FORM 10QSB/A

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d) [amend]

Filing Date: **1996-01-11** | Period of Report: **1995-10-31**
SEC Accession No. 0000806566-96-000001

(HTML Version on secdatabase.com)

FILER

MANAGEMENT TECHNOLOGIES INC
CIK:**806566**| IRS No.: **133029797** | State of Incorp.:**NY** | Fiscal Year End: **0430**
Type: **10QSB/A** | Act: **34** | File No.: **000-17206** | Film No.: **96502742**
SIC: **7372** Prepackaged software

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NEW YORK NY 10017

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FIRST AMENDMENT TO
FORM 10-QSB
ON FORM 10-QSB/A

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

For the quarterly period ended October 31, 1995

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: 0-17206

Management Technologies, Inc.

(Exact name of Registrant as specified in its Charter)

New York	13-3029797
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

630 Third Avenue
New York, New York 10017

(Address of principal executive offices)

(212) 983 5620

(Registrant's telephone number)

(Former Name, Former Address and Former Fiscal Year, if changed since last Report)

Check whether the registrant (1) has 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.
Yes X No

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

Class	Outstanding as of December 15, 1995
Common Stock, par value $.01 per share	15,773,281

Transitional Small Business Disclosure Format (Check one): Yes ---- No X ---

PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The consolidated financial statements included herein are unaudited, but reflect all adjustments that, in the opinion of management, are necessary to provide a fair statement of the results for the periods covered. All such adjustments are of a normal recurring nature.

Index to Financial Statements (Unaudited):

Consolidated Balance Sheet as of October 31, 1995
Consolidated Statement of Change in Stockholders' Equity
Consolidated Statement of Cash Flows
Notes to Financial Statements

MANAGEMENT TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
(in $'000)

	October 31 1995 (unaudited)	April 30, 1995
ASSETS		
Current assets:		
Cash	357	833
Accounts receivable; billed	2,598	4,655
	2,085	1,618
unbilled		
Prepaid expenses and other current assets	1,218	1,803
TOTAL CURRENT ASSETS	6,258	8,909
Property and equipment, net of accumulated depreciation	1,238	1,810
Intangible assets, less accumulated amortization	13,851	14,663
Capitalized software development	1,031	
Other assets	0	1,839
TOTAL ASSETS	22,378	27,221
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	3,497	2,898
Accrued expenses	3,744	4,545
Taxes payable	2,824	2,053
Note payable on acquisition	2,244	3,607
Deferred income	2,549	3,632
Lease liabilities	95	
Other current liabilities	630	1,180
TOTAL CURRENT LIABILITIES	15,583	17,915
Loans payable	0	
Non current note payable on acquisition	0	1,766
Other long term liabilities	173	1,521
TOTAL LIABILITIES	15,756	21,202
Stockholders' equity		
Common stock $.01 par value. Authorized shares, 200,000,000		
issued shares 19,837,393	195	140
Additional paid in capital	45,371	42,472
Accumulated deficit	(38,694)	(36,063)
Foreign currency translation adjustment	(250)	(530)
TOTAL STOCKHOLDERS' EQUITY	6,622	6,019
TOTAL LIABILITIES AND STOCKHOLDERS'	22,378	27,221

EQUITY

The accompanying notes are an integral part of these financial statements

MANAGEMENT TECHNOLOGIES, INC.
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(In $000 except share data)

	Common stock	Stock amount	Additional paid in capital	Retained Earnings	Translation Adjustment	Total
Balances at July 31, 1995	16,362,732	160	43,613	(36,578)	(429)	6,766
Sale of common shares	100,000	1	99			100
Shares subscribed but not issued	3,374,661	34	1,659			1,693
Net income (loss) for the year				(2,116)		(2,116)
Translation adjustment					179	179

Balances at October 31, 1995	19,837,393	195	45,371	(38,694)	(250)	6,622
Less shares to be issued	4,086,326					
Total issued and outstanding at October 31, 1995	15,751,067					

