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ACCESSTEL INC /UT/
Form 8-K/A
January 11, 2005

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

Amendment No. 2
to
FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 13, 2004

Commission File Number: 000-24459

ACCESSTEL, INC.

(Exact name of registrant)

Utah

59-2159271

(State of incorporation)

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

66 Clinton Road, Fairfield, NJ 07004

(Address of principal executive offices and zip code)

(973) 882-8861

(Registrant's telephone number)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

{ } Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

{ } Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a -12)

{ } Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d -2(b))

{ } Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e -4(c))

1.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On October 13, 2004, Accesstel, Inc. ("we" or the "Company") completed the acquisition of Global Invest Holdings, Inc., a New Jersey corporation. In connection with the acquisition of Global Invest from its six stockholders, we issued them an aggregate of 25,000,000 shares of our common stock.

Item 9.01. Financial Statements and Exhibits.

(b) Pro Forma Financial Information

ACCESSTEL, INC.
PROFORMA CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

On October 13, 2004, Accesstel, Inc. (the Company) acquired all of the capital stock of Global Invest Holdings, Inc. (Global Invest) in return for 25,000,000 shares of its common stock, which represented 73% of the number of shares of the Company outstanding after this transaction. The acquisition will be accounted for as a reverse merger with the Company being treated as the acquired company and Global Invest being treated as the acquirer. After the completion of the merger, historic financial and other information of Global Invest will be presented in all public filings. Under the accounting for a reverse merger, the liabilities of the Company will be recorded on the books of the continuing company at their market value which approximates net realizable value, and the stockholder's equity accounts of Global Invest will be reorganized to reflect the shares issued in this transaction.

Global Invest is a New Jersey corporation organized November 19, 2003. In January 2004, it acquired the ownership interests of three operating companies: Asiatic Industries, LLC, a New Jersey limited liability company which markets ladies hosiery, underwear, and socks; and two Lebanese companies which manufacture the products sold by Asiatic Industries, LLC. Prior to 2004, the three companies had diverse ownership.

The accompanying condensed financial statements illustrate the effect of the acquisition (proforma) on the financial position of the Company and the results of its operations. The condensed balance sheet as of September 30, 2004, is based on the historical balance sheets of Global Invest and the assets and liabilities of the Company as of that date and assumes the acquisition took place on that date. The condensed statements of income for the year ended December 31, 2003, and for the nine month period ended September 30, 2004, are based on the historical statements of income of the Company and Global Invest for those periods and assume the acquisition took place on January 1, 2003.

The proforma condensed financial statements may not be indicative of the actual results of the acquisition. In particular, the proforma condensed financial statements are based on management's current estimate of the allocation of the purchase price; the actual allocation may differ.

2.

The accompanying proforma financial statements should be read in conjunction with the historical financial statements of the Company and of Global Invest.

A number of relatively small judgments were entered against the Company in the year 2000, which total approximately \$700,000. A former executive of the Company has indemnified the Company for these liabilities and pledged 200,000 shares of Company common stock to secure this indemnification. The indemnification calls for release of the stock on October 12, 2005.

3.

ACCESSTEL, INC.
PROFORMA CONDENSED STATEMENTS OF INCOME (Unaudited)
YEAR ENDED DECEMBER 31, 2003

| | Accesstel Inc. | Asiatic Industries LLC | Textile Industries S.A.L. | Authentic Garment Industries, S.A.L. | A |
|----------------------------|-------------------|------------------------------|---------------------------------|---|-------|
| | ----- | ----- | ----- | ----- | ----- |
| Sales | \$ -- | \$5,825,476 | \$3,173,623 | \$2,094,669 | \$ |
| Cost of Goods Sold | -- | 5,039,199 | 1,427,390 | 1,637,510 | -- |
| Gross Profit | -- | 786,277 | 1,746,233 | 457,159 | -- |
| Operating Expenses | 908,492 | 559,527 | 1,385,277 | 300,427 | -- |
| Operating Income | (908,492) | 226,750 | 360,956 | 156,732 | -- |
| Other Income and Expense: | | | | | |
| Interest expense | (2,493) | (37,910) | (187,560) | (47,901) | -- |
| Other income (expense) | (900,000) | -- | 13,419 | (39,457) | -- |
| Income Before Income Taxes | (1,810,985) | 188,840 | 186,815 | 69,374 | -- |
| Income Taxes | -- | -- | -- | 18,267 | -- |
| Net Income | \$ (1,810,985) | \$ 188,840 | \$ 186,815 | \$ 51,107 | \$ |
| | ===== | ===== | ===== | ===== | ===== |

Earnings Per Share

Weighted Average Number
of Shares Outstanding

4.

