

COCONNECT INC  
Form 10-Q/A  
August 12, 2011

**U. S. SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**FORM 10-Q/A**  
**Amendment No 1.**

X .

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

**For the quarterly period ended March 31, 2011**

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

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission File Number: 000-29735**

**COCONNECT, INC.**

**Nevada**  
(State or other jurisdiction  
of Incorporation)

**1133 6<sup>th</sup> Ave.**

**63-1205304**  
(IRS Employer  
Identification Number)

**San Diego, California 92101**  
(Address of principal executive offices)

**619-796-2721**  
(Issuer's Telephone Number)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the 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  . No  .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company.

Large accelerated filer  . Accelerated filer  .  
Non-accelerated filer  . (Do not check if a smaller reporting company)  .  
Smaller reporting company

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  . No  .

**APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY  
PROCEEDINGS DURING THE PRECEDING FIVE YEARS**

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13, or 15(d) of the Exchange Act of 1934 after the distribution of securities under a plan confirmed by a court.

Yes  . No  .

**APPLICABLE ONLY TO CORPORATE ISSUERS**

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

As of August 12, 2011, there were 1,554,623,483 shares of our common stock outstanding.

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**COCONNECT, INC.**

**FORM 10-Q/A**

**EXPLANATORY NOTE**

This Amended Form 10-Q ( Amended Report ) of CoConnect, Inc. for the period ended March 31, 2011, amends and restates our originally filed Form 10-Q which was originally filed on May 11, 2011(the Previous Report ).

This Amended Report is being filed for the purpose of restating certain amounts in Item 1, Financial Statements, Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations, Item 4, Controls and Procedures, as well as for currently dated certifications from the company's principal executive officer and principal financial officer as required by Section 302 and 906 of the Sarbanes-Oxley Act of 2002. The certifications of the Company's principal executive officer and principal financial officer are attached to this Amended Report as Exhibits 31.1 and 32.1.

The Company's 2010 financial statements included in the Original Report, as amended, were prepared reflecting a debt discount with respect to the historical accounting associated with the beneficial conversion feature related to a convertible debenture issued in November 2010 and its subsequent expense accretion. The Company's management reviewed this interpretation and upon the recommendation of its independent registered auditors, determined that the underlying stock value of the convertible note holds little to no monetary value at the moment and as a result the beneficial conversion features would not be recognized. The effect of correcting the error has been recorded in the applicable restated periods.

This restatement reduces net loss for the three months ended in 2011 by \$8,430, and eliminates a debt discount amount represented on the balance sheet in the amount of \$4,215 at March 31, 2011.

These restatements relate to non-cash entries in the 2011 financial statements including the statement of cash flows by a change in debt discount accretion.

The adjustments made as a result of the Restatement are specifically discussed in this Amended Report in Note Restated Financial Statements , of the Notes to Condensed Financial Statements.

This Amended Report provides disclosure as at March 31, 2011, and does not, and is not intended to, reflect events or disclosure occurring after the filing of the Original Report, other than the restatement for the matter discussed above.

Accordingly, this Amended Report should not be viewed as current information and should be considered only in conjunction with more recent reports and events. Such reports include, among other things, the events described in the company's current reports on Form 8-K, each as may be amended or supplemented from time to time, all of which reflect events and information after the date of the Original Report. Contemporaneously with the Amended Report, the Company will file an amended Form 10-K for the year ended December 31, 2010.

**PART I**

ITEM 1.

FINANCIAL STATEMENTS

**PLS CPA, A Professional Corp.**

**t 4725 Mercury Street #210t SAN DIEGO t CALIFORNIA 92111t**

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Report of Independent Registered Public Accounting Firm

To the Board of Directors of

Coconnect, Inc.

We have reviewed the accompanying condensed balance sheets of Coconnect, Inc. as of March 31, 2011, and the related condensed statements of operations, and cash flows for the three months ended March 31, 2011 and 2010. These condensed financial statements are the responsibility of the Company's management.

**We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the**

**financial statements taken as a whole. Accordingly, we do not express such an opinion.**

Based on our review, we are not aware of any material modifications that should be made to the condensed financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

The accompanying condensed financial statements have been prepared assuming that the Company will continue as a going concern. Because of the Company's current status and limited operations there is substantial doubt about its ability to continue as a going concern. Management's plans in regard to its current status are also described in the Notes to condensed financial statements. The condensed financial statements do not include any adjustments that might result from the outcome of this uncertainty.

*/s/ PLS CPA*

PLS CPA, A Professional Corp.