The accompanying notes are an integral part of these financial statements

MANAGEMENT TECHNOLOGIES, INC.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

Three months ended October 31, 1995 and 1994
(in $'000)

	1995 (unaudited)	1994 (unaudited)
Revenues		
Software products	1,494	3,572
Maintenance fees	1,735	854
Customer service fees	1,285	523
TOTAL REVENUE	4,514	4,949
Cost and expenses		
Costs of software products	526	93
Costs of maintenance	1,115	650
Costs of customer service	874	335
Selling, general and administrative	4,578	2,719
Amortization of	184	87

Intangible assets		
Depreciation	244	91
Write off of acquired research and development		
TOTAL COSTS AND EXPENSES	7,521	3,975
LOSS FROM OPERATIONS	(3,007)	974
Profit on disposal of/(write down of investment in) affiliate	1,064	
Interest (expense)	(173)	(106)
NET LOSS	(2,116)	868
Net profit/loss per share outstanding	(0.12)	0.15
Net profit per share, fully diluted		0.08
Weighted average number of common shares outstanding	18,100,062	5,858,810
Weighted average number of common shares and common share equivalents outstanding		10,984,460

The accompanying notes are an integral part of these financial statements

MANAGEMENT TECHNOLOGIES, INC.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

Six months ended October 31, 1995 and 1994
(in $'000)

	1995 (unaudited)	1994 (unaudited)
Revenues		
Software products	4,847	3,883
Maintenance fees	3,782	1,208

Customer service fees	3,078	675
Total Revenues	11,707	5,766
Cost and expenses		
Costs of software products	1,219	99
Costs of maintenance	2,171	916
Costs of customer service	1,671	424
Selling, general and administrative	9,003	3,920
Amortization of Intangible assets	369	103
Depreciation	507	117
Write off of acquired research and development		7,000
Total costs and expenses	14,940	12,579
Loss from operations	(3,233)	(6,813)
Profit on disposal of/(write down of investment in) affiliate	1,064	(1,112)
Interest expense	(462)	(126)
Net loss	(2,631)	(8,051)
Net loss per share outstanding	(0.15)	(1.71)
Weighted average number of common shares outstanding	17,188,781	4,697,043

The accompanying notes are an integral part of these financial statements

MANAGEMENT TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(in $ 000)

	Six months ended October 31,	
	1995	1994
Cash flow from operating activities		
Net income (loss)	(2,631)	(8,051)
Adjustments to reconcile net income (loss)		

to net cash provided by (used in) operating activities		
Capitalization of software development	(1,041)	
Write off investment in affiliate	(923)	647
Depreciation and amortization	1,016	257
Write down of acquired research and development		7,000
Changes in assets and liabilities net of effects from acquisitions:		
(Increase) Decrease in accounts receivable	2,001	(1,715)
(Increase) Decrease in unbilled accounts receivable	(498)	34
(Increase) Decrease in other current assets	560	(488)
Increase (Decrease) in accounts payable	658	(408)
Increase (Decrease) in accrued expenses	(777)	1,443
Increase (Decrease) in payroll taxes payable	810	188
Increase (Decrease) in notes and loans payable	(0)	1,200
Increase (Decrease) in deferred income	(1,039)	(1,025)
Increase (Decrease) in lease liabilities	(242)	
Increase/(Decrease) in other liabilities	0	
Net cash provided by (used in) operating activities	(2,108)	(918)
Cash flows from investing activities:		
Payment for Winter Partners net of cash acquired		(5,009)
Cash paid for DESISCo less cash acquired	(926)	
Proceeds from disposal/(purchase) of fixed assets	43	(71)
Net cash provided (used in) from investing activities:	(884)	(5,080)
Cash flow from financing activities		
Proceeds from notes payable	0	1,000
Repayment of notes payable	(275)	(662)
Proceeds from issuance of common stock	2,596	6,156
Net cash provided in financing activities	2,321	5,080
Effect of exchange rate on cash	195	(195)
INCREASE IN CASH AND CASH EQUIVALENTS	(475)	301
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	833	190

