

Emerge Capital Corp.
Form 10QSB/A
November 07, 2006

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

FORM 10-QSB/A
(Amendment No.1)

QUARTERLY REPORT PURSUANT TO SECTION 13
OR 15(D) OF THE SECURITIES EXCHANGE
ACT OF 1934, AS AMENDED:

For the quarterly period ended September 30, 2005

For the transition period from _____ to _____

Commission file number 0-28606

EMERGE CAPITAL CORP.
(Formerly Nuwave Technologies, Inc.)

(Exact Name Of Small Business Issuer)

DELAWARE
(State or other jurisdiction of
Incorporation or organization)

22-3387630
(I.R.S. Employer
Identification Number)

109 North Post Oak Lane
Suite 422
Houston, TX
(Address of Principal Executive Offices)

77024
(Zip Code)

Issuer's telephone number, including area
code

(713) 621-2737

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 o

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan

confirmed by a court.

Yes x No o

The number of shares of common stock issued and outstanding as of September 30, 2005 was 22,710,816.

Transitional Small Business Disclosure Format (check one).

Yes No

EXPLANATORY NOTE

Emerge Capital Corp., formerly Nuwave Technologies, Inc., (the “Company”) is filing this Amendment No. 1 to its Quarterly Report on Form 10-QSB for the quarter ended September 30, 2005 to restate the financial results. The restatement includes adjustments to (a) remove existing deferred financing costs at the time of merger, (b) remove the beneficial conversion feature previously recorded for the convertible debentures, and (c) correct the accounting for convertible debentures to recognize the effects of derivatives. The information contained in this Amendment, including the financial statements and the notes hereto, amends Items 1, 2 and 3 of Part I of the Company’s originally filed Quarterly Report on Form 10-QSB for the quarter ended September 30, 2005 and no other items in its originally filed Form 10-QSB are amended hereby. In accordance with Rule 12b-15 of the Securities Exchange Act of 1934, the complete text of those items in which amended language appears is set forth herein, including those portions of the text that have not been amended from that set forth in the original Form 10-QSB. Except for the restatement, this Form 10-QSB/A does not materially modify or update other disclosures in the original Form 10-QSB, including the nature and character of such disclosure to reflect events occurring after November 21, 2005, the filing date of the original Form 10-QSB. Accordingly this Form 10-QSB/A should be read in conjunction with the Company’s other filings made with the Securities and Exchange Commission. Currently dated certifications from the Company’s Chief Executive Officer and Chief Financial Officer have been included as exhibits to this amendment.

EMERGE CAPITAL CORP. AND SUBSIDIARIES
(Formerly Nuwave Technologies, Inc.)

FORM 10-QSB/A
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EMERGE CAPITAL CORP. AND SUBSIDIARIES
(Formerly Nuwave Technologies, Inc.)
UNAUDITED CONSOLIDATED BALANCE SHEET
SEPTEMBER 30, 2005
RESTATED

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	483,582
Purchased accounts receivable		159,515
Other accounts receivable		48,166
Notes receivable		111,315
Note receivable-affiliate		463,343
Investment in marketable securities		647,425
Deferred tax asset		19,105
Deferred expenses		115,302
Prepaid expense		84,473
Total current assets		2,132,226

NONCURRENT ASSETS

Land held for development and sale		2,890,426
Investments		14,819
Fixed assets, net		124,775
Total noncurrent assets		3,030,020

TOTAL ASSETS	\$	5,162,246
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LIABILITIES AND SHAREHOLDERS' DEFICIT

CURRENT LIABILITIES

Notes payable	\$	339,206
Accounts payable		251,942
Accrued liabilities		209,469
Convertible debentures-net of \$112,926 discounts		767,074
Current tax liability		14,055
Due to clients		249,037
Total current liabilities		1,830,783

NONCURRENT LIABILITIES

Convertible debentures—net of \$257,133 discounts		1,442,867
Secured notes payable		4,631,605
Accrued interest payable		331,679
Derivative liability		1,633,779
Deferred tax liability		22,148
Total noncurrent liabilities		8,062,078

Minority interest	-
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COMMITMENTS AND CONTINGENCIES

SHAREHOLDERS' DEFICIT

Preferred Stock, par value \$.01, 2,000,000 shares authorized:		
Series A Convertible Preferred Stock, noncumulative, \$.01 par value;		
400,000 shares authorized; none issued		-
Series B Convertible Preferred Stock, 100,000 shares authorized;		
100,000 shares issued and outstanding; no liquidation or redemption value		1,000
Series C Preferred stock; liquidation preference of \$855,000 redeemable at \$1,500 per share at Company option, cumulative dividends of \$120.00 per share per year, non-voting, par value \$.01, 1,000 shares authorized,		
570 shares issued and outstanding		6
Common stock, \$.001 par value; 140,000,000 shares authorized;		
22,710,816 shares issued and outstanding		22,711
Additional paid-in capital		749,344
Retained deficit		(5,503,676)
Total shareholders' deficit		(4,730,615)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	\$	5,162,246

See accompanying Notes to Consolidated Financial Statements

EMERGE CAPITAL CORP. AND SUBSIDIARIES
(Formerly Nuwave Technologies, Inc.)
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2005 AND 2004
RESTATED

	2005	2004
REVENUE		
Commission income	\$ 834,415	\$ 856,283
Discount income	136,987	120,181
Consulting revenue	132,000	90,270
Marketable securities gain	78,517	229,796
Other income	735	7,350
Total revenue	1,182,654	1,303,880
GENERAL AND ADMINISTRATIVE EXPENSES		
Salaries and benefits	522,044	390,776
Commission and loan processing	512,389	468,022
Advertising	140,158	115,662
Business development, travel and entertainment	109,042	51,682
Rent		