

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form 10KSB/A

ENVIRO VORAXIAL TECHNOLOGY INC
Form 10KSB/A
October 06, 2008

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549
FORM 10-KSB

Amendment No. 1 to

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

For the fiscal year ended December 31, 2007

Commission file number 0-27445

ENVIRO VORAXIAL TECHNOLOGY, INC.

(Name of Small Business Issuer in its Charter)

Idaho

83-0266517

(State or Other Jurisdiction of
Incorporation or Organization)

(I.R.S. Employer
Identification No.)

821 NW 57th Place, Fort Lauderdale, Florida 33309

(Address of Principal Executive Offices) (Zip Code)

(954) 958-9968

(Issuer's Telephone Number)

Securities registered under Section 12(b) of the Act:

Title of Each Class Name of Each Exchange on Which Registered

None

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, \$.001 par value

(Title of Class)

Check whether issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. []

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15 (d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No []

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. []

Indicate by check mark whether the registrant is a shell company (as defined in Rule 126-2 of the Exchange Act). Yes [] No [X]

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form 10KSB/A

State issuer's revenues for its most recent fiscal year. \$288,431

State the aggregate market value of the voting stock held by non-affiliates computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within the past 60 days (\$.55 as of March 27, 2008). \$9,543,405.68.

APPLICABLE ONLY TO CORPORATE REGISTRANTS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: March 1, 2008: 23,122,135 Shares of Common Stock.

DOCUMENTS INCORPORATED BY REFERENCE

- None -

Transitional Small Business Disclosure Format (Check One) Yes [] No [X]

Table of Contents

PART I.....

- Item 1. Description of Business.....
- Item 2. Description of Property.....
- Item 3. Legal Proceedings.....
- Item 4. Submission of Matters to a Vote of Security Holders.....

PART II.....

- Item 5. Market for Common Equity and Related Stockholder Matters and Small Business Issuer Purchases of Equity Securities.....
- Item 6. Management's Discussion and Analysis of Financial Condition or Plan of Operations.....
- Item 7. Financial Statements.....
- Item 8. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.....

PART III.....

- Item 9. Directors and Executive Officers, Promoters, Control Persons, and Corporate Governance; Compliance with Section 16(a) of the Exchange Act.....
- Item 10. Executive compensation.....
- Item 11. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.....
- Item 12. Certain Relationships and Related Transactions, and Director Independence.....

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form 10KSB/A

Item 13. Exhibits.....
Item 14. Principal Accountant Fees and Services.....

PART I.

Item 1. Description of Business

Our History

Enviro Voraxial Technology, Inc. (the "Company") was incorporated in Idaho on October 19, 1964, under the name Idaho Silver, Inc. In May of 1996, we entered into an agreement and plan of reorganization with Florida Precision Aerospace, Inc., a privately held Florida corporation ("FPA"), and its shareholders. FPA was incorporated on February 26, 1993.

General

We believe we are emerging as a potential leader in the rapidly growing environmental and industrial separation industries. The Company has developed and patented the Voraxial(R) Separator ("Voraxial(R) Separator" or "Voraxial(R)"); a proprietary technology that efficiently separates large volumes of liquid/liquid, liquid/solids or liquid/liquid/solids fluid mixtures with distinct specific gravities. Management believes this superior separation quality is achieved in real-time, and in much greater volumes, with a more compact, cost efficient and energy efficient machine than any comparable product on the market today. The Voraxial(R) Separator operates in-line and is scaleable. It is capable of processing volumes as low as 3 gallons per minute as well as volumes over 10,000 gallons per minute with only one moving part. The Company believes that the Voraxial(R) technology can help protect the environment and its natural resources while simultaneously making numerous industries more productive and cost effective.

The size and efficiency advantages provided by the Voraxial(R) Separator to the end-user have provided us with a variety of market opportunities. We have generated limited revenues to date partially because of insufficient funds to adequately market our product; however, we have received inquiries from parties in various industries, including the oil exploration and production.

