MOBILE TELESYSTEMS OJSC
Form 6-K
June 28, 2006

FORM 6-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Issuer
June 28, 2006

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

Commission file number: 333-12032

Mobile TeleSystems OJSC

(Exact name of Registrant as specified in its charter)

Russian Federation

(Jurisdiction of incorporation or organization)

4, Marksistskaya Street
Moscow 109147
Russian Federation

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F x Form 40-F o

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes o No x

MOSCOW, RUSSIAN FEDERATION JUNE 28, 2006 MOBILE TELESYSTEMS OJSC (MTS - NYSE: MBT), THE LARGEST MOBILE PHONE OPERATOