

TELECOM COMMUNICATIONS INC  
Form 10QSB  
February 14, 2006

---

---

**UNITED STATES  
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 DECEMBER 31, 2005**

**OR**

**.. 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 0001167966**

---

**TELECOMM SALES NETWORK, INC.  
(Exact name of registrant as specified in its charter)**

---

**DELAWARE  
(State or other jurisdiction of  
incorporation or organization)**

**20-1602779  
(I.R.S. Employer  
Identification No.)**

**516-D River Highway, PMB 297 Mooresville, NC 28117-6830  
(Address of principal executive offices and zip code)**

**Registrant's telephone number, including area code: (512)-236-0925**

---

Edgar Filing: TELECOM COMMUNICATIONS INC - Form 10QSB

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 periods 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 shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Indicate the number of shares outstanding of the Registrant's common stock as of the latest practicable date.

<b>Class</b>	<b>Outstanding at January 31, 2006</b>
<b>Common Stock, \$.0001 par value</b>	<b>16,000,000</b>

---

---

**INDEX**

		<b>PAGE</b>
<b>PART I</b>	<b>FINANCIAL INFORMATION</b>	
Item 1	Financial Statements	
	Unaudited Balance Sheets at December 31, 2005 and September 30, 2005	<b>2</b>
	Unaudited Statements of Operations for the Three Month Periods Ended December 31, 2005 and December 31, 2004 and for the period from August 24, 2004 (inception) through December 31, 2005	<b>3</b>
	Unaudited Statements of Cashflows for the Three Month Periods Ended December 31, 2005 and December 31, 2004 and for the period from August 24, 2004 (inception) through December 31, 2005	<b>4</b>
	Condensed Notes to the Financial Statements	<b>5-8</b>
Item 2.	Management's Discussion and Analysis or Plan of Operations	<b>9-11</b>
Item 3.	Controls and Procedures	<b>12-13</b>
<b>PART II.</b>	<b>OTHER INFORMATION</b>	
Item 6.	Exhibits and Reports on Form 8-K	<b>13</b>
Signatures		<b>14</b>

---

**TELECOMM SALES NETWORK, INC.**  
**(A Development Stage Company)**  
**BALANCE SHEETS**

	December 31, 2005 (unaudited)	September 30, 2005
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 29,177	\$ 82,861
Total Current Assets	29,177	82,861
<b>TOTAL ASSETS</b>	<b>\$ 29,177</b>	<b>\$ 82,861</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 7,611	\$ 84,788
Total Current Liabilities	7,611	84,788
<b>TOTAL LIABILITIES</b>	<b>7,611</b>	<b>84,788</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>-</b>	<b>-</b>
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Preferred stock, 5,000,000 shares authorized; \$0.0001 par value; 0 shares issued and outstanding	-	-
Common stock, 100,000,000 shares authorized; \$0.0001 par value; 7,350,000 and 4,120,000 shares issued and outstanding, respectively	735	412
Additional paid-in capital	186,215	105,788
Subscription receivable	(40,375)	-
Deficit accumulated during development stage	(125,009)	(108,127)
Total Stockholders' Equity (Deficit)	21,566	(1,927)
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>\$ 29,177</b>	<b>\$ 82,861</b>

See accompanying condensed notes to interim financial statements.

**TELECOMM SALES NETWORK, INC.**  
**(A Development Stage Company)**  
**STATEMENTS OF OPERATIONS**

	Three Months Ended December 31, 2005 (unaudited)	Three Months Ended December 31, 2004 (unaudited)	Period from August 26, 2004 (Inception) Through December 31, 2005 (unaudited)
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENSES</b>			
General and administrative	9,271	369	14,454
Introduction fee	-	-	20,000
Professional fees	7,611	5,133	90,555
<b>TOTAL EXPENSES</b>	16,882	5,502	125,009
<b>LOSS FROM OPERATIONS</b>	(16,882)	( 5,502)	(125,009)
<b>LOSS BEFORE TAXES</b>	(16,882)	(5,502)	(125,009)
<b>INCOME TAXES</b>	-	-	-
<b>NET LOSS FROM OPERATIONS</b>	\$ (16,882)	\$ (5,502)	\$ (125,009)
<b>NET LOSS PER COMMON SHARE, BASIC AND DILUTED</b>	\$ nil	\$ nil	
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED</b>	6,226,522	4,120,000	

See accompanying condensed notes to interim financial statements.