May 9, 2011 (except as to Notes Restated Financial Statements and Related Party Transactions-Convertible Note which are as of August 12, 2011)

San Diego, California

92111

**Registered with the Public Company Accounting Oversight Board**



COCONNECT, INC  
CONDENSED BALANCE SHEETS

	March 31, 2011 (restated) (unaudited)	December 31, 2010
<b>ASSETS</b>		
Current assets		
Cash	\$ 2,670	\$ 6,578
Total current assets	2,670	6,578
<b>TOTAL ASSETS</b>	<b>\$ 2,670</b>	<b>\$ 6,578</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities		
Accounts payable	\$ 36,340	\$ 35,541
Related party payable	75,000	75,000
Convertible notes payable and accrued interest, related party - default	309,010	299,071
Convertible notes payable and accrued interest, related party	17,177	16,965
Total current liabilities	437,527	426,577
<b>TOTAL LIABILITIES</b>	<b>437,527</b>	<b>426,577</b>
<b>STOCKHOLDERS' DEFICIT</b>		
Preferred stock, 1,000,000 shares authorized, \$0.001 par value 100,000 and 0 shares issued and outstanding as of March 31, 2011 and December 31, 2010, respectively.	100	100
Common stock, 4,999,000,000 shares authorized, \$0.001 par value 1,554,623,483 shares issued and 323,483 shares outstanding as of March 31, 2011 and December 31, 2010, respectively.	323	323
Additional paid-in capital	11,425,517	11,425,517
Subscription receivable	(70,000)	(70,000)
Deficit accumulated	(11,790,797)	(11,775,939)
<b>TOTAL STOCKHOLDERS' DEFICIT</b>	<b>(434,857)</b>	<b>(419,999)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<b>\$ 2,670</b>	<b>\$ 6,578</b>

The accompanying unaudited notes are an integral part of these condensed financial statements

COCONNECT, INC  
CONDENSED STATEMENTS OF OPERATIONS  
(UNAUDITED)

		For the three months ended March 31,	
		2011 (restated)	2010
Revenues			
	Sales	\$ -	\$ -
Total revenues		-	-
Expenses			
	Professional fees	4,000	4,000
	General and administrative	708	66,225
Total operating expenses		4,708	70,225
Loss from operations		\$ (4,708)	\$ (70,225)
Other income (expense)			
	Interest expense	(10,150)	(4,057)
Total other income (expense)		(10,150)	(4,057)
Net Loss before Income Tax		(14,858)	(74,282)
Income Tax		-	-
NET LOSS		\$ (14,858)	\$ (74,282)
Basic and diluted loss			
	per common share	\$ (0.05)	\$ (0.23)
Weighted average common			
	shares outstanding	323,483	323,483

The accompanying unaudited notes are an integral part of these condensed financial statements



COCONNECT, INC  
CONDENSED STATEMENTS OF CASH FLOWS  
(UNAUDITED)

	For the three months ended March 31,		
	2011 (restated)		2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net Loss	\$ (14,858)	\$	(74,282)
Preferred stock issued for service	-		100
Changes in operating assets and liabilities:			
Other receivable decrease (increase)	-		2,643
Prepaid expense decrease (increase)	-		45,250
Accounts payable increase	799		19,027
Accrued expenses and interest increase	10,151		4,058
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>\$ (3,908)</b>	<b>\$</b>	<b>(3,204)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>\$ -</b>	<b>\$</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>\$ -</b>	<b>\$</b>	<b>-</b>
<b>NET CHANGE IN CASH</b>	<b>(3,908)</b>		<b>(3,204)</b>
<b>CASH BALANCES</b>			
Beginning of period	6,578		3,565
End of period	\$ 2,670	\$	361
<b>SUPPLEMENTAL DISCLOSURE:</b>			
Interest paid	\$ -	\$	-
Income taxes paid	\$ -	\$	-
<b>NON-CASH ACTIVITIES</b>			
Convertible notes issued as a debt settlement	\$ -	\$	181,000

The accompanying unaudited notes are an integral part of these condensed financial statements



**COCONNECT, INC.****Notes to the Condensed Financial Statements****At March 31, 2011****(Unaudited)****GENERAL**

The accompanying interim un-audited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In our opinion, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended March 31, 2011 is not necessarily indicative of the results that may be expected for the year ending December 31, 2011. For further information, refer to the financial statements and footnotes thereto included in our Form 10-K Report for the fiscal year ended December 31, 2010.