CASH AND CASH EQUIVALENTS - END OF PERIOD	357	491

Supplemental disclosure of cash flow information		
Cash paid during the fiscal quarter for interest		0
Non-cash financing activities		

The accompanying notes are an integral part of these financial statements

Notes to Financial Statements:

1. The accompanying consolidated financial statements should be read in conjunction with the Company's financial statements for the fiscal year ended April 30, 1995, included in the Company's Annual Report on form 10-KSB, as amended. In the opinion of management, the interim statements reflect all adjustments which are necessary for a fair statement of the results of the interim period presented. The interim results are not necessarily indicative of the results for the full year.

2. Net loss per share for the three months ended October 31, 1995 and for the six months ended October 31, 1995 are computed based upon the weighted average number of common shares outstanding and exclude common stock equivalents as they would be anti-dilutive.

3. Taxes payable comprise payroll deductions plus estimated penalties and interest for late payment.

4. The Company follows the practices set out in Financial Accounting Standards Board statement 52 in translating the operations, assets and liabilities of entities whose accounts are denominated in foreign currencies.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

General

The Company's principal products are IBS-90, Abraxsys, OpenTrade and TradeWizard. Abraxsys and IBS-90 are back office international banking software products running on mid range computer systems. Abraxsys and IBS-90 have been installed at approximately 75 locations in over 30 countries. Abraxsys is a complete re-development of IBS-90 and is now marketed as the Company's prime offering to banks to computerize their back office operation. Abraxsys has reached the technological feasibility phase during the quarter ended July 31, 1995 and its development costs during the quarter ended October 31, 1995 have been capitalized, accordingly. Abraxsys is written in the industry standard C language and runs on a variety of platforms and operating systems, the most significant of which is UNIX. OpenTrade is a software product that provides a platform for distributing real-time financial information within the trading room environment. OpenTrade is used by 50 customers supporting 6,000 trading positions. TradeWizard is an advanced software product for the integration of information and applications at the users' desktop. It is installed at some 1,000 positions. TradeWizard has reached the technological feasibility stage during the quarter ended July 31, 1995 and its development costs in the quarter ended October 31, 1995 have been capitalized, accordingly. The Company also markets and licenses its ManTec line of integrated software packages for financial institutions through an agent. The Company no longer directly supports its ManTec product line. The Company's agent provides support to certain clients. The ManTec product line runs on IBM and IBM-compatible mainframe computers.

The Company's revenues consist of license fees for the Company's software components, maintenance fees and customer service fees. In addition, the Company earns revenues from the selling other companies' hardware and software products. The Company accounts for revenue in conformity with Statements of Position (`SOP') 91-1 and 81-1.

In accordance with SOP 91-1, revenue from IBS-90 and Abraxsys license fees are recognized upon delivery to the customer, provided no significant vendor obligations remain and collection of the resulting receivable is deemed probable.

The Company recognizes revenues from its OpenTrade and TradeWizard products according to the percentage of completion method as costs are incurred (cost to cost basis) in conformity with SOP 81-1. A prudent estimate is made of the profit attributable to work completed and is recognized once the outcome of the contract can be assessed with reasonable certainty. If the estimate indicates a loss, the entire loss is accrued immediately. The amount by which revenue exceeds billings to customers is shown as unbilled accounts receivable.

Maintenance revenues are recognized on an incremental basis over the period of the contract, the unrecognized portion is recorded as deferred income. Customer service revenues are recognized as revenue as work is performed and invoiced by the Company. The Company's contracts with its customers typically provide for payments to be made pursuant to specified schedules, some of which payments are received prior to delivery to the customer. Such payments received prior to delivery are not recognized by the Company as revenue, but are reflected as deferred income on the Company's consolidated balance sheet. Revenues recognized in accordance with SOP-91-1 or SOP-81-1 and not yet invoiced are recorded as accrued income on the Company's consolidated balance sheet.