**TELECOMM SALES NETWORK, INC.**  
**(A Development Stage Company)**  
**STATEMENTS OF CASH FLOWS**

	Three Months Ended December 31, 2005 (unaudited)	Three Months Ended December 31, 2004 (unaudited)	Period from August 26, 2004 (Inception) to December 31, 2005 (unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net loss	\$ (16,882)	\$ (5,502)	\$ (125,009)
Adjustments to reconcile net loss to net cash used in operating activities:			
Increase (decrease) in accounts payable	(77,177)	2,133	7,611
Net cash used by operating activities	(94,059)	(3,369)	(117,398)
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:</b>			
	-	-	-
<b>CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:</b>			
Issuance of common stock for cash	40,375	97,000	146,575
Payments of short-term borrowings - related party	-	-	(500)
Proceeds from short-term borrowings - related party	-	-	500
Net cash provided by financing activities	40,375	97,000	146,575
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(53,684)</b>	<b>93,631</b>	<b>29,177</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>82,861</b>	<b>9,507</b>	<b>-</b>
<b>CASH, END OF PERIOD</b>	<b>\$ 29,177</b>	<b>\$ 103,138</b>	<b>\$ 29,177</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>			
Interest paid	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -
<b>Non cash financing activities:</b>			
Issuance of common stock in exchange for subscription receivable	\$ 40,375	\$ -	\$ 40,375

See accompanying condensed notes to interim financial statements.

**TELECOMM SALES NETWORK, INC.**  
**(A Development Stage Company)**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2005**

**NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS**

Telecomm Sales Network, Inc. (hereinafter “the Company”) was incorporated in the State of Delaware on August 26, 2004. The principal business of the Company is to provide sales channel and marketing consulting support services to telecommunications companies in a worldwide market. The Company’s headquarters is located in Mooresville, North Carolina.

The Company has been in a development stage since its inception on August 26, 2004, and has not realized any revenues from its planned operations. The Company’s year end is September 30.

The foregoing unaudited interim financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Regulation S-B as promulgated by the Securities and Exchange Commission (“SEC”). Accordingly, these financial statements do not include all of the disclosures required by generally accepted accounting principles in the United States of America for complete financial statements. These unaudited interim financial statements should be read in conjunction with the audited financial statements for the period ended September 30, 2005. In the opinion of management, the unaudited interim financial statements furnished herein include all adjustments, all of which are of a normal recurring nature, necessary for a fair statement of the results for the interim period presented. Operating results for the three-month period ending December 31, 2005 are not necessarily indicative of the results that may be expected for the year ending September 30, 2006.

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and the reported amounts of revenues and expenses during the reporting period. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of the Company’s financial statements; accordingly, it is possible that the actual results could differ from these estimates and assumptions and could have a material effect on the reported amounts of the Company’s financial position and results of operations.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies is presented to assist in understanding the Company’s financial statements. The financial statements and notes are representations of the Company’s management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America, and have been consistently applied in the preparation of the financial statements.

Accounting Method

The Company’s financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Going Concern

As shown in the financial statements, the Company incurred a net loss for the period ending September 30, 2005 and 2004, has no revenues, and has an accumulated deficit since the inception of the Company. These factors indicate that the Company may be unable to continue in existence. The financial statements do not include any adjustments related to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be



necessary in the event the Company cannot continue in existence. Subsequent to the date of these financial statements, the Company completed a reverse merger with EnviroSystems, Inc. and a private placement in which \$8,500,000 has been raised as of January 10, 2006. Both of these events are discussed more fully in Notes 4 and 5. The Company believes that these events will enable the Company to continue the operations of the Company through the next 12 months.

**TELECOMM SALES NETWORK, INC.**  
**(A Development Stage Company)**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2005**

Development Stage Activities

The Company has been in the development stage since its formation and has not realized any revenue from operations through December 31, 2005.

Recent Accounting Pronouncements

In May 2005, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 154, "Accounting Changes and Error Corrections," (hereinafter "SFAS No. 154") which replaces Accounting Principles Board Opinion No. 20, "Accounting Changes", and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements - An Amendment of APB Opinion No. 28". SFAS No. 154 provides guidance on accounting for and reporting changes in accounting principle and error corrections. SFAS No. 154 requires that changes in accounting principle be applied retrospectively to prior period financial statements and is effective for fiscal years beginning after December 15, 2005. The Company does not expect SFAS No. 154 to have a material impact on its consolidated financial position, results of operations, or cash flows.