**RESTATED FINANCIAL STATEMENTS**

The Company's financial statements for the period ended March 31, 2011 have been restated to remove a debt discount amount of \$4,215 and its prior expense accretion in the amount for the amount \$8,430. The Restatement was due to an error resulting from the Company's failure to properly calculate a beneficial conversion feature and its related accretion in such financial statements. Management reviewed the underlying guidance related to the debt issuance and upon the recommendation of its independent registered auditors, determined that the underlying stock value of the convertible note holds little to no monetary value at the moment and as a result the beneficial conversion features would not be recognized. The effect of correcting the error has been recorded in the applicable restated periods.

The following summarized financial statements compare of the Company's original and restated financial statements.

**COCONNECT, INC**  
**CONDENSED BALANCE SHEETS**  
**(UNAUDITED)**

	March 31, 2011 (restated)	March 31, 2011 (original)
<b>ASSETS</b>		
Current assets		
Cash	\$ 2,670	\$ 2,670

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Total current assets		2,670		2,670
TOTAL ASSETS	\$	2,670	\$	2,670
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current liabilities				
Accounts payable	\$	36,340	\$	36,340
Related party payable		75,000		75,000
Convertible notes payable and accrued interest, related party - default		309,010		309,010
Convertible notes payable and accrued interest, related party		17,177		12,962
Total current liabilities		437,527		433,312
TOTAL LIABILITIES		437,527		433,312
STOCKHOLDERS' DEFICIT				
Preferred stock, 1,000,000 shares authorized, \$0.001 par value 100,000 and 0 shares issued and outstanding as of March 31, 2011 and December 31, 2010, respectively.		100		100
Common stock, 4,999,000,000 shares authorized, \$0.001 par value 1,554,623,483 shares issued and 323,483 shares outstanding as of March 31, 2011 and December 31, 2010, respectively.		323		323
Additional paid-in capital		11,425,517		11,442,377
Subscription receivable		(70,000)		(70,000)
Deficit accumulated		(11,790,797)		(11,803,442)
TOTAL STOCKHOLDERS' DEFICIT		(434,857)		(430,642)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$	2,670	\$	2,670



COCONNECT, INC  
CONDENSED STATEMENTS OF OPERATIONS  
(UNAUDITED)

		For the three months ended March 31,	
		2011 (restated)	2011 (original)
Revenues			
	Sales	\$ -	\$ -
Total revenues		-	-
Expenses			
	Professional fees	4,000	4,000
	General and administrative	708	708
Total operating expenses		4,708	4,708
Loss from operations		\$ (4,708)	\$ (4,708)
Other income (expense)			
	Interest expense	(10,150)	(18,580)
Total other income (expense)		(10,150)	(18,580)
Net Loss before Income Tax		(14,858)	(23,288)
Income Tax		-	-
NET LOSS		\$ (14,858)	\$ (23,288)

COCONNECT, INC  
CONDENSED STATEMENTS OF CASH FLOWS  
(UNAUDITED)

		For the three months ended March 31,	
		2011 (restated)	2011 (original)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	Net Loss	\$ (14,858)	\$ (23,288)
	Debt discount accretion	-	8,430
	Changes in operating assets and liabilities:		
	Accounts payable increase	799	799
	Accrued expenses and interest increase	10,151	10,151
NET CASH USED IN OPERATING ACTIVITIES		\$ (3,908)	\$ (3,908)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			

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NET CASH USED IN INVESTING ACTIVITIES	\$	-	\$	-
CASH FLOWS FROM FINANCING ACTIVITIES				
NET CASH PROVIDED BY FINANCING ACTIVITIES	\$	-	\$	-
NET CHANGE IN CASH		(3,908)		(3,908)
CASH BALANCES				
Beginning of period		6,578		6,578
End of period	\$	2,670	\$	2,670

## **GOING CONCERN**

The accompanying condensed financial statements have been prepared assuming the Company will continue as a going concern. Because of the recurring operating losses and the excess of current liabilities over current assets, there is substantial doubt about the Company's ability to continue as a going concern. As of March 31, 2011 the company had convertible notes payable and its accrued interest of \$309,010 that were in default status, due to an inability to make required payments. The Company's continuation as a going concern is dependent on attaining profitable operations, restructuring its financial obligations, and obtaining additional outside financing. The Company has funded losses from operations primarily from the issuance of debt and the sale of the Company's common stock. The Company believes that the issuance of debt and the sale of the Company's common stock will continue to fund operating losses in the short-term until the Company can generate revenues sufficient to fund its operations.

