

GRAND TOYS INTERNATIONAL INC  
Form 10-K/A  
August 14, 2003

FORM 10 - K/A - 3

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

☒

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

For the fiscal year ended: **December 31, 2001** \_\_\_\_\_

OR

☐

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE  
SECURITIES EXCHANGE ACT OF 1934 (No Fee Required)

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

Commission file number **0-22372**

**GRAND TOYS INTERNATIONAL, INC.**

\_\_\_\_\_

(Exact name of registrant as specified in its charter)

**Nevada**

**98-0163743** \_\_\_\_\_

(State or other jurisdiction of (I.R.S. Employer Identification No.)

incorporation or organization)

**1710 Route Transcanadienne., Dorval, Quebec, Canada, H9P 1H7**

(Address of principal executive offices, Zip Code)

Registrant's telephone number, including area code **(514) 685-2180**

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Securities registered pursuant to Section 12 (b) of the Exchange Act: None

Securities registered pursuant to Section 12 (g) of the Exchange Act: Common Stock \$.001 par value

Check whether the Registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 ☐

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

[ ]

The Registrant's revenues for the year ended December 31, 2001 were \$8,887,567. As of February 28, 2002, the Registrant had 1,285,200 shares of Common Stock outstanding. The aggregate market value of the voting stock held by non-affiliates of the Registrant was approximately \$1,593,648 (as of February 28, 2002).

Item 14.

Financial Statements, Exhibits and Reports on Form 8-K

(a) Financial Statements:

Report of Independent Auditors

Index to Financial statements

Consolidated Financial Statements:

Consolidated Balance Sheets - December 31, 2001 and December 31, 2000

Consolidated Statements of Operations for the Years Ended December 31, 2001, 2000 and 1999

Consolidated Statements of Stockholders' Equity and Comprehensive Income for the Years Ended December 31, 2001, 2000 and 1999

Consolidated Statements of Stockholders' Equity and Comprehensive Income for the Years Ended December 31, 2001, 2000 and 1999

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Consolidated Statements of Cash Flows for the Years Ended December 31, 2001, 2000, and 1999

Notes to Consolidated Financial Statements

Consents of Independent Auditors to incorporation by reference of financial statements

Exhibits

The exhibits were filed with the original filing

|           |  |
|-----------|--|
| **3.1     | Articles of Incorporation, as amended  |
| ### 3.2   | Certificate of Designations of Series A 5% Cumulative Convertible Redeemable Preferred Stock |
| ***3.3    | Amended and Restated By-Laws   |
| ***3.4    | Certificate of Amendment for Reverse Split   |
| *3.5      | Certificate of Amendment for Reverse Split (2001)  |
| *3.6      | Certificate of Designation of Series B Convertible Redeemable Preferred Stock                |
| *3.7      | Form of Warrant for 1201 Private Placement   |
| **4.1     | Form of certificate evidencing shares of Common Stock  |
| ####4.3   | Form of Common Stock Warrant   |
| ####4.4   | Form of Regulation S Common Stock Subscription Agreement                                     |
| *4.5      | Form of Regulation S Preferred Stock Subscription Agreement                                  |
| #10.3     | Amended and Restated 1993 Stock Option Plan  |
| ####10.9  | Lease of Dorval, Canada facility   |
| ####10.10 | Lease of Mississauga, Canada facility  |
| *10.14    | Factoring Agreement between Montcap Financial and Grand                                      |
| *10.15    | Inventory and Equipment Loan Agreement between Montcap Financial and Grand                   |
| *10.16    | Limited Treasures Settlement Agreement   |

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|        |  |
|--------|--|
| *10.17 | Nissim Settlement Agreement  |
| *11    | Valuation and Qualifying Accounts and Allowances   |
| *21    | List of Subsidiaries of the Company  |
| *23    | Consent of KMPG LLP  |
| *31.1  | Certification of principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.                            |
| *31.2  | Certification of principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002                             |
| *32.1  | Certification of Stephen Altro pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.   |
| *32.2  | Certification of Tania M. Clarke pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |

Legend:

- \* Filed herewith
- \*\* Filed as an Exhibit to either the company's Registration Statement (the "Registration Statement") on Form SB-2, dated January 27, 1994, or Amendment No. 1 or Amendment No. 2 to such Registration Statement.
- \*\*\* Filed as an Exhibit to the Company's Registration Statement of Form S-3 dated December 23, 1996.
- \*\*\*\* Filed as an Exhibit to the Company's Registration Statement of Form S-3 dated January 26, 2002.
- # Filed as an Exhibit to the Company's Registration Statement on Form 8-A dated September 7, 1993 and incorporated herein by reference.
- ## Filed as an Exhibit to the Company's Proxy Statement on Form Pre 14A dated August 3, 2000.
- ### Filed as an Exhibit to the Company's 10-K for the year ended December 31, 1998.
- #### Filed as an Exhibit to the Company's 10-K for the year ended December 31, 2000.

c. Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended December 31, 2001.

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Exhibits to

Form 10 - K/A-3

of

GRAND TOYS INTERNATIONAL, INC.

For the Fiscal Year Ended December 31, 2001

Exhibit 31.1

Certification of Principal Executive Officer

(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Stephen Altro, Interim - President and Chief Executive Officer (principal executive officer) of Grand Toys International, Inc. (the "Registrant"), certifies that:

1. I have reviewed the annual report on Form 10-K of Grand Toys International , Inc.
2. Based on my knowledge, this annual 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 annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4

. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we 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 registrant, 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) Evaluated the effectiveness of the registrant'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

c) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter [the registrant's fourth fiscal quarter in the case of an annual report], that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

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 registrant'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 registrant's internal control over financial reporting.

:/s/ Stephen Altro

Stephen Altro

Date: August 14, 2003

#### Exhibit 31.2

#### Certification of Principal Financial Officer

(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Tania M. Clarke, Chief Financial Officer (principal financial officer) of Grand Toys International, Inc. (the "Registrant"), certifies that:

1. I have reviewed this annual report on Form 10-K of Grand Toys International , Inc.
2. Based on my knowledge, this annual 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 annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4

. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we 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 registrant, 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;

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b) Evaluated the effectiveness of the registrant'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

c) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter [the registrant's fourth fiscal quarter in the case of an annual report], that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

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 registrant'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 registrant's internal control over financial reporting.

/s/ Tania M. Clarke

Tania M. Clarke

Date: August 14, 2003

EXHIBIT 32.1

Certification of Principal Executive Officer

Pursuant to 18 U.S.C. 1350

(Section 906 of the Sarbanes-Oxley Act of 2002)

I, Stephen Altro, Interim - President and Chief Executive Officer (principal executive officer) of Grand Toys International, Inc. (the "Registrant"), certifies that to the best of my knowledge, based upon a review of the Annual Report on Form 10-K for the period ended December 31, 2001 of the Registrant (the "Report"):

(1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Stephen Altro

Name: Stephen Altro

Date: August 14, 2003

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EXHIBIT 32.2

Certification of Principal Financial Officer

Pursuant to 18 U.S.C. 1350

(Section 906 of the Sarbanes-Oxley Act of 2002)

I, Tania M. Clarke, Chief Financial Officer (principal financial officer) of Grand Toys International, Inc. (the "Registrant"), certifies that to the best of my knowledge, based upon a review of the Annual Report on Form 10-K for the period ended December 31, 2001 of the Registrant (the "Report"):

- (1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Tania M. Clark

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Name: Tania M. Clarke

Date: August 14, 2003