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 153, "Exchange of Nonmonetary Assets an amendment of ARB Opinion No. 29." This statement addresses the measurement of exchanges of nonmonetary assets. The guidance in APB Opinion No. 29, "Accounting for Nonmonetary Transactions," is based on the principle that exchanges of nonmonetary assets should be measured based on the fair value of the assets exchanged. The guidance in that opinion, however, included certain exceptions to that principle. This statement amends Opinion 29 to eliminate the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. A nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. Management believes the adoption of this statement will have no impact on the financial statements of the Company.

In December 2004, the Financial Accounting Standards Board issued to Statement of Financial Accounting Standards No. 123 (R), "Accounting for Stock Based Compensation" (hereinafter "SFAS No. 123R"). This statement supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees," and its related implementation guidance. This statement establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments. This statement focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. This statement does not change the accounting guidance for share-based payment transactions with parties other than employees provided in SFAS No. 123. This statement does not address the accounting for employee share ownership plans, which are subject to AICPA Statement of Position 93-6, "Employers' Accounting for Employee Stock Ownership Plans." The Company has determined that there was no impact to its financial statements from the adoption of this statement.

In November 2004, the Financial Accounting Standards Board issued SFAS No. 151, "Inventory Costs— an amendment of ARB No. 43, Chapter 4." This statement amends the guidance in ARB No. 43, Chapter 4, "Inventory Pricing," to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). Paragraph 5 of ARB 43, Chapter 4, previously stated that ". . . under some circumstances, items such as idle facility expense, excessive spoilage, double freight, and rehandling costs may be so abnormal as to require treatment as current period charges. . . ." This statement requires that those items be recognized as current-period charges regardless of whether they meet the criterion of "so abnormal." In addition, this statement requires that allocation of

fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. Management does not believe the adoption of this statement will have any immediate material impact on the Company as the Company maintains no inventory.

**TELECOMM SALES NETWORK, INC.**  
**(A Development Stage Company)**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2005**

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Concentration of Risk

The Company maintains its cash in primarily one business checking account, the funds of which are insured by the Federal Deposit Insurance Corporation (FDIC), up to a maximum of \$100,000.

**NOTE 3 - PREFERRED AND COMMON STOCK**

The Company is authorized to issue 5,000,000 shares of \$0.0001 par value preferred stock, which may be issued in one or more series at the sole discretion of the Company's board of directors. The board of directors is also authorized to determine the rights, preferences, and privileges and restrictions granted to or imposed upon any series of preferred stock. As of December 31, 2005, no preferred stock has been issued by the Company.

The Company is authorized to issue 100,000,000 shares of \$0.0001 par value common stock. All shares have equal voting rights, are non-assessable and have one vote per share. Voting rights are not cumulative and, therefore, the holders of more than 50% of the common stock could, if they choose to do so, elect all of the directors of the Company.

On January 10, 2006, the Company completed the acquisition of EnviroSystems, Inc. ("EnviroSystems") in a reverse merger transaction. The Company issued 6,400,000 shares of common stock in exchange for all the outstanding stock of EnviroSystems. The company also issued 4,250,000 shares of common stock in exchange for \$8,500,000 in gross proceeds on January 10, 2006.

During the period ending December 31, 2005, 3,230,000 shares of common stock and a warrant to purchase up to an additional 4,000,000 shares of common stock was sold to MV Nanotech, Corp. for proceeds of \$80,750, of which \$40,375 was paid in cash with the remainder in the form of a non-interest bearing promissory note, which was paid on January 12, 2006.

In the period ended September 30, 2005, 1,940,000 shares of common stock were issued for total cash proceeds of \$97,000. In the period ended September 30, 2004, 180,000 shares of common stock were issued for total cash proceeds of \$9,000 and 2,000,000 shares were issued to founders for total cash proceeds of \$200.

**TELECOMM SALES NETWORK, INC.**  
**(A Development Stage Company)**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2005**

**NOTE 4 - COMMON STOCK WARRANTS**

During the period ended December 31, 2005, the Company granted warrants to purchase 4,000,000 shares of common stock. These warrants will be issued 90 days after the grant date with an exercise price of \$2.50 and a term of 4 years. At December 31, 2005, the Company has not recorded an expense related to the grant of warrants.

