

SECURITIES AND EXCHANGE COMMISSION

**FORM 10-Q/A**

Quarterly report pursuant to sections 13 or 15(d) [amend]

Filing Date: **2009-01-26** | Period of Report: **2005-03-31**  
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**FILER**

**ODYSSEY PICTURES CORP**

CIK: **863061** | IRS No.: **954269048** | State of Incorpor.: **NV** | Fiscal Year End: **0630**  
Type: **10-Q/A** | Act: **34** | File No.: **000-18954** | Film No.: **09544052**  
SIC: **7812** Motion picture & video tape production

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*16910 DALLAS PARKWAY,  
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DALLAS TX 75248  
3105563656*

# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-QSB/A

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

For the quarterly period ended March 31, 2005

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

For the Transition Period From \_\_\_\_\_ to \_\_\_\_\_

0-18954

\_\_\_\_\_  
Commission file number

## ODYSSEY PICTURES CORPORATION

\_\_\_\_\_  
(Exact name of small business issuer as specified in its charter)

Nevada

95-4269048

\_\_\_\_\_  
(State of incorporation) (IRS Employer Identification Number)

2321 Coit Rd. Suite E, Plano, TX 75075

\_\_\_\_\_  
(Address of principal executive office)

(972) 867-0055

\_\_\_\_\_  
(Issuer's telephone number)

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 the filing requirement for at least the past 90 days. Yes  No

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

Common Stock, par value \$.01 per share 85,471,482 outstanding shares as of March 31, 2005.

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ODYSSEY PICTURES CORPORATION

Part I - FINANCIAL INFORMATION

Item 1. Financial Statements-unaudited

Balance Sheets as of March 31, 2005 and June 30, 2004

Statements of Operations for the Three Month Period and Nine Month Period Ended March 31, 2005 and 2004

Statements of Cash Flows for the Nine Month Period Ended March 31, 2005 and 2004

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Item 1. Financial Statements

Odyssey Pictures Corporation

Balance Sheet

Assets

**March 31, 2005**  
**(restated)** **June 30, 2004**

(unaudited)

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## Current Assets

Cash & cash equivalent's	\$0	\$0
Accounts receivable	0	0
	<hr/>	<hr/>
Total current assets	0	0
Amortizable intangible assets, net	6,500	6,500
	<hr/>	<hr/>
Total assets	\$6,500	\$6,500

## *Liabilities and Stockholders' Deficiency*

### Current Liabilities:

Accounts payable	\$1,287,234	\$1,632,228
Accounts payable-related parties	266,252	216,477
Accrued interest	618,145	392,608
Other accrued expenses	987,298	958,580
Legal settlements & judgments	1,045,435	1,045,435
Convertible Debt, net of discount	250,000	250,000
Debt obligations in default	1,169,245	1,472,302
	<hr/>	<hr/>

Total current liabilities	5,623,609	\$5,967,630
Derivative liability	118,971	118,971
Related parties	156,110	156,110
Stockholders' Deficiency:		
common stock-110,000,000 authorized \$0.01 par value		
85,471,482 issued & outstanding (37,919,846 in June)	854,715	379,198
Additional paid in capital	37,679,373	36,977,351
Accumulated deficit	(44,426,277)	(43,592,760)
	<hr/>	<hr/>
Total Stockholders' Deficiency	(5,892,189)	(6,236,211)
	<hr/>	<hr/>
Total Liabilities and Stockholders' Deficiency	\$6,500	\$6,500
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See notes to unaudited interim financial statements.

See notes to unaudited interim financial statements.