## **INCOME TAXES**

Income tax expense is provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. The differences relate primarily to the effects of net operating loss carry forwards and differing basis, depreciation methods, and lives of depreciable assets. The deferred tax assets represent the future tax return consequences of those differences, which will be deductible when the assets are recovered.

No income tax benefit (expense) was recognized for the three months ended March, 2011 as a result of tax losses in this period and because deferred tax benefits, derived from the Company's prior net operating losses, were previously fully reserved and the Company has cumulative net operating losses for tax purposes in excess of \$11 million.

The Company currently has tax return periods open beginning with December 31, 2004 through December 31, 2010.

## **LEASE AGREEMENT, OTHER COMMITMENTS RELATED PARTY**

On September 29, 2010, the Company entered into a Lease Agreement with The Law Offices of Marc S. Applbaum. Pursuant to the terms of the Lease Agreement, the Company subleases office space on a month-to-month basis for a monthly lease fee of \$100.00. The Lease Agreement may be terminated by any party for any reason with ten (10) days written notice. Marc S. Applbaum, Esq. is the Company's President and Director.

In prior years, the Company had obtained certain management and administrative services, as well as use of, among other things, internet, postage, copy machines, electricity, furniture, fixtures etc from Noctua Fund Manager, LLC, an entity indirectly controlled by Mark L. Baum, Esq., who is a former president, for a fee of \$5,000 per month. As of March 31, 2011, the Company had unpaid management fee \$75,000 and no payments have been made to them.

#### **RELATED PARTY TRANSACTIONS - CONVERTIBLE NOTE**

We recognize the advantageous value of conversion rights attached to convertible debt. Such rights give the debt holder the ability to convert his debt into common stock at a price per share that is less than the trading price to the public on the day the loan is made to the Company. The beneficial value is calculated as the intrinsic value (the market price of the stock at the commitment date in excess of the conversion rate) of the beneficial conversion feature of debentures and related accruing interest is recorded as a discount to the related debt and an addition to additional paid in capital. The discount is amortized over the remaining outstanding period of related debt using the interest method.

A \$55,000 0% convertible debenture was issued on October 25, 2007. The note was payable on the first day of the month, beginning on November 1, 2007 and ending on February 1, 2008, the amount of \$13,750 per month. At the time of this note was issued it was convertible into common stock at \$0.09. This note was later purchased from the third party it was originally issued to by a related party, Noctua Fund, LP. Noctua Fund, LP is managed by Noctua Fund Manager, LLC. Mark L. Baum, Esq., is the Company's former president, is also a managing member of Noctua Fund Manager, LLC. As of August 15, 2009 no payments had been made and as a result of nonpayment this convertible debenture was in default.

On August 15, 2009 the Company entered into a note exchange with Noctua Fund, LP. The \$55,000 0% convertible debenture was cancelled, and in exchange Noctua Fund, LP was issued two new convertible notes and guaranteed a future payment of \$1,333 to help pay future Company expenses. The two notes issued are both in the amounts of \$28,167 with interest accruing at 5% of the principal balance. The notes were both due on November 15, 2009 and are convertible into the Company's common stock at \$.01 per share. At the time of the note agreement date, there was no determinable stock price, therefore there is no beneficial conversion feature that applies to this debenture. These notes are currently in default and accruing interest at the default rate of 15%.

On August 15, 2009 the Company issued two convertible notes both in the amount of \$13,862 with interest accruing at 5% of the principal balance. The notes were issued as part of a debt settlement agreement with Noctua Fund Manager, LLC. These notes are due on November 15, 2009 and are convertible into the Company's common stock at \$.01 per share. At the time of the note agreement date, there was no determinable stock price, therefore there is no beneficial conversion feature that applies to this debenture. Noctua Fund Manager, LLC's managing member is Mark L. Baum, Esq. is our former President. These notes are currently in default and accruing interest at the default rate of 15%.