**NOTE 5 - SUBSEQUENT EVENTS**

Pursuant to an agreement and plan of merger dated as of November 11, 2005 (the "Merger Agreement"), by and among Telecomm Sales Network, TSN Acquisition Corporation ("TAC"), a newly formed and wholly owned subsidiary of Telecomm Sales Network, and EnviroSystems, Inc. ("EnviroSystems"), TAC merged with and into EnviroSystems, with EnviroSystems as the surviving corporation. The closing of the merger happened on January 10, 2006.

Upon closing of the merger, holders of the outstanding shares of Telecomm Sales Network common stock, immediately prior to the closing own approximately 33% of the outstanding Telecomm common stock, the EnviroSystems preferred shareholders own approximately 40% of the outstanding Telecomm common stock and the purchasers in the offering own approximately 27% of the outstanding Telecomm common stock.

All shares of Telecomm's common stock to be issued to the EnviroSystems shareholders in the merger will be subject to a lock-up and held in escrow for a period equal to the longer of 12 months following the closing and 9 months after the effective date of a registration statement covering the resale of the shares of Telecomm common stock sold in the offering, provided, that such lock-up period shall not exceed the date 15 months from the closing. The escrow shares will be used to secure indemnification obligations of EnviroSystems shareholders to the Company under the merger agreement.

EnviroSystems is a privately held, Nevada corporation that manufactures products using nano-emulsion technology that include a line of hospital-grade cleansing and disinfecting liquids and wipes that reduce the spread of infectious disease without adverse effects to people, equipment or the environment. EnviroSystems' products are sold into the healthcare, aviation, government and marine industry segments.

The foregoing description of the merger agreement is qualified in its entirety by the full text of the merger agreement attached as Exhibit 99.1 to the Company's Current Report on Form 8-K filed on November 17, 2005 and to the description of the merger provided in the Company's Current Report on Form 8-K filed on January 12, 2006.

## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS**

### **Overview**

We were incorporated under the laws of Delaware on August 26, 2004. As a new company, we have not been involved in any bankruptcy, receivership or similar proceedings. Nor have we been through any material reclassification, merger, consolidation or purchase or sale of significant assets as of December 31, 2005.

We are a development stage company and we have not generated any revenue. We have minimal assets and we have conducted no operations except for formulating a business plan and fundraising activities. We have relied on sales of securities to fund all our activities to date.

This section of the report includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like, believe, expect, estimate, anticipate, intend, project, and similar expressions, or words which, by their nature, refer to future events. You should not place undue certainty on these forward-looking statements, which apply only as of the date of this prospectus. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ from historical results or our prediction.

### **Management's discussion and analysis of financial condition and results of operations**

As with all concepts our plans are subject to certain risk and uncertainties that could cause actual results to differ materially from historical results or our predictions.

We are a start-up stage company and have not yet generated or realized any revenues from our business operations as of December 31, 2005.

Our auditors have issued a going concern opinion in their audit report. This means that our auditors believe there is doubt that our business operations can continue for the next 12 months unless we obtain additional capital. This is because we have not generated any revenues. We have raised a total of \$186,950 from private stock offerings and sales to our founders as of December 31, 2005.

### **Results of Operations**

From August 26, 2004, our date of inception, through December 31, 2005, we have sold our common stock to raise money for corporate organization expenses. Net cash provided by financing activities from inception on August 26, 2004, was \$186,950, as a result of proceeds from sales of common stock. In addition, William Sarine and Tony Summerlin have provided services to us without payment, although services continue to be provided.

### **Liquidity and Capital Resources**

We have yet to generate any revenues from business operations as of December 31, 2005.

We issued 7,350,000 shares of common stock and 4,000,000 warrants to purchase common stock at \$2.50 per share for a period of 4 years through private placement offerings during 2004 and 2005.

As of December 31, 2005, our current assets were \$29,177 and our current liabilities were \$7,611.