Cost of software products consisted of the amortization of capitalized software products, of the cost of third party products included in the Company's contractual deliverables and of agency commission incurred. Other costs of software products, such as the costs of making copies from the product masters and physical packing of the Company's software are immaterial. Costs are allocated to maintenance and customer service revenues in proportion to their respective revenues. Management believes that such allocations are reasonable.

Comparison of fiscal quarters

The Company has booked significant sales of its products in the three month period ending October 31, 1995. However, the Company's lack of working capital has constrained the Company from completing the work necessary to complete and recognize income from these sales during the three month period ending October 31, 1995. Consequently the revenue from these sales will be recognized during the second six months of the current fiscal year. The decrease in revenues to $4,514,000 for the three month period ending October 31, 1995 from $4,949,000 for the three month period ending October 31, 1994 is primarily due to a backlog of revenues being recognized in Fiscal 1995 in the then newly acquired Winter Partners subsidiaries, in addition to the lack of working capital discussed above.

The increase in revenues to $11,707,000 for the six month period ending October 31, 1995 from $5,766,000 for the six month period ending October 31, 1994 is primarily due to revenues of the Winter Partners subsidiaries acquired during the fiscal year ended April 30, 1995.

Costs of software products increased to $526,000 for the three months ended October 31, 1995 from $93,000 for the three months ended October 31, 1994, and to $1,219,000 for the six months ended October 31, 1995 from $99,000 for the six months ended October 31, 1994, due to the incorporation of costs of third party products delivered with the Company's products in the three month period ended October 31, 1995 and to the amortization of software recognized on the acquisition of the Winter Partners subsidiaries purchased during the year ended April 30, 1995.

Cost of maintenance and customer services increased to $1,989,000 for the three months ended October 31, 1995 from $985,000 for the three months ended October 31, 1994, and to $3,842,000 for the six months ended October 31, 1995 from $1,340,000 for the six months ended October 31, 1994 mainly due to the addition of the maintenance and customer service costs of the Winter Partners subsidiaries acquired during the fiscal year ended April 30, 1995 and the consequent increase in the size of the Company and in the number of the Company's employees.

Selling, general and administrative costs increased to $4,578,000 for the three months ended October 31, 1995 from $2,719,000 for the three months ended October 31, 1994, and to $9,003,000 for the six months ended October 31, 1995 from $3,920,000 for the six months ended October 31, 1994, mainly due to the addition of the selling, general and administrative costs of the Winter Partners subsidiaries acquired during the fiscal year ended April 30, 1995 and the consequent increase in the size of the Company and in the number of the Company's employees.

The Company's profit after costs of revenue, consisting of total revenues minus costs of software products, costs of maintenance and costs of customer service, was $1,999,000 for the three month period ended October 31, 1995 compared to $3,871,000 for the three month period ended October 31, 1994, and $6,646,000 for the six month period ended October 31, 1995 compared to $4,327,000 for the six month period ended October 31, 1994. This improvement is a result of the gross contribution of the Winter Partners subsidiaries acquired during the fiscal year ended April 30, 1995.

The Company's operating loss was $3,007,000 for the three month period ended October 31, 1995 compared to an operating profit of $974,000 for the three month period ended October 31, 1994 resulting from additional costs associated with the restructuring of the Company's operations and management during the period. This restructuring has resulted in the achievement of a reduction in annual operating costs of $5,000,000. The Company's operating loss was $3,233,000 for the six month period ended October 31, 1995 compared to an operating loss of $6,813,000 for the six month period ended October 31, 1994 due to the write off, in 1994 of acquired research and development following on the acquisition of the Winter Partners subsidiaries.

The Company, as part of an elimination of debt, disposed of its interest in New Paradigm Software Corporation (`NPSC') during the quarter ended October 31, 1995. Consequently, the Company recognized a profit on disposal of $1,064,000 on disposal. In the six month period ended October 31, 1994, the Company wrote off its investment in NPSC recognizing a loss of $1,112,000.
The Company incurs expenses in British Pounds, Hong Kong dollars, Singapore dollars and United States dollars. Similarly, revenues are invoiced in a variety of currencies, the most significant of which are British Pounds, United States dollars, Deutsche Marks, French Francs and Swiss Francs. The Company does not engage in any hedging activity.