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Odyssey Pictures Corporation

Statement of Operations

(unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2005 (restated)	2004	2005 (restated)	2004
Net Sales	(\$1,983)	(\$20,096)	\$2,354	\$46,609
Costs Applicable to Sales & Revenue	0	0	0	0
Gross Profit	(1,983)	(20,096)	2,354	46,609
Selling, General & Administrative Expenses	70,717	207,222	252,138	689,157
Settlements	(0)	3,678	11,981	118,523
Total Operating Expenses	70,717	210,900	264,119	807,680
Income (Loss) Before Other Income & Income Taxes	(72,701)	(230,996)	(261,766)	(761,071)
<i>Other Income (Expense)</i>				
Interest (Expense)	(237,953)	(74,432)	(571,750)	(245,271)
Income (Loss) Before Income Taxes	(310,654)	(305,428)	(833,516)	(1,006,342)
Income Taxes	0	0	0	0

Net Loss available to common shareholders	(\$310,654)	(\$305,428)	(\$833,516)	(\$1,006,342)
Basic and Diluted Net Loss Per Common Share	(\$0.00)	(\$0.01)	(\$0.02)	(\$0.03)
Weighted Average Common Shares Outstanding (Basic)	84,541,694	37,524,791	53,733,840	35,504,268

See notes to unaudited interim financial statements.

Odyssey Pictures Corporation

Statement of cash Flows

(unaudited)

Nine Months Ended March 31,

<b>2005</b>	
<b>(restated)</b>	<b>2004</b>

*Cash Flows from Operating Activities:*

Net Loss	(\$833,516)	(\$1,006,342)
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Adjustments required to reconcile net loss to cash flows

from operating activities:

Stock Issued for Services	421,979	158,178
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Change in value of derivatives	0	100,000
Changes in Operating Assets & Liabilities:		
Accounts Receivable	0	(25,072)
Accounts Payable & Other	354,537	523,258
Accrued Expenses	0	0
	<hr/>	<hr/>
Net cash used by operating activities	(57,000)	(249,978)
	<hr/>	<hr/>
<i>Cash Flows from Financing Activities:</i>		
Proceeds from Sale of Common Stock	5,000	0
Loan Proceeds	52,000	249,978
	<hr/>	<hr/>
Net cash used by financing activities	57,000	249,978
	<hr/>	<hr/>
Net Change In Cash	0	0
Cash-Beginning	0	0
	<hr/>	<hr/>
Cash-Ending	\$0	\$0

See notes to unaudited interim financial statements.

Supplemental disclosure:



Payables paid by affiliates \$ 15,024

Payables & accruals settled by issuance of stock \$ 398,504

See notes to unaudited interim financial statements.

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Odyssey Pictures Corporation

Statement of Stockholders' Deficiency

Stockholders' Deficiency

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	Common Stock				
	Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Total
Balance at June 30, 2003	32,982,039	\$329,820	\$36,775,952	(\$41,849,223)	(\$4,743,451)
Stock issued for services	1,937,807	19,378	138,800		158,178
Stock issued upon conversion of debt	3,000,000	30,000	62,599		92,599
Net Loss				(1,743,539)	(1,743,539)
Balance at June 30, 2004	37,919,846	\$379,198	\$36,977,351	(\$43,592,762)	(\$6,236,212)
Shares issued for cash	90,000	900	4,100		5,000

Stock issued for services	175,000	1,750	5,250	7,000
Stock issued in settlement of trade payables and accruals	477,000	4,770	97,308	102,078
Stock issued to Auric upon conversion of debt	41,840,469	418,405	405,106	823,511
Stock issued as loan inducement	4,792,500	47,925	143,775	191,700
Stock issued upon the exercise of warrants	176,667	1,767	47,356	49,123
Net Loss			(833,516)	(833,516)
Balance at March 31, 2005	85,471,482	\$854,714	\$37,680,246	(\$44,426,278 (\$5,891,317))

See notes to unaudited interim financial statements.

**ODYSSEY PICTURES CORP**  
**Notes To UNAUDITED INTERIM Financial Statements**

**MARCH 31, 2005**

**1. Basis of Presentation**

The Financial Statements presented herein have been prepared by us in accordance with the accounting policies described in our June 30, 2004 Annual Report on Form 10-KSB and should be read in conjunction with the notes to financial statements which appear in that report.

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on going basis, we evaluate our estimates, including those related to intangible assets, income taxes, insurance obligations and contingencies and litigation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other resources. Actual results may differ from these estimates under different assumptions or conditions.

In the opinion of management, the information furnished in this Form 10-Q reflects all adjustments necessary for a fair statement of the financial position and results of operations and cash flows as of and for the three and nine-month periods ended March 31, 2005 and 2004. All such adjustments are of a normal recurring nature. The Financial Statements have been prepared in accordance with the instructions to Form 10-Q and therefore do not include some information and notes necessary to conform to annual reporting requirements.