## Subsequent Events

### Merger and Private Placement

On January 10, 2006, Telecomm Sales Network, Inc. completed the acquisition of EnviroSystems, Inc. (“EnviroSystems”) in a reverse merger transaction (the “Merger”) pursuant to an Agreement and Plan of Merger dated as of November 11, 2005, as amended (the “Merger Agreement”), by and among Telecomm, TSN Acquisition Corporation (“TAC”), and EnviroSystems. TAC is a wholly owned subsidiary of EnviroSystems Holdings, Inc. (“Holdings”) and Holdings is a wholly owned subsidiary of Telecomm. Both Holdings and TAC were incorporated to effectuate the Merger. Effective at the closing of the Merger (i) TAC merged with and into EnviroSystems, with EnviroSystems as the surviving corporation, (ii) EnviroSystems became an indirect, wholly-owned subsidiary of Telecomm and (iii) Telecomm ceased its prior business and going forward its sole business became that of EnviroSystems.

Pursuant to the Merger Agreement, all of EnviroSystems preferred stock and all options and warrants to acquire EnviroSystems preferred stock were converted into the right to receive an aggregate of 6,400,000 shares of Telecomm common stock, \$.0001 par value per share (the “Common Stock”). The shares of Common Stock issued in the Merger were issued pursuant to the exemption from the registration requirements of the Securities Act of 1933, as amended (the “Act”) provided under Section 4(2) of the Act and Rule 506 promulgated thereunder.

Concurrent with the closing of the Merger, Telecomm sold 4,250,000 shares of its Common Stock in a private placement to accredited investors at a price of \$2.00 per share for aggregate gross proceeds of \$8,500,000 (the “Offering”). The shares of Common Stock sold in the Offering were issued pursuant to the exemption from registration provided under Section 4(2) and Regulation 506 of the Act.

In connection with the Offering, Telecomm paid to Selling Agents (i) a fee equal to ten (10%) percent of the aggregate purchase price of the shares of Common Stock sold in the Offering and (ii) warrants (the “Agent Warrants”) to purchase up to that number of shares of Common Stock equal to fifteen (15%) percent of the shares of Common Stock sold in the Offering. The Agent Warrants are exercisable for a four year period at a price per share equal to \$2.50 per share.

Upon closing of the Merger and the Offering (the “Closing”), Telecomm had 16,000,000 shares of Common Stock issued and outstanding with holders of the outstanding shares of Common Stock, immediately prior to the Closing holding approximately 33% of the outstanding Common Stock, the EnviroSystems preferred shareholders holding approximately 40% of the outstanding Common Stock and the purchasers in the Offering holding approximately 27% of the outstanding Common Stock.

Pursuant to the terms of an Escrow and Lock-Up Agreement, dated as of January 10, 2006, all 6,400,000 shares of Common Stock issued to the EnviroSystems preferred shareholders in the Merger are subject to a lock-up and will be held in escrow (the “Escrow Shares”) for a period equal to the longer of 12 months following the Closing and 9 months after the effective date of a registration statement covering the resale of the shares of Common Stock sold in the Offering, provided, that such lock-up period shall not exceed the date 15 months from the Closing. The Escrow Shares will be used to secure indemnification obligations of EnviroSystems shareholders to the Company under the Merger Agreement. The Escrow Shares are also subject to earlier release in certain instances.



## **Change of Control**

In connection with the Merger, William Sarine and Tony Summerlin each resigned from our Board of Directors and from all offices they held with us and J. Lloyd Breedlove, Steve Hoelscher, Stephen A. Schneider, Jeffrey Connally and Charles Cottrell were appointed to Telecomm's Board of Directors. In addition, J. Lloyd Breedlove was appointed as President and Chief Executive Officer and Steve Hoelscher as Chief Financial Officer, Treasurer and Secretary. As a result of the foregoing, our Board of Directors now consists of the above five persons.

The foregoing description of the Merger and Change of Control is qualified in its entirety by the full text of the Merger Agreement attached as Exhibit 99.1 to the Company's Current Report on Form 8-K filed on November 17, 2005 and to the description of the merger and related transactions provided in the Company's Current Report on Form 8-K filed on January 12, 2006.

## **Additional Event**

The Company announced on February 7, 2006 that, in response to communications with the U.S. Environmental Protection Agency (EPA) that EnviroSystems, Inc., its indirect wholly owned subsidiary decided voluntarily to suspend sales, marketing and distribution of its EcoTru® disinfectant products and initiated a retrieval program to recover existing stocks of EcoTru® that had been distributed since January 2005 and which remained in customer inventories. For a complete discussion of the foregoing event, please refer to the Company's Current Report on Form 8-K filed on February 7, 2006 and the Press Release attached as Exhibit 99.1 to the Form 8-K.