On November 15, 2009 the Company entered into an Advisory Services Agreement (the "NFM Agreement") with Noctua Fund Manager, LLC ("NFM"). The NFM Agreement is designed to assist the company enter into an agreement to acquire and manage new assets and/or a business ("Transaction"). The Consultant assisted the company in several areas, including: locating qualified management and board member candidates, locating target transaction candidates, and any strategic planning in the event of a Transaction. Pursuant to the terms of the NFM Agreement, on March 15, 2010, the Company issued NFM a 12% secured convertible promissory note in the principal amount of \$181,000 (the "NFM Note"). The note matures and is due 180 days following its issuance. Pursuant to the terms of the NFM Agreement and the NFM Note, concurrently with the issuance of the NFM Note, the Company entered into an escrow agreement (the "NFM Escrow Agreement") whereby 54,300,000 shares of the Company's common stock were to be issued into escrow for the potential conversion of the NFM Note. In addition, the Company was required to designate and issue 100,000 shares, \$0.001 par value, of Series Preferred A Stock to NFM. At the time of the note agreement date, there was no determinable stock price and limited trading activity, therefore there is no beneficial conversion feature that applies to this debenture. Due to non payment, this note is currently in default and accruing interest at the default rate of 15%.

On November 17, 2010, the Company issued its Chief Executive Officer, Brad M. Bingham, Esq., a convertible promissory note in the amount of \$16,860 (the "BMB Note"). The BMB Note represents: (i) \$6,860.00 previously advanced by Mr. Bingham on behalf of the Company and maintained on the Company's books and records previously filed with the SEC; and (ii) an additional \$10,000 cash advance to the Company by Mr. Bingham. The BMB Note is due and payable on May 17, 2011, maintains an interest rate of 5% and is convertible into 1,500,000,000 shares of the Company's restricted common stock (the "Conversion Shares"); provided however, such conversion rights are not applicable until 45 days following the issuance of the BMB Note. At the time of the note agreement date, there was no determinable stock price and limited trading activity, therefore there is no beneficial conversion feature that applies to this debenture.

In connection with the BMB Note, the Company entered into a security agreement (the "Security Agreement") with Mr. Bingham. Pursuant to the terms of the Security Agreement, Mr. Bingham was issued the Conversion Shares which are to be held as security and collateral against either the repayment or conversion of the BMB Note. Although the Conversion Shares are issued in Mr. Bingham's name and held as security and collateral against the payment of the BMB Note, the Conversion Shares may not be sold, pledged, transferred or hypothecated by Mr. Bingham unless and until he elects to convert the BMB Note pursuant to its terms and conditions into the Conversion Shares, or unless agreed upon in writing by the Company. In addition, following the issuance of the Conversion Shares as security pursuant to the Security Agreement and prior to the conversion of the BMB Note into the Conversion Shares, if any, in the event of a Company shareholder vote, the Conversion Shares held as collateral shall be voted with the majority vote of any such shareholder vote and action and Mr. Bingham has granted an irrevocable proxy to the Company to

vote the Conversion Shares as such.

Notes payable consists of the following:

	At March 31, 2011 (restated)	At December 31, 2010
5% convertible notes due Nov. 2009	\$ 84,057	\$ 84,057
12% convertible note due Sept. 2010	181,000	181,000
5% Convertible note due May 2011	16,860	16,860
Less: Principal Payments	-	-
Add: Accrued Interest	44,270	34,119
Less: Discount on Convertible Note	-	-
<b>Carrying Value of Notes</b>	<b>\$ 326,187</b>	<b>\$ 316,036</b>
Less: Current portion	(326,187)	(316,036)
<b>Long term portion of notes payable</b>	<b>\$ -</b>	<b>\$ -</b>

## **PREFERRED STOCK**

Preferred stock, \$0.001 par value: 1,000,000 shares authorized. 100,000 shares issued and outstanding

## **COMMON STOCK**

Common stock, \$0.001 par value: 4,999,000,000 shares authorized. 1,554,623,483 shares issued and 323,483 shares outstanding

## **DERIVATIVE INSTRUMENTS**

Effective for financial statements issued for fiscal periods beginning after December 15, 2008, or interim periods therein, US GAAP requires that warrants and convertible instruments with certain conversion or exercise price protection features be recorded as derivative liabilities on the balance sheet based on the fair value of the instruments.

In determining fair value, the Company uses various valuation approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability. The established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. US GAAP establishes a fair value hierarchy that prioritizes the use of inputs used in valuation methodologies into the following three levels:

-

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets. A quoted price in an active market provides the most reliable evidence of fair value and must be used to measure fair value whenever available.

-

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

-

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability. For example, level 3 inputs would relate to forecasts of future earnings and cash flows used in a discounted future cash flows method.

