

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: 1999-07-27 | Period of Report: 1999-06-30
SEC Accession No. 0000318346-99-000003

(HTML Version on secdatabase.com)

FILER

TASA PRODUCTS LTD

CIK: 318346 | IRS No.: 911121874 | State of Incorporation: WA | Fiscal Year End: 1231
Type: 10-Q | Act: 34 | File No.: 000-09773 | Film No.: 99671241
SIC: 3663 Radio & tv broadcasting & communications equipment

Mailing Address
14508 SE 51ST
BELLEVUE WA 98006

Business Address
14508 SE 51ST
BELLEVUE WA 98006
4258822206

Commission File Number: 0-9773

TASA PRODUCTS LIMITED
(Exact name of registrant as specified in it's charter)

Washington 91-1121874
(State or other Jurisdiction of (IRS Employer ID No.)
incorporation or organization)

14508 SE 51st, Bellevue, WA 98006
(Address and zip code of principal executive offices)

Registrant's telephone number, including area code: (425) 746-6761

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 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:

DOCUMENTS INCORPORATED BY REFERENCE

Form S-1, TASA Products Limited, Commission File No. 0-9773, but excluding the balance sheet of TASA Products Limited together with the report of independent certified public accountants, is incorporated by reference.

PART I - FINANCIAL INFORMATION

Item 1: Financial Statements

See Appendix A

Item 2: Management's Discussion and Analysis of the Financial Condition and Results of Operations

Sales, amounting to about \$857,000, were made by LINC Technology Corporation in the second quarter of 1999, only a small portion of which were products which the Partnership licenses to LINC Technology Corporation. Accounting of the amount of sales on products subject to partnership royalty will not be done until the end of the calender year.

In 1995, a new royalty agreement was put into effect in order to reduce administrative expenses. Under the new plan, no royalties will accrue to the partnership until a total of \$300,000.00 of sales on products licensed to LINC Technology Corporation have been generated and collected. At that point, a lump sum royalty payment of \$15,000.00 will be paid to the partnership group of TASA Products Limited (the Partnership), Energy Sciences Limited Partnership, Telemetric Controls Limited Partnership, and Communications Link Limited Partnership. After such payment, again no royalty will accrue or be owed until another \$300,000.00 in sales has occurred, after which a second lump sum of \$15,000.00 is due, and so forth. LINC Technology Corporation will be responsible for periodic mailings to the partnership at its expense. Bases on IRS regulations, no partnership 1065 tax returns and K-1s will have to be filed or issued until the royalty accrues. As a result of this new arrangement, no royalties accrued in this fiscal period.

The partnership originally had licensed the manufacturing and sale of its products to Communications Research Corporation, (CRC) a subsidiary of Energy Sciences Corporation, (ESC). ESC and the Partnership entered Chapter 11 bankruptcy proceedings on April 29, 1986. On May 13, 1988, ESC's bankruptcy was dismissed and all remaining assets, primarily amounts owed to ESC by the partnerships and the rights to produce electronic products at CRC, were repossessed by the sole secured creditor of ESC, Mr. Thomas Murphy. A new company was formed in September 1988, called LINC Technology Corporation. The company is owned, at present, by Messrs. Maes, Steffey, and Nichols in the amount of 19% each; Mr. Murphy owns 10% and the balance of 33% is owned by outside investors. Mr. Nichols resigned from LINC in August 1991, but remains a stockholder. LINC has been initially privately financed with \$49,000 of cash to pursue a variety of opportunities in electronics and data communications. LINC believes that a market remains for some of the partnerships' products. Initial emphasis is on LCM and DOVE. A license has been entered into between the partnership and LINC, similar in terms to that which existed with CRC, with the exception that in return for elimination of most of the debt owed by the partnerships to ESC, (and now, therefore, Mr. Murphy), and in recognition of the need to attract more capital for LINC, the royalty to be paid the partnerships is set at 5% of gross sales, (compared to the prior formula, ranging from 10% down to 6%). The new royalty is divided between partnerships in the case of joint ownership of rights, such as the case with DOVE, for example. All royalties were deferred for three years from September 1988 in order to allow LINC to build its working capital. Starting in September 1991, royalties are 1% of gross sales for twelve months, 3% of gross sales for the next twelve months and 5% thereafter. The royalty arrangement has been modified slightly as described in the first paragraph.

LINC Technology Corporation's address is 2635 151st Place NE Redmond, WA 98052 and telephone 425-882-2206. Modest sales continue to be made but are still irregular quarter to quarter. The company concentrates on industrial data communications. There can be no guarantee that LINC will be successful, that capital can be obtained or that sufficient sales will result so that any significant royalties will be paid to the partnership.

LINC filed a registration statement with the State of Washington, under the ULOR provision, for sale of up to \$450,000 worth of its common stock, which became effective May 9, 1989. No stock was sold under the offering and it was withdrawn on May 10, 1990. LINC intends to continue to pursue either public or private financing, but there can be no assurance that such financing will be available. Thus far LINC has supported its growth from its own cash flow.

PART II - OTHER INFORMATION

Item 1: Legal Proceedings

The staff of the Securities and Exchange Commission's Division of Enforcement recommended to the Commission that it authorize the staff to file a civil injunction action against the Partnership and Messrs. Maes and Steffey to require timely filing of reports with the commission. Such an injunction was entered on June 25, 1986. All subsequent reports have been timely filed.

On October 16, 1989 the U.S. Bankruptcy Court ordered the conversion of the partnership's Chapter 11 to a Chapter 7. On May 11, 1990, the partnership filed an amended motion to dismiss the Chapter 7. The motion was granted on June 21, 1990 and the partnership is no longer in bankruptcy.

Item 2: Changes In Securities: 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, Financial Statement Schedules, and Reports on Form 8-K

a) Documents filed as part of this Report: Unaudited financial statement.

b) Reports on Form 8-K: None.

Appendix A

TASA PRODUCTS LIMITED
 BALANCE SHEET
 JUNE 30, 1999
 (UNAUDITED)

ASSETS		
Cash	\$	0
Royalties Receivable		0

TOTAL CURRENT ASSETS	\$	0
Intangible Assets Less Amortization		0
Receivable from Affiliates Less Allowance		0

TOTAL ASSETS	\$	0
LIABILITIES AND PARTNERS' EQUITY		
Accounts Payable	\$	0
Taxes Payable		0

TOTAL CURRENT LIABILITIES		0
Payable to Affiliates		109,443
Interest Payable		875,376
Notes Payable		1,400,000

TOTAL LIABILITIES		2,384,819
Partners' Capital		(2,384,819)

TOTAL LIABILITIES AND PARTNER'S EQUITY		0

TASA PRODUCTS LIMITED
 STATEMENT OF INCOME
 FOR THE QUARTER ENDING
 JUNE 30, 1999
 (UNAUDITED)

Royalty Revenue	\$	0
Expenses		0

Net Income (Loss)	\$	0

TASA PRODUCTS LIMITED
STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDING
JUNE 30, 1999
(UNAUDITED)

Net Cash Provided By Operating Activities	\$ 0
Net Cash Used By Investing Activities	0
Net Cash Provided By Financing Activities	0

Net Increase In Cash	\$ 0
Cash At Beginning Of Period	\$ 0

Cash At End Of Period	\$ 0

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 thereunto duly authorized.

TASA PRODUCTS LIMITED
(Registrant)

7/23/99
Date

Michel E. Maes, General Partner
(Signature)

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