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Report contains certain financial information and statements regarding our operations and financial prospects of a forward-looking nature. Although these statements accurately reflect management's current understanding and beliefs, we caution you that certain important factors may affect our actual results and could cause such results to differ materially from any forward-looking statements which may be deemed to be made in this Prospectus. For this purpose, any statements contained in this Prospectus which are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the generality of the foregoing, words such as "may", "intend", "expect", "believe", "anticipate", "could", "estimate", "plan", or "continue" or the negative variations of these words or comparable terminology are intended to identify forward-looking statements. There can be no assurance of any kind that such forward-looking information and statements in any way reflect our actual future operations and/or financial results, and any of such information and statements should not be relied upon either in whole or in part in any decision to invest in the shares. Many of the factors, which could cause actual results to differ from forward looking statements, are outside our control. These factors include, but are not limited to, the factors discussed under "Risk Factors" in our Current Report on Form 8-K filed on January 12, 2006 and incorporated herein by reference.

### **ITEM 3. CONTROLS AND PROCEDURES.**

#### **Quarterly Controls Evaluation and Related CEO and CFO Certifications**

We conducted an evaluation of the effectiveness of the design and operation of our “disclosure controls and procedures” (Disclosure Controls) as of the end of the period covered by this Quarterly Report. The controls evaluation was done under the supervision and with the participation of management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO).

Attached as exhibits to this Quarterly Report are certifications of the CEO and the CFO, which are required in accordance with Rule 13a-14 of the Exchange Act. This “Controls and Procedures” section includes the information concerning the controls evaluation referred to in the certifications, and it should be read in conjunction with the certifications for a more complete understanding of the topics presented.

#### **Definition of Disclosure Controls**

Disclosure Controls are controls and procedures designed to reasonably assure that information required to be disclosed in our reports filed under the Exchange Act, such as this Quarterly Report, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure Controls are also designed to reasonably assure that such information is accumulated and communicated to our management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. Our Disclosure Controls include components of our internal control over financial reporting, which consists of control processes designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles in the U.S. To the extent that components of our internal control over financial reporting are included within our Disclosure Controls, they are included in the scope of our quarterly controls evaluation.

#### **Limitations on the Effectiveness of Controls**

Our management, including the CEO and CFO, does not expect that our Disclosure Controls or our internal control over financial reporting will prevent all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Because the business of Telecomm Sales Network, Inc. is early stage and very simple, our controls are not complex at this time. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

### **Scope of the Controls Evaluation**

The evaluation of our Disclosure Controls included a review of the controls' objectives and design, the company's implementation of the controls and the effect of the controls on the information generated for use in this Quarterly Report. In the course of the controls evaluation, we sought to identify data errors, control problems or acts of fraud and confirm that appropriate corrective action, including process improvements, were being undertaken. This type of evaluation is performed on a quarterly basis so that the conclusions of management, including the CEO and CFO, concerning the effectiveness of the controls can be reported in our Quarterly Reports on Form 10-QSB. The overall goals of these various evaluation activities are to monitor our Disclosure Controls, and to modify them as necessary. Our intent is to maintain the Disclosure Controls as dynamic systems that change as conditions warrant.

### **Conclusions**

Based upon the controls evaluation, our CEO and CFO have concluded that, subject to the limitations noted above, as of the end of the period covered by this Quarterly Report, our Disclosure Controls were effective to provide reasonable assurance that material information relating to Telecomm Sales Network, Inc. is made known to management, including the CEO and CFO, particularly during the period when our periodic reports are being prepared.

## **PART II. OTHER INFORMATION**

### **Item 6. Exhibits**

Exhibit 31.1 - Certification of the CEO Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Exhibit 31.2 - Certificate of the CFO Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Exhibit 32.1 - Certification of the CEO and CFO Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

**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.

Telecomm Sales Network, Inc.

February 14, 2006

By: /s/ J. Lloyd Breedlove  
J. Lloyd Breedlove, President, Chief  
Executive Officer

**EXHIBIT INDEX**

Exhibit 31.1 - Certification of the CEO Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Exhibit 31.2 - Certificate of the CFO Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Exhibit 32.1 - Certification of the CEO and CFO Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

---