## LEGAL MATTERS

Certain convertible promissory notes (the Notes ) issued to several noteholders (the Noteholders ) in the total principal amount of \$84,057 went into default due to nonpayment. Following default, the Company received demands from the Noteholders for the repayment of all principal and interest due thereunder. Following such default, the Noteholders agreed to waive the default and payment of all principal and interest due and payable under the Notes. Pursuant to the terms of such waiver, (i) the default interest rate under the Notes was to remain in effect and accrue until full repayment of the Notes, and (ii) the maturity date of the Notes was extended to March 10, 2010. On March 10, 2010, the Company was unable to repay the amounts due and owing under the Notes and, as such, the notes went into and remain unpaid and in default status. On October 26, 2010, the Noteholders filed a complaint against the Company arising from the unpaid Notes (the Claims ). The Company is currently seeking counsel to represent the Company's and manage the related possible litigation. Although the Company is continuing to use its best efforts to explore options available related to the repayment and/or retirement of the Notes and settlement of the Claims, no resolution has been made to date and, considering the current financial condition of the Company, including the unavailability of adequate cash or assets to resolve the amounts due and payable under the Notes, the Company believes the default under the Notes and subsequent complaint may have a material adverse effect on the Company's financial stability and its ability to continue as a going concern.



**ITEM 2.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS**

**FORWARD-LOOKING STATEMENTS**

The following Management's Discussion and Analysis of Financial Condition and Results of Operations has been updated to reflect the restatement of the condensed statements of operations for the three months ended March 31, 2011 (the Original Report Date), the condensed statement of cash flows for the same period and the balance sheet as of March 31, 2011. For a more detailed description of the restatement, see Note Restated Financial Statements. This report, accordingly, speaks as of the Original Report Date and does not update, or intend to update, other Company information or disclosure since such time. This entire amended Report, and this Management Discussion and Analysis of Financial Condition and Results of Operations, accordingly, does not contain current information about the Company and should only be viewed or considered in conjunction with the more recent reports and information filed by the Company from time to time after the Original Report Date.

This discussion and analysis in this Quarterly Report on Form 10-Q should be read in conjunction with the accompanying Condensed Financial Statements and related notes. Our discussion and analysis of our financial condition and results of operations are based upon our condensed financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent liabilities at the financial statement date and reported amounts of revenue and expenses during the reporting period. We review our estimates and assumptions on an on-going basis. Our estimates are based on our historical experience and other assumptions that we believe to be reasonable under the circumstances. Actual results are likely to differ from those estimates under different assumptions or conditions, but we do not believe such differences will materially affect our financial position or results of operations. Our critical accounting policies, the policies we believe are most important to the presentation of our financial statements and require the most difficult, subjective and complex judgments, are outlined below in Critical Accounting Policies, and have not changed significantly.

In addition, certain statements made in this report may constitute forward-looking statements. These forward-looking statements involve known or unknown risks, uncertainties and other factors that may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Specifically, but not limited to, 1) our ability to obtain necessary regulatory approvals for our products; and 2) our ability to increase revenues and operating income, is dependent upon our ability to develop and sell our products, general economic conditions, and other factors. You can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continues" or the negative of these terms or other comparable terminology. We base these forward-looking statements on our expectations and projections about future events, which we derive from the information currently available to us. Such forward-looking statements relate to future events or our future performance. Although we believe that the expectations reflected-in the forward-looking

statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Forward-looking statements are only predictions. The forward-looking events discussed in this Quarterly Report, the documents to which we refer you, and other statements made from time to time by us or our representatives, may not occur, and actual events and results may differ materially and are subject to risks, uncertainties, and assumptions about us. For these statements, we claim the protection of the bespeaks caution doctrine. The forward-looking statements speak only as of the date hereof, and we expressly disclaim any obligation to publicly release the results of any revisions to these forward-looking statements to reflect events or circumstances after the date of this filing.

## **OVERVIEW AND PLAN OF OPERATION**

Our previous business model focused on the exploration of VoIP technology. VoIP is the delivery of voice information in the language of the Internet, i.e., as digital packets instead of the current circuit protocols of the copper-based phone networks. In VoIP systems analog voice messages are digitized and transmitted as a stream of data (not sound) packets that are reassembled and converted back into a voice signal at their destination. VoIP allows telephony users to bypass long-distance carrier charges by transporting those data packets just like other Internet information.

Although we are still investigating the profitability of pursuing the VoIP Technology business, management is of the belief that there may be more value for our shareholders if we were able to (i) attract a more substantial operating company and engage in a merger or business combination of some kind, or (ii) acquire assets or shares of an entity actively engaged in business which generates revenues. We have several acquisitions in mind and are investigating the candidates to determine whether or not they will add value to the Company for the benefit of our shareholders. Our Board of Directors intends to obtain certain assurances of value of the target entity's assets prior to consummating such a transaction. Any business combination or transaction will likely result in a significant issuance of shares and substantial dilution to our present stockholders.