The Company is focusing its marketing efforts within the oil exploration and production industry and has begun seeing some positive feedback. The number of projects within the industry has steadily increased in the past 2 years and relationships are beginning to foster with both customers and service companies. The Company believes that revenues from this industry will continue to increase in 2008 and beyond.

The Voraxial is presently being reviewed by potential customers in a variety of markets including oil-water separation, oil exploration and production, oil refineries, marine/oil-spill clean up, stormwater, manufacturing waste treatment and grit/sand separation.

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form 10KSB/A

We have sold and shipped units of the Voraxial(R) Separator on a trial and rental basis to a number of different companies that include various applications, including produced water applications for the oil industry (both offshore oil rigs and onland production facilities), and liquid/liquid for the uranium industry, to name a few. We have installed several Voraxial(R) Separators to date including units to Transocean, ConocoPhillips, the Alaska Department of Environmental Conservation, the US Navy, and Cameco, a leading uranium producing company for oil/water separation at a flow rate of approximately 400 gallons per minute. We are in dialogue with other companies to conduct similar projects in 2008.

1

In 2006, the Company received a Letter of Intent from OMV Austria Exploration and Production GmbH, a leading integrated oil and gas group in Central and Eastern Europe, to evaluate the use of a Voraxial Separator to handle its 150,000-barrel per day produced water system. OMV is a leading oil and gas company in Central Europe with over 15 billion Euros in sales and extensive exploration & production activities in 18 countries on five continents. After completing the first round of trials in 2007, the Company was invited back for a 2nd round of trials scheduled to for Q2 2008.

In 2007, the Company installed its Voraxial Deckwater Drainage System onto Transocean semi submersible rig Sedco 702, the world's largest offshore drilling contractor. The Sedco 702 is utilizing this uniquely efficient system to protect the environment by separating oil from drainage water prior to discharge that meets local environmental requirements. The Voraxial Skid will be utilized to handle contaminated drill floor run-off water containing solids and drilling fluids. The Voraxial(R) Separator's ability to conduct efficient separation without the need of a pressure drop allows for easy installation and a reduction of cost. The Voraxial-powered system provides for highly efficient separation while providing features that are critical to offshore platform operation: a small footprint, low energy requirement and a no-pressure drop.

In the first quarter of 2007, we received a purchase order from a leading Scandinavian energy company, to deploy a Voraxial Skid for a drilling operation using lightweight drilling fluids. This technique is called "underbalanced drilling" since it maintains the drilling operations at a lower pressure than the formation to prevent the drilling fluids from damaging the well. The Voraxial Skid, which is comprised of a Voraxial(R) 4000 and a Voraxial(R) 2000, operates in series to provide liquid/solid separation on an offshore oilrig in the North Sea. The Voraxial Skid, which was leased to the customer for a specific project, was chosen for its solids separation efficiency, and for its ability to conduct good separation without the need of a pressure drop.

In 2007, the Company signed a non-exclusive, comprehensive sales and marketing agreement with TwinFilter, a leading Dutch filtration company in the oil and gas industry. Under the terms of the agreement, the two companies will market and promote each other's technologies while sharing the sales & marketing expenses and engineering expertise. Furthermore, EVTN and TwinFilter will collaborate to build and promote turnkey oil/water and liquid/solid separation systems for the oil industry that will incorporate EVTN's Voraxial Separator and TwinFilter's absorption systems, coalescing, other filter technology. This agreement was finalized after many months of collaboration to build and deliver products for various companies within the oil industry.

The turnkey system can be utilized in multiple niche applications in the oil industry including produced water, under-balanced drilling (UBD), deck water drainage, slopwater, FPSO and refinery markets. The integration of the two technologies provides the oil industry with a compact and effective separation system. The Voraxial's small footprint, low energy requirements and separation quality coupled with TwinFilters unique filtration equipment for secondary

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form 10KSB/A

treatment provides the customer with a complete turnkey package that meets the most stringent discharge levels such as OSPAR (North Sea countries