortization	374,277	128,748	2
Total expenses	15,216,261	3,503,222	11,7
Loss from operations	(1,634,719)	(150,787)	(1,4
Loss on sale of subsidiary	(917,696)	-	(9
Loss before interest, interest in income of subsidiary and taxes	(2,552,415)	(150,787)	(2,4
Interest Expense, net	(40,648)	(230)	(
Minority interest in income of subsidiary	(41,000)	-	(
Net loss before taxes	(2,634,063)	(151,017)	(2,4
Provision for income taxes	162,999	-	1
Net loss	\$ (2,797,062)	\$ (151,017)	\$ (2,6
Net loss per share - basic and diluted	\$ (0.29)		\$
Weighted average number of common shares outstanding - basic and diluted	9,743,819	500,000	9,2

(1) Proforma net loss per share reflects the reduction in Net loss from the disposal of Tribco and the return of 500,000 shares of NCI's common stock

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Year ended September 30, 2002

	Historical -----	Tribco -----	Consideration received(1) -----	Pro Fo -----
Current assets:				
Cash	\$ 862,765	\$ (6,097)	\$318,333	\$1,187
Accounts receivable	1,514,326	448,803	-	1,065
Other	185,033	(5,490)	-	190
	-----	-----	-----	-----
Total current assets	2,562,124	437,216	318,333	2,443
Restricted Cash	104,103	-	-	104
Property and equipment at cost - net	498,301	46,269	-	452
Intangible assets - net	1,570,775	734,713	-	836
Notes Receivable	625,000	-	386,667	1,011
Other - net	62,744	8,082	-	54
	-----	-----	-----	-----
Total assets	\$5,423,047	\$1,226,280	\$705,000	\$4,901
	=====	=====	=====	=====
Liabilities and stockholders' equity:				
Current liabilities:				
Accounts payable	\$ 876,607	\$ 215,067	\$ -	\$ 661
Accrued expenses -				
Payroll	545,719	41,457	-	504
Other	576,785	13,611	-	563
Note payable, current portion	4,445	-	-	4
Income Taxes Payable	11,043	-	-	11
Unearned revenue	137,968	58,724	-	79
Due to related parties	625,139	-	-	625
Capital lease, current portion	16,102	-	-	16
	-----	-----	-----	-----
Total current liabilities	2,793,808	328,859	-	2,464
Note payable, net of current portion	17,781	-	-	17
Due to related parties, net of current portion	1,200,000	-	-	1,200
Capital lease, net of current portion	21,469	-	-	21
	-----	-----	-----	-----
Total liabilities	4,033,058	328,859	-	3,704
Total stockholders' equity	1,389,989	897,421	705,000(2)	1,197
	-----	-----	-----	-----
Total liabilities and stockholders' equity	\$5,423,047	\$1,226,280	\$705,000	\$4,901
	=====	=====	=====	=====

(1) The consideration received column represents the proceeds received by NCI upon the sale of the net assets of Tribco. NCI received total consideration of \$1,115,000. As part of the proceeds, the buyer paid cash of \$318,333, surrendered 500,000 shares of common stock having a value of \$410,000 based upon the quoted market price of \$0.82 per share, and issued to NCI a note in the principal amount of \$386,667.

(2) Stockholders equity

Gain on sale	\$ 217,579
Treasury stock received	(410,000)

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Net assets sold	897,421

	\$ 705,000
	=====

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NEWS COMMUNICATIONS, INC.

By: /s/ James A. Finkelstein

James A. Finkelstein
President and Chief Executive Officer

Date: November 26, 2002

EXHIBIT INDEX

Exhibit	Description
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10.1	Asset Purchase Agreement, dated November 11, 2002, by and among Tribco Incorporated, Tribco, LLC and News Communications, Inc.