We do not intend to restrict our consideration to any particular business or industry segment, and we may consider, among others, finance, brokerage, insurance, transportation, communications, research and development, service, natural resources, manufacturing or high-technology business. Of course, because we have limited resources, the scope and number of suitable candidates to merge with, will be limited accordingly. Because we may participate in a business opportunity with a newly organized firm or with a firm which is entering a new phase of growth, it should be emphasized that we may incur further risk due to the failure of the target's management to have proven its abilities or effectiveness, or the failure to establish a market for the target's products or services, or the failure to prove or predict profitability.

## RESULTS OF OPERATIONS

### Revenues

	Three months	
	ended March 31	
	2011	2010
Total Sales	\$0	\$0

We had no revenues for the three months ending March 31, 2011 or for the three months ending March 31, 2010.

### Operating Expenses

	Three months	
	ended March 31	
	2011	2010
Operating Expense	\$ 4,708	\$ 70,225

Total costs and expenses of \$4,708 for the three months ending March 31, 2011 consisted of \$4,000 in professional fees and \$708 in other general and administrative expenses. Total costs and expenses of \$70,225 for the three months ending March 31, 2010 consisted of \$4,000 in professional fees and \$66,225 in consulting and other general and administrative expenses.

### Net Profit (Loss)

Three months

	ended March 31	
	2011	2010
Net Profit (Loss)	(\$14,858)	(\$74,282)

For the three months ended March 31, 2011, we sustained net losses of \$14,858 as compared with net losses of \$74,282 for the three months ended March 31, 2010.

For the current fiscal year, the Company anticipates incurring a loss as a result of legal and accounting expenses, and consulting expenses associated with locating and evaluating acquisition candidates. The Company anticipates that until a business combination is completed with an acquisition candidate, it will not generate substantial revenues, and may continue to operate at a loss after completing a business combination, depending upon the performance of the acquired business.

## **LIQUIDITY AND CAPITAL RESOURCES**

At March 31, 2011, the Company had total assets of \$2,670 and total liabilities of \$437,527, resulting in a working capital deficiency of \$434,857. The Company had a stockholders' deficit of \$434,857 as at March 31, 2011.

## **NEED FOR ADDITIONAL FINANCING**

Additional funding will be required in order for the company to survive as a going concern and to finance growth and to achieve our strategic objectives. Management is actively pursuing additional sources of funding. If we do not raise sufficient funds in the future, we may not be able to fund expansion, take advantage of future opportunities, meet our existing debt obligations or respond to unanticipated requirements. Financing transactions in the future may include the issuance of equity or debt securities, obtaining credit facilities, or other financing mechanisms.

The amount and timing of our future capital requirements will depend upon many factors, including the level of funding received from possible future private placements of our common stock and the level of funding obtained through other financing sources, and the timing of such funding.

We intend to retain any future earnings to retire any existing debt, finance the expansion of our business and any necessary capital expenditures, and for general corporate purposes.

#### **GOING CONCERN**

The accompanying financial statements have been prepared assuming we will continue as a going concern. We have had substantial operating losses for the past years and are dependent upon outside financing to continue operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. It is management's plan to raise necessary funds from shareholders to satisfy the expense requirements of the Company.

#### **OFF-BALANCE SHEET FINANCINGS**

None.

#### **GOVERNMENTAL REGULATIONS**

None.

#### **RESEARCH AND DEVELOPMENT**

None.

#### **EMPLOYEES**

As of March 31, 2011, we had no full time employees.

**ITEM 3.**

**QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

None.

**ITEM 4.**

**CONTROLS AND PROCEDURES**

As required by Rule 13a-15 under the Securities Exchange Act of 1934 (Exchange Act) we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2011, being the date of our most recently completed fiscal quarter. This evaluation was carried out under the supervision and with the participation of our Chief Executive and Chief Financial Officer. Based upon that evaluation, our Chief Executive and Chief Financial Officer have concluded that our disclosure controls and procedures are not effective 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's rules and forms, and that such information is accumulated and communicated to them to allow timely decisions regarding required disclosure. Such reasons for ineffectiveness were described in the Company's Form 10-K, and subsequent amendments, for the period ending December 31, 2010 and continue to date. In addition to those weakness, management concluded the Company did not have an effectively-designed control in operation over the accounting for, presentation of and disclosure of proper expense recognition to prevent or detect on a timely basis material misstatements, specifically with respect to the Company's treatment of a convertible note issuance that had improperly included a beneficial conversion feature calculation in the Company's balance sheets.

