

# SECURITIES AND EXCHANGE COMMISSION

## FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1996-11-14** | Period of Report: **1996-09-30**  
SEC Accession No. **0001017951-96-000061**

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### FILER

#### **TRIANGLE INC**

CIK: **832810** | IRS No.: **930969365** | State of Incorpor.: **CO** | Fiscal Year End: **1231**  
Type: **10-Q** | Act: **34** | File No.: **033-21642** | Film No.: **96664042**  
SIC: **6770** Blank checks

Business Address  
830 NORTHEAST LOOP 410  
STE 305B  
SAN ANTONIO TX 78209  
2108215577

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
----- OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1996

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 33-25253

TRIANGLE, INC.

-----  
Exact Name of Registrant as Specified in its Charter

Colorado

93-0969365

-----  
State or Other Jurisdiction of  
Incorporation or Organization

-----  
IRS Employer Identification  
Number

830 Northeast Loop 410, Suite 305B, San Antonio, TX 78209

-----  
(Address of principal executive offices)

(Zip Code)

(210) 821-5577

-----  
Registrant's Telephone Number, Including Area Code

N/A

-----  
(Former Name, Former Address and Formal Fiscal Year, if Changed  
Since Last Report.)

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

-----

The number of shares outstanding of each of the issuer's classes of  
common shares, as of the latest practicable date:

|                     |                                 |
|---------------------|---------------------------------|
| No Par Value        | Outstanding at October 31, 1996 |
| Common Shares       | 57,008,590 shares               |
| -----               | -----                           |
| Class of Securities | Outstanding Securities          |

TRIANGLE, INC.  
(A Development Stage Company)

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TRIANGLE, INC.  
(A Development Stage Company)  
CONDENSED BALANCE SHEETS  
(Unaudited)

|   | September 30,<br>1996<br>---- | December 31,<br>1995<br>---- |
|---|-------------------------------|------------------------------|
| ASSETS<br>-----                                 |                               |                              |
| Current assets:                                 |                               |                              |
| Cash  | \$ (4)<br>=====               | \$ 136<br>=====              |
| LIABILITIES AND STOCKHOLDERS' DEFICIT<br>-----  |                               |                              |
| Current liabilities:                            |                               |                              |
| Accounts payable                                | \$ 4,106<br>-----             | \$ 10,840<br>-----           |
| Stockholders deficit:                           |                               |                              |
| Preferred stock                                 | -                             | -                            |
| Common stock                                    | 216,949                       | 213,324                      |
| Deficit accumulated during<br>development stage | (221,059)<br>-----            | (224,028)<br>-----           |
|   | (4,110)<br>-----              | (10,704)<br>-----            |
|   | \$ (4)<br>=====               | \$ 136<br>=====              |

Note: The balance sheet at December 31, 1995 has been taken from the audited financial statements at that date and condensed.

TRIANGLE, INC.  
(A Development Stage Company)  
CONDENSED STATEMENTS OF OPERATIONS  
(Unaudited)

<TABLE>  
<CAPTION>

|   | Three Months Ended<br>September 30, |            | Nine Months Ended<br>September 30, |            | December 8,<br>1981<br>(Inception)<br>to<br>September 30, |
|---|-------------------------------------|------------|------------------------------------|------------|---|
|   | 1996                                | 1995       | 1996                               | 1995       | 1996  |
| <S>   | <C>                                 | <C>        | <C>                                | <C>        | <C>   |
| Interest income                                     | \$ -                                | \$ -       | \$ -                               | \$ -       | \$ 3,230  |
| Operating expenses:                                 |                                     |            |                                    |            |   |
| Legal and accounting                                | -                                   | 4,154      | 2,975                              | 5,396      | 55,013  |
| Filing fees   | -                                   | -          | 1,448                              | -          | 8,309   |
| Public relations                                    | -                                   | -          | -                                  | -          | 14,414  |
| Other   | 34                                  | 229        | (7,392)                            | 652        | 27,443  |
|   | 34                                  | 4,383      | (2,969)                            | 6,048      | 105,179   |
|   | (34)                                | (4,383)    | 2,969                              | (6,048)    | (101,949)   |
| Writeoff of advances/<br>recision of merger         | -                                   | -          | -                                  | -          | (119,110)   |
| Net income/(loss)                                   | \$ (34)                             | \$ (4,383) | \$ 2,969                           | \$ (6,048) | \$ (221,059)  |
| Net income/(loss) per<br>share                      | (a)                                 | (a)        | (a)                                | (a)        |   |
| Weighted average<br>number of shares<br>outstanding | 57,004,693                          | 56,392,257 | 56,939,235                         | 56,231,758 |   |