ACCESSTEL, INC.
 PRO FORMA CONDENSED BALANCE SHEETS (UNAUDITED)
 SEPTEMBER 30, 2004

| | Accesstel, Inc. | Global Invest Holdings, Inc. | Adjustments | Pro F |
|---|--------------------|------------------------------------|--|-----------------|
| ASSETS | | | | |
| Cash | \$ -- | \$ 28,572 | | \$ 2 |
| Accounts receivable, net of bad debt provision | -- | 3,894,712 | | 3,89 |
| Inventory | -- | 3,053,912 | | 3,05 |
| Prepaid expenses and other assets | -- | 55,382 | | 5 |
| Total current assets | -- | 7,032,578 | | 7,03 |
| Fixed assets, net | -- | 1,194,426 | | 1,19 |
| Total Assets | \$ -- | \$ 8,227,004 | \$ -- | \$ 8,22 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | |
| Accounts payable and accrued expenses | \$ 34,393 | 672,561 | \$ (34,393) (2) | \$ 67 |
| Due to shareholders | 52,063 | 372,305 | (52,063) (2) | 37 |
| Short term bank debt | | 4,435,609 | | 4,43 |
| Total current liabilities | 86,456 | 5,480,475 | (86,456) | 5,48 |
| Long term bank debt | -- | 1,295,115 | | 1,29 |
| Stockholders' equity: | | | | |
| Common stock: authorized shares of \$.001 par value; 34,236,340 shares issued and outstanding | 9,236 | 119,435 | 25,000 (5) (119,435) (6) | 34 |
| Additional paid in capital | 3,818,460 | 816,595 | (25,000) (5) 119,435 (6) (3,914,152) (7) | 901 |
| Retained earnings (deficit) | (3,914,152) | 515,384 | 86,456 (2) 3,914,152 (7) | 515 |
| Total stockholders' equity (deficit) | (86,456) | 1,451,414 | 86,456 | 451 |
| Total Liabilities and Stockholders' Equity | \$ -- | \$ 8,227,004 | \$ -- | \$ 8,227 |

5.

ACCESSTEL, INC.
 PRO FORMA CONDENSED STATEMENTS OF INCOME (UNAUDITED)
 SEPTEMBER 30, 2004

| | Accesstel, Inc. | Global Invest Holdings, Inc. | Adjustments | Pro Forma |
|--|--------------------|------------------------------------|----------------|--------------|
| | | | | |
| Sales | \$ -- | \$ 4,644,990 | | \$ 4,644,990 |
| Cost of Goods Sold | -- | 2,583,507 | | 2,583,507 |
| Gross Profit | -- | 2,061,483 | | 2,061,483 |
| Operating Expenses | 290,063 | 1,501,056 | \$ 215,000 (3) | 1,576,119 |
| Operating Income | (290,063) | 560,427 | 215,000 | 485,364 |
| Other Income Expense: | | | | |
| Interest expense | 28,750 | 232,250 | 28,750 (4) | 232,250 |
| Income Before Income Taxes | (318,813) | 328,177 | 243,750 | 253,114 |
| Income Taxes | -- | 70,000 | 70,000 | |
| Net Income | \$ (318,813) | \$ 258,177 | \$ 243,750 | \$ 183,114 |
| | | | | |
| Earnings Per Share | | | | \$.01 |
| | | | | |
| Weighted Average Number of Shares Outstanding | | | | 34,236,340 |
| | | | | |

6.

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NOTES TO PROFORMA CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

Adjustments to condensed proforma statements of income for the year ended December 31, 2003:

- (1) Elimination of intercompany sales.
- (2) Conversion of related party debt to equity, coincident with the acquisition.
- (3) Elimination of selling, general and administrative expenses from Accesstel, Inc. which would not be required subsequent to the merger with Global Invest Holdings, Inc. The estimated portion of selling, general and administrative expenses expected to be incurred are professional fees relating to the Company being a public filer.
- (4) Elimination of the interest expense on related party debt which was converted to equity coincident with the merger.
- (5) Issuance of 25,000,000 shares of \$.001 par value in exchange for the outstanding common stock of Global Invest Holdings, Inc.
- (6) Elimination of common stock of Global Invest Holding, Inc.
- (7) Elimination of retained deficit of Accesstel, Inc.

7.

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.

ACCESSTEL, INC.

Dated: January 11, 2005

By: /s/ Ralph Sayad

Ralph Sayad
Chief Executive Officer