For additional information regarding the restatements of certain of the company's historical financial results and the material weakness identified by management, see Note Restated Financial Statements to the Notes to Condensed Financial Statements, and Item 9A. Controls and Procedures in the Company's Annual Report on Form 10-K for the year ended December 31, 2010.

During our most recently completed fiscal quarter ended March 31, 2011, there were no changes in our internal control over financial reporting that have materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

We currently do not have an audit committee, or a person serving on our Board of Directors who would qualify as a financial expert.

**PART II**

**ITEM 1.**

**LEGAL PROCEEDINGS**

As disclosed in the Company's previous filings with the SEC, certain convertible promissory notes (the "Notes") issued to several noteholders (the "Noteholders") in the total principal amount of \$84,057 went into default due to nonpayment. Following default, the Company received demands from the Noteholders for the repayment of all principal and interest due thereunder. Following such default, the Noteholders agreed to waive the default and payment of all principal and interest due and payable under the Notes. Pursuant to the terms of such waiver, (i) the default interest rate under the Notes was to remain in effect and accrue until full repayment of the Notes, and (ii) the maturity date of the Notes was extended to March 10, 2010. On March 10, 2010, the Company was unable to repay the amounts due and owing under the Notes and, as such, the notes went into and remain unpaid and in default status. On October 26, 2010, the Noteholders filed a complaint against the Company arising from the unpaid Notes (the "Claims"). Although the Company is continuing to use its best efforts to explore options available related to the repayment and/or retirement of the Notes and settlement of the Claims, no resolution has been made to date and, considering the current financial condition of the Company, including the unavailability of adequate cash or assets to resolve the amounts due and payable under the Notes, the Company believes the default under the Notes and subsequent complaint may have a material adverse effect on the Company's financial stability and its ability to continue as a going concern.

**ITEM 1A.**

**RISK FACTORS**

Not Applicable.

**ITEM 2.**

**UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

None.

**ITEM 3.**



**DEFAULT UPON SENIOR SECURITIES**

See Item 1 Legal Proceedings above.

As disclosed in the Company's previous filings with the SEC, on November 17, 2010, the Company issued its Chief Executive Officer, Brad M. Bingham, Esq., a convertible promissory note in the amount of \$16,860 (the "BMB Note"). The BMB Note represents: (i) \$6,860.00 previously advanced by Mr. Bingham on behalf of the Company and maintained on the Company's books and records previously filed with the SEC; and (ii) an additional \$10,000 cash advance to the Company by Mr. Bingham. The BMB Note is due and payable on May 17, 2011, maintains an interest rate of 5% and is convertible into 1,500,000,000 shares of the Company's restricted common stock (the "Conversion Shares"). The BMB Note is currently in default.

**ITEM 4.**

**SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

None.

**ITEM 5.**

**OTHER INFORMATION**

None.

**ITEM 6.**

**EXHIBITS**

<u>Exhibit #</u>	<u>Description</u>
3(i).1	Certificate of Incorporation filed as an exhibit to the Company's registration statement on Form 10SB12G filed on July 29, 1999 and incorporated herein by reference.
3(i).2	Certificate of Amendment to Certificate of Incorporation filed with the Nevada Secretary of State on May 5, 2010 and filed as an exhibit to the Company's Form 10-Q filed on May 20, 2010.
3(ii).1	By-Laws filed as an exhibit to the Company's registration statement on Form 10SB12G filed on July 29, 1999 and incorporated herein by reference.
10.1	Convertible Promissory Note issued to Brad M. Bingham, Esq. on November 17, 2010 filed as an exhibit to the Company's Form 10-Q filed on November 18, 2010.
14.1	CoConnect, Inc. Code of Ethics filed as an exhibit to our annual report on Form 10-KSB filed on June 19, 2005 and incorporated herein by reference
31.1	Rule 13a-12(a)/15d-14(a) Certification of Chief Executive Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 302 the Sarbanes-Oxley Act of 2002.
31.2	Rule 13a-12(a)/15d-14(a) Certification of Chief Financial Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 302 the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

**Signatures**

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf on August 12, 2011, by the undersigned, thereunto duly authorized.

**COCONNECT, INC.**

/s/ Brad M. Bingham, Esq.

By: Brad M. Bingham, Esq.

Its: Interim Chief Executive Officer and  
Principal Accounting Officer