</TABLE>

(a) Less than \$.01 per  
share

TRIANGLE, INC.  
 (A Development Stage Company)  
 STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)  
 For the Period December 8, 1981 (Inception)  
 To September 30, 1996  
 (Unaudited)

<TABLE>  
 <CAPTION>

|   | Common Stock        |         | Class B<br>Common Stock |          | Deficit<br>Accumulated<br>During<br>Development<br>Stage |
|---|---------------------|---------|-------------------------|----------|--|
|   | Number of<br>Shares | Amount  | Number of<br>Shares     | Amount   |  |
| <S>   | <C>                 | <C>     | <C>                     | <C>      | <C>  |
| Balance at inception<br>December 8, 1981  | -                   | \$ -    | -                       | \$ -     | \$ -   |
| Issuance of stock to<br>officers and<br>directors March,<br>1988:<br>for cash (\$.003<br>per share) | 2,118,640           | 6,355   | -                       | -        | -  |
| Issuance of stock<br>March, 1988:<br>for cash (\$.003<br>per share)                                 | 2,881,360           | 8,645   | -                       | -        | -  |
| Net loss for the<br>year ended December<br>31, 1988   | -                   | -       | -                       | -        | (7,179)  |
| Balances, December<br>31, 1988  | 5,000,000           | 15,000  | -                       | -        | (7,179)  |
| Issuance of stock in<br>public offering, net<br>of expenses of<br>\$71,435                          | 20,316,000          | 131,725 | -                       | -        | -  |
| Issuance of stock to<br>underwriter   | 677,200             | 100     | -                       | -        | -  |
| Issuance of stock to<br>affiliated entities   | -                   | -       | 1,000,000               | 10,000   | -  |
| Conversion of stock   | 15,000,000          | 10,000  | (1,000,000)             | (10,000) | -  |

|   |            |   |   |   |   |
|---|------------|---|---|---|---|
| Shares not returned<br>in merger reversal | 10,000,000 | - | - | - | - |
|---|------------|---|---|---|---|

</TABLE>

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TRIANGLE, INC.  
 (A Development Stage Company)  
 STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT) (Continued)  
 For the Period December 8, 1981 (Inception)  
 To September 30, 1996  
 (Unaudited)

<TABLE>

<CAPTION>

|   | Common Stock        |         | Class B<br>Common Stock |        | Deficit<br>Accumulated<br>During<br>Development<br>Stage |
|---|---------------------|---------|-------------------------|--------|--|
|   | Number of<br>Shares | Amount  | Number of<br>Shares     | Amount |  |
|   | -----               | -----   | -----                   | -----  | -----  |
| <S>   | <C>                 | <C>     | <C>                     | <C>    | <C>  |
| Net loss for the year<br>ended December 31,<br>1989   | -                   | -       | -                       | -      | (154,955)  |
| Balances, December<br>31, 1989  | 50,993,200          | 156,825 | -                       | -      | (162,134)  |
| Net loss for the year<br>ended December 31,<br>1990   | -                   | -       | -                       | -      | (4,622)  |
| Balances, December<br>31, 1990  | 50,993,200          | 156,825 | -                       | -      | (166,756)  |
| Net loss for the year<br>ended December 31,<br>1991   | -                   | -       | -                       | -      | (330)  |
| Balances, December<br>31, 1991  | 50,993,200          | 156,825 | -                       | -      | (167,086)  |
| Issuance of stock<br>to officers and<br>directors, for<br>cash, June, 1992,<br>(\$0.01 per share) | 731,910             | 7,319   | -                       | -      | -  |
| Net loss for the<br>year ended  |                     |         |                         |        |  |

|                             |            |         |       |       |           |
|-----------------------------|------------|---------|-------|-------|-----------|
| December 31, 1992           | -          | -       | -     | -     | (10,929)  |
|                             | -----      | -----   | ----- | ----- | -----     |
| Balances, December 31, 1992 | 51,725,110 | 164,144 | -     | -     | (178,015) |