The Company is not aware of any current or expected future impact as a result of new tax laws or the issuance of FASB statements.

Liquidity and Capital Resources

During the three month period ended October 31, 1995 the Company issued stock for a total consideration of approximately $1,793,000 used to fund working capital requirements.

At October 31, 1995, the Company had a working capital deficiency of approximately $9,325,000 as compared to a working capital deficiency of $9,006,000 at April 30, 1995.

The Company expects to fund continuing operations from current revenues. It intends, however, to the extent required to re-finance outstanding debt in fiscal 1996, to continue to sell its securities directly to investors in private placements and it may, in the future, attempt to arrange an offering through a placement agent or underwriter.

Effective December 15, 1995 the Company has arranged external staged financing totalling $8,500,000. The financing includes the issue of stock to management and staff of the Company together with a convertible debenture with terms leading to forced conversion on or before December 31, 1997. The Company will, under the terms of this agreement, receive a total of $2,250,000 immediately with the full balance due to be received in stages before April 30, 1995. The effect of this arrangement, if it took effect as of October 31, 1995, would be to reduce the working capital deficiency to $7,075,000 immediately and to $1,325,000 by April 30, 1996. The Company expects, by achieving profitable trading in the second six months of Fiscal 1996, to eliminate the working capital deficiency by April 30, 1996.

The Company has agreed a revised repayment schedule with Digital Equipment Co. Limited, the former owner of the Company's subsidiary MTi Trading Systems Limited. Under the revised schedule, the Company will make monthly payments, completing the acquisition at the end of January 1996. The Company has pledged all the tangible and intangible assets of MTi Trading Systems Limited to Digital Equipment Co. Limited to guarantee its performance under the associated stock purchase agreement and loan assignment.

The Company's long-term liquidity and its ability to continue as a going concern will ultimately depend upon the Company's ability to realize sufficient revenues from operations.

PART II
OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

1. Matter involving Barrington Fludgate

   On 26 July 1995, Fludgate commenced an action in the New York State Supreme Court, New York County claiming breach of contract and a violation of New York State Labour Law. The action claims specific damages of an aggregate of $3,500,000 and additional unspecified damages. The Company has interposed an answer to the complaint, which includes specific affirmative defences as well as a counterclaim.

   The legal action in the New York State Supreme Court is in the preliminary stages and based upon the information provided by the Company and the prior legal action which was dismissed in the United States District Court, there appears to be a meritorious defence to the claim of Mr Fludgate in this action.

2. Matter involving MCI Telecommunications Corporate (`MCI')
   Sublease 335 Madison Avenue

The Company's Landlord, MCI, has asserted a claim for approximately $426,000 against the Company as a result of past due rent under its Sublease for space occupied by MTi and/or claimed affiliated companies. The Company and MCI have settled the matter for the sum of $300,000 payable on an instalment payment basis. The Company has paid the initial $50,000 and the balance is required to be paid over a six month period. The Company has agreed to provide a Confession of Judgement which is being held in escrow by the attorney for MCI. In the event of a default, MCI can proceed to enter a judgement against the Company for the sum of $507,968 crediting the amount paid by the Company. The difference between the settlement amount and the confession of judgement or $300,000 has not been provided for. The Company has not made a certain payment due and has received a notification of default from MCI.

3. Claim of Howard Schraub

Howard Schraub instituted an action against the Company in the New York State Supreme Court, New York County for the sum of $184,000. The Company and Schraub agreed to settle the claim and are in the process of finalizing the settlement agreement.

4. Claim of Edelson Technology Partners, III (`Edelson')

Edelson has instituted a suit in the New York State Supreme Court, New York County claiming the sum of Pounds250,000 plus interest and attorneys' fees. The basis of the suit is a promissory note issued by the Company. The Company is contesting the action based upon a prior settlement agreement with the Company.