## 2. Earnings/Loss Per Share

Basic earnings per share is computed by dividing income available to common shareholders (the numerator) by the weighted-average number of common shares outstanding (the denominator) for the period. Diluted earnings per share assumes that any dilutive convertible securities outstanding were converted, with related preferred stock dividend requirements and outstanding common shares adjusted accordingly. It also assumes that outstanding common shares were increased by shares issuable upon exercise of those stock options for which market price exceeds the exercise price, less shares which could have been purchased by us with the related proceeds. In periods of losses, diluted loss per share is computed on the same basis as basic loss per share as the inclusion of any other potential shares outstanding would be anti-dilutive. Due to the net losses reported, dilutive common equivalent shares were excluded from the computation of diluted loss per share, as inclusion would be anti-dilutive for the periods presented.

## 3. Stockholders' Equity

### *Stock Issued for Payment of Debt*

During the three months ended March 31, 2005 we issued 47,840,469 shares of our common stock to pay debt owed to Auric. The shares were spread among 7 to individuals and valued at grant date fair value of \$823,500. After the transaction these 7 shareholders beneficially owned or controlled 56.7% of the common shares outstanding. The shares are not registered and are subject to restrictions as to transferability.

## 4. Restatement

We corrected an error on our statement of operations that resulted in the 2005 three-month and nine-month loss being understated by \$125,753. Accounts payable were also corrected by the like amount. The change had no impact on the reported per share amounts.

## **Item 2. Management's Discussion and Analysis Results of Operations for nine months ended March 31, 2005 and 2004**

Revenues for the nine months ended March 31, 2005 decreased to \$2,354 from \$46,609 for the comparable period ended March 31, 2004. Revenues are derived from license renewals and residual payments received, the timing of which are typically paid at the discretion of the counter party and are outside the control of the Company..

Costs related to revenues on licensees and the receipt of payments on residuals were fully amortized in prior periods as the carrying values exceeded the fair value of the underlying related films.

Selling, general and administrative expenses decreased to \$252,138 for the nine month period ended March 31, 2005, from \$689,157 for the comparable period in 2004. The decrease in costs is primarily attributed to the decrease in salary and employee overhead as well as an overall reduction in the operating expenses. In 2004 the company continued to experience a significant expense for its legal costs, mainly due to settlement efforts underway as well as costs related to seeking alternate financing resources.

As of March 31, 2005, the Company had no agreements with sub-distributors relating to distribution commitments or guarantees that had not been recognized in the statement of operations.

Our auditors have issued a going concern opinion. This means that there is substantial doubt that we can continue as an on-going business for the next twelve months unless we obtain additional capital to pay our bills. This is because we have not generated material revenues and no revenues are anticipated. Accordingly, we must raise cash from sources other than operations.

### **Liquidity and Capital Resources**

Cash consumed by operating activities was \$57,000 in 2005 compared to \$24,978 consumed in 2004.

At March 31, 2005, the Company had no cash. The Company had no material commitments for capital expenditures. During this period, the Company obtained \$52,000 in cash from loans and had \$15,024 in payables paid by an affiliate. The Company also raised \$5,000 through the issuance of common stock. The Company also settled \$398,504 in payables and accrued expenses through the issuance of common stock.

Interest expense increased substantially in 2005 as the result of the one-time issuance of common stock valued at \$351,700 to consolidate and settle loans payable Auric and pay loan incentives to approximately 10 individuals.

The Company's continued existence is dependent upon its ability to resolve its liquidity problems. The Company must achieve and sustain a profitable level of operations with positive cash flows and must continue to obtain financing at terms acceptable to adequately meet its ongoing operational requirements. We have no assurance that future financing will be available to us on acceptable terms. If financing is not available on satisfactory terms, we may be unable to continue, develop or expand our operations. Equity financing could result in additional dilution to existing shareholders.

### **Off-Balance Sheet Arrangements**

Odyssey does not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet financial arrangements.