</TABLE>

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TRIANGLE, INC.  
 (A Development Stage Company)  
 STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT) (Continued)  
 For the Period December 8, 1981 (Inception)  
 To September 30, 1996  
 (Unaudited)

<TABLE>  
<CAPTION>

|   | Common Stock        |         | Class B<br>Common Stock |        | Deficit<br>Accumulated<br>During<br>Development<br>Stage |
|---|---------------------|---------|-------------------------|--------|--|
|   | Number of<br>Shares | Amount  | Number of<br>Shares     | Amount |  |
|   | -----               | -----   | -----                   | -----  | -----  |
| <S>   | <C>                 | <C>     | <C>                     | <C>    | <C>  |
| Issuance of stock to officers and directors, for cash, during 1993 (\$0.01 per share) | 1,375,000           | 13,750  | -                       | -      | -  |
|   | -----               | -----   | -----                   | -----  | -----  |
| Issuance of stock for cash, April, 1993 (\$0.01 per share)                            | 90,480              | 905     | -                       | -      | -  |
| Issuance of stock for officer compensation, November, 1993 (\$0.01 per share)         | 2,500,000           | 25,000  | -                       | -      | -  |
| Net (loss) for the year ended December 31, 1993                                       | -                   | -       | -                       | -      | (33,944)   |
|   | -----               | -----   | -----                   | -----  | -----  |
| Balances, December 31, 1993   | 55,690,590          | 203,799 | -                       | -      | (211,959)  |
| Issuance of stock   |                     |         |                         |        |  |



|   |         |       |   |   |   |
|---|---------|-------|---|---|---|
| to an officer/<br>director and a<br>shareholder for<br>cash, November,<br>1994 (\$.01 per<br>share)         | 230,000 | 2,300 | - | - | - |
| Issuance of stock<br>to officer for<br>reimbursement of<br>expenses, November,<br>1994 (\$.01 per<br>share) | 142,500 | 1,425 | - | - | - |

</TABLE>

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TRIANGLE, INC.  
 (A Development Stage Company)  
 STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT) (Continued)  
 For the Period December 8, 1981 (Inception)  
 To September 30, 1996  
 (Unaudited)

<TABLE>  
<CAPTION>

|  | Common Stock        |         | Class B<br>Common Stock |        | Deficit<br>Accumulated<br>During<br>Development<br>Stage |
|--|---------------------|---------|-------------------------|--------|--|
|  | Number of<br>Shares | Amount  | Number of<br>Shares     | Amount |  |
|  | -----               | -----   | -----                   | -----  | -----  |
|  | <C>                 | <C>     | <C>                     | <C>    | <C>  |
| Net (loss) for the<br>year ended December<br>31, 1994                            | -                   | -       | -                       | -      | (5,216)  |
| Balances, December<br>31, 1994   | 56,063,090          | 207,524 | -                       | -      | (217,175)  |
| Issuance of stock<br>to officer for<br>cash, January, 1995,<br>(\$.01 per share) | 20,000              | 200     | -                       | -      | -  |
| Issuance of stock<br>to officer for<br>cash, May, 1995,                          |                     |         |                         |        |  |

|   |            |         |       |       |           |
|---|------------|---------|-------|-------|-----------|
| (\$ .01 per share)  | 200,000    | 2,000   | -     | -     | -         |
| Issuance of stock to officer for cash, August, 1995 (\$ .01 per share)    | 60,000     | 600     | -     | -     | -         |
| Issuance of stock to officer for cash, September, 1995 (\$ .01 per share) | 300,000    | 3,000   | -     | -     | -         |
| Net (loss) for the year ended December 31, 1995                           | -          | -       | -     | -     | (6,853)   |
|   | -----      | -----   | ----- | ----- | -----     |
| Balances, December 31, 1995   | 56,643,090 | 213,324 | -     | -     | (224,028) |
| Issuance of stock to officer for cash, January, 1996 (\$ .01 per share)   | 100,000    | 1,000   | -     | -     | -         |