5. Claim of Registration Rights for Unit Holders of the Company

In 1993 and 1994, the Company completed a Private Placement of units consisting of one (1) share of Common Stock and three (3) Class `C' Warrants to purchase three (3) shares of Common Stock at $1.19 per share, subject to possible substantial exercise price reduction pursuant to the anti-dilution provision of a certain warrant agreement. The Private Placement terms involved registration rights to the Unit Holders which further provided for the Company to use its best efforts to register the shares and the additional shares underlying the Class `C' Warrants for Unit Holders. The Company filed a Form S-3 Registration Statement to that effect in April of 1994. It was compelled to withdraw the Registration Statement in April 1995 with the understanding that it would refile a new registration for Unit Holders within a reasonable time. No such registration statement has been file at this date.

A number of Unit Holders have made claims against the Company, alleging that the Company agreed to afford Unit Holders options to purchase shares of Common Stock at a below market price as a form of compensation to Unit Holders for losses occurring as a result of the Company's not proceeding with the Registration of their shares. The Company has issued an offer to Unit Holders to issue to those Unit Holders who were included in the registration statement which was withdrawn, two shares of the Company's common stock per unit so that Unit Holders would be compensated for any loss sustained as a result of the registration which was withdrawn by the Company. A number of unit holders have returned a favourable response. The Company is still responsible to file a registration statement. The cost of such a filing is not expensed but applied against the Additional Paid in Capital. The Company can reasonably expect to pay $100,000 is awaiting a response from the Unit Holders as to whether or not they will agree to the proposed settlement.

6. MTi and IBS Ketel Ltd (`IBS') - matter pending in the New York State Supreme Court

The Company has commenced an action against IBS in an attempt to rescind its agreement with IBS and recover the sum of $100,000 paid to IBS. IBS is in default and the Company is proceeding to enter a judgement. Information to date is that IBS has discontinued operation of its business so that collection of a judgement is doubtful.

In addition, Sam Koo, the principal executive officer of IBS has asserted a claim for $21,607.71 for expenses.

7. Claim of Sharon F Merrill

Ms Merrill received 250,000 shares of restricted stock as a result of the acquisition of the shares of MTi Merken Inc. in 1992. In that regard, the Company agreed to use its best efforts to register Ms Merrill's shares within 180 days from the acquisition date. A claim has been made that the Company has not used its best efforts and that Ms Merrill has sustained losses as a result of the price of the shares of MTi and resultantly Ms Merrill has claimed a loss of $450,000. The Company's position is that it has used its best efforts with respect of the registration of the shares owned by Ms Merrill.

8. Rosanne Milazzo (`Milazzo')

Rosanne Milazzo acted as a consultant for the Company to assist in selling a software product called IBS II Plus. This relationship was terminated by MTi in August 1994. Milazzo claims breach of contract and damages of $252,350. Milazzo has filed a law suit against the Company in the New York State Supreme Court, New York County.

9. Napoleon Securities (`Napoleon')

Napoleon participated in a private placement and raised a claim related to an alleged agreement under which the Company agree to repurchase the securities. Napoleon filed suit in the Circuit Court of Cook County, Illinois.

The Company is not a party to any other material litigation.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

Exhibit 27. Financial Data Schedule

Current reports on Form 8-K filed during the quarter ended October 31, 1995:

FORM	REPORT DATE	ITEM REPORTED	FINANCIAL STATEMENTS FILED
8-K	August 9, 1995	5, resignation of an officer	None
8-K	October 4, 1995	6, resignation of directors	None
8-K	August 31, 1995	5, settlement of a major contract	None
8-K/A	September 29, 1995	5, debt forgiveness	None
8-K	December 1st, 1995	6, resignation of directors	None

SIGNATURE

Pursuant to the requirements of Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized:

Dated: New York, New York
January 11, 1996

Management Technologies, Inc.
(Registrant)

By: /s/ Peter Morris

Peter Morris
President and Chief Operating Officer

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