### **Item 3. Controls and Procedures**

We maintain "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. We conducted an evaluation under the supervision and with the participation of our Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report pursuant to Rule 13a-15 of the Exchange Act. Based on this Evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our Disclosure Controls were not effective as of the end of the period covered by this report.

### **Changes in Internal Controls**

We have also evaluated our internal control for financial reporting, and there have been no significant changes in our internal controls or in other factors that could significantly affect those controls subsequent to the date of their last evaluation.

## **ITEM 1. Legal Proceedings**

### **Material Judgments**

Ian Jessel v. Odyssey Pictures Corp. A settlement of this breach of contract matter had been negotiated prior to November 2001 for payment of a sum certain over time. The Company failed to perform and a judgment of \$369,160 was entered by stipulation on May 13, 2004.

Dennis Morgan v. Odyssey Pictures Corp. A settlement of this breach of contract matter had been negotiated prior to 2003 for payment of a sum certain over time. The Company failed to perform and a judgment of \$229,875 was entered by stipulation on April 11, 2003.

The "Muller & Smith Case" A lawsuit was filled for indemnification and reimbursement of legal fees regarding the Pfannebecker Case. A judgment was entered against Odyssey in the amount of \$360,000. Subsequently attorney's fees of \$85,000 were granted resulting in an aggregate of \$445,000 due.

Lawsuit - Watson, Farley and Williams v. Odyssey Pictures Corp., Gold Leaf Pictures, Belgium, Johan Schotte, Chardonnay Enterprise Ltd, and A Hero From Zero N.V. Complaint filed April 30, 2001, New York Supreme Court, New York County, for balance owing of services rendered from the period beginning 1997 through to April of 2001. Odyssey has answered this complaint, although it was not notified until August 10, 2001 denying its position in the named defendants. Odyssey contends that it did, in fact, pay any and all outstanding related legal bills related to the Plaintiff's corporate involvement. Odyssey has offered a settlement on behalf of the remaining defendants. No response has been made from the Plaintiff on this matter as of the close of business on December 30, 2004.

In August of 2003. the Company received notice of a federal tax lien being filed in the amount of \$27,210 for non-payment of federal payroll tax deposits. The Company has filed an appeal to the lien and notice and is expected to fully pay any and all amounts owing as soon as funds become available.

The Company is subject to other legal proceedings that arise in the ordinary course of its business and from prior management activities. Other than that as disclosed above, in the opinion of present management, the aggregate liability, if any, with respect to these other actions will not materially adversely affect our financial position, results of operations or cash flows.

## **ITEM 2. Changes in Securities and Use of Proceeds**

During the three months ended March 31, 2005, the Company issued 41,840,469 shares in a private transaction in satisfaction of \$823,511 in loan and accrued interest. It also issued in a private transaction, 5,144,167 shares valued at \$.048 per share for services and loan renewal incentives. The value of \$246,000 was expensed during this period.

## **ITEM 3. Defaults Upon Senior Securities**

None

## **ITEM 4. Submission of Matters to a Vote of Security Holders.**

No matters were submitted to security holders for a vote during the period ending March 31, 2005.

## **ITEM 7. Exhibits and Reports on Form 8-K.**

Exhibits. None

Reports on Form 8-K: None

## **SIGNATURES**

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

ODYSSEY PICTURES CORPORATION

/s/ John W. Foster

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John W. Foster  
Chairman and CEO

ODYSSEY PICTURES CORPORATION  
OFFICER'S CERTIFICATE PURSUANT TO SECTION 302

I, John Foster, the Chief Executive Officer and Chief Financial Officer of Odyssey Pictures Corporation, certify that:

1. I have reviewed this Form 10-QSB of Odyssey Pictures Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Dated: January 13, 2009

/s/ John W. Foster

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John W. Foster  
Chief Executive Officer and  
Chief Financial Officer



ODYSSEY PICTURES CORPORATION  
CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF  
THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Odyssey Pictures Corporation (the Company) on Form 10-QSB for the period ended March 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, John Foster, Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Odyssey Pictures Corporation and will be retained by Odyssey Pictures Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

January 13, 2009

/s/ John Foster

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John Foster  
Chief Executive Officer and  
Chief Financial Officer