</TABLE>

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TRIANGLE, INC.  
 (A Development Stage Company)  
 STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT) (Concluded)  
 For the Period December 8, 1981 (Inception)  
 To September 30, 1996  
 (Unaudited)

<TABLE>  
<CAPTION>

|  | Common Stock        |        | Class B<br>Common Stock |        | Deficit<br>Accumulated<br>During<br>Development<br>Stage |
|--|---------------------|--------|-------------------------|--------|--|
|  | Number of<br>Shares | Amount | Number of<br>Shares     | Amount |  |
|  | -----               | -----  | -----                   | -----  | -----  |
| <S>  | <C>                 | <C>    | <C>                     | <C>    | <C>  |
| Issuance of stock to officer for cash, February, 1996 (\$ .01 per share) | 260,000             | 2,600  | -                       | -      | -  |
| Issuance of stock to officer for cash, August, 1996                      | 2,500               | 25     | -                       | -      | -  |

(\$ .01 per share)

|   |            |            |       |       |             |
|---|------------|------------|-------|-------|-------------|
| Net income for the<br>nine months ended<br>September 30, 1996 | -          | -          | -     | -     | 2,969       |
|   | -----      | -----      | ----- | ----- | -----       |
| Balance, September 30,<br>1996                                | 57,005,590 | \$ 216,949 | -     | \$ -  | \$(221,059) |
|   | =====      | =====      | ===== | ===== | =====       |

</TABLE>

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TRIANGLE, INC.  
(A Development Stage Company)  
CONDENSED STATEMENTS OF CASH FLOWS  
(Unaudited)

|  | Nine Months Ended<br>September 30, |            | December 8,<br>1981<br>(Inception)<br>to<br>September 30, |
|--|------------------------------------|------------|---|
|  | 1996                               | 1995       | 1996  |
|  | -----                              | -----      | -----   |
| Cash flows from operating<br>activities:   |                                    |            |   |
| Net income/(loss)  | \$ 2,969                           | \$ (6,048) | \$ (221,059)  |
| Adjustments to reconcile<br>net (loss) to net cash<br>used by operating<br>activities: |                                    |            |   |
| Amortization   | -                                  | -          | 750   |
| Stock issued for services  | -                                  | -          | 26,425  |
| Change in assets and<br>liabilities:   |                                    |            |   |
| (Decrease) in accounts<br>payable  | (6,734)                            | 782        | 4,106   |
|  | -----                              | -----      | -----   |
| Net cash used by<br>operating activities   | (3,765)                            | (5,266)    | (189,778)   |

|  |        |        |          |
|--|--------|--------|----------|
| Cash flows from investing activities:          |        |        |          |
| Organization costs                             | -      | -      | (750)    |
| Cash flows from financing activities:          |        |        |          |
| Proceeds from issuance of common stock         | 3,625  | 5,825  | 251,959  |
| Proceeds from issuance of Class B common stock | -      | -      | 10,000   |
| Deferred offering costs                        | -      | -      | (71,435) |
| Net cash provided by financing activities      | 3,625  | 5,825  | 190,524  |
| Net increase (decrease) in cash                | (140)  | 559    | (4)      |
| Cash, beginning of period                      | 136    | 116    | -        |
| Cash, end of period                            | \$ (4) | \$ 675 | \$ (4)   |

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TRIANGLE, INC.  
 (A Development Stage Company)  
 NOTES TO CONDENSED FINANCIAL STATEMENTS  
 (Unaudited)

1. CONDENSED FINANCIAL STATEMENTS

The condensed balance sheet as of September 30, 1996, the condensed statements of operations for the three months ended September 30, 1996 and 1995, the nine months ended September 30, 1996 and 1995, and the

period December 8, 1981 (inception), to September 30, 1996, and cash flows for the nine months ended September 30, 1996, and the period December 8, 1991 (inception), to September 30, 1996, have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at September 30, 1996, and for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the December 31, 1995, financial statements and notes thereto included in the Company's Form 10-K. The results of operations for the periods ended September 30, 1996 and 1995, are not necessarily indicative of the operating results for the full year.

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TRIANGLE, INC.  
(A Development Stage Company)  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS

Liquidity and Capital Resources  
-----

The Company had a cash deficit of \$4 and no working capital at September 30, 1996, and cash of \$136 and no working capital at December 31, 1995.

Results of Operations  
-----

For the period from December 8, 1981 (inception), to March of 1988, the Company was inactive. The Company is in the development stage and its activities through September 30, 1996, consisted primarily of efforts to complete the public offering and pursue a merger.

The Company's limited expenditures consist of minimal operating expenses. Management expects the Company will continue to incur small losses until such time as a merger or acquisition is completed. The net income for the nine months ended September 30, 1996, was the result of a writeoff of some previously accrued expenses that were disputed and the statute of limitations has terminated the obligation.

Management does not expect inflation or changing prices to have any effect on the Company's financial condition.

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TRIANGLE, INC.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.  
-----

NONE.

ITEM 2. CHANGES IN SECURITIES  
-----

NONE.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES  
-----

NONE.

ITEM 4. SUBMISSION OF MATTER TO A VOTE OF SECURITY HOLDERS.  
-----

NONE.

ITEM 5. OTHER INFORMATION.  
-----

NONE.

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

NONE.

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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.

TRIANGLE, INC.

Date: November 14, 1996

By: /s/ ROBERT ELLIS, PRESIDENT

-----  
Robert Ellis, President

<TABLE> <S> <C>

<ARTICLE> 5

| <S>                          | <C>                        |
|------------------------------|----------------------------|
| <PERIOD-TYPE>                | 9-MOS                      |
| <FISCAL-YEAR-END>            | DEC-31-1996                |
| <PERIOD-START>               | JAN-01-1996                |
| <PERIOD-END>                 | SEP-30-1996                |
| <CASH>                       | (4)                        |
| <SECURITIES>                 | 0                          |
| <RECEIVABLES>                | 0                          |
| <ALLOWANCES>                 | 0                          |
| <INVENTORY>                  | 0                          |
| <CURRENT-ASSETS>             | 0                          |
| <PP&E>                       | 0                          |
| <DEPRECIATION>               | 0                          |
| <TOTAL-ASSETS>               | (4)                        |
| <CURRENT-LIABILITIES>        | 4,106                      |
| <BONDS>                      | 0                          |
| <PREFERRED-MANDATORY>        | 0                          |
| <PREFERRED>                  | 0                          |
| <COMMON>                     | 216,949                    |
| <OTHER-SE>                   | (221,059)                  |
| <TOTAL-LIABILITY-AND-EQUITY> | (4)                        |
| <SALES>                      | 0                          |
| <TOTAL-REVENUES>             | 0                          |
| <CGS>                        | 0                          |
| <TOTAL-COSTS>                | 0                          |
| <OTHER-EXPENSES>             | (2,969)                    |
| <LOSS-PROVISION>             | 0                          |
| <INTEREST-EXPENSE>           | 0                          |
| <INCOME-PRETAX>              | 2,969                      |
| <INCOME-TAX>                 | 0                          |
| <INCOME-CONTINUING>          | 2,969                      |
| <DISCONTINUED>               | 0                          |
| <EXTRAORDINARY>              | 0                          |
| <CHANGES>                    | 0                          |
| <NET-INCOME>                 | 2,969                      |
| <EPS-PRIMARY>                | 0<F1>                      |
| <EPS-DILUTED>                | 0<F1>                      |
| <FN>                         |                            |
| <F1>                         | Less than \$.01 per share. |
| </FN>                        |                            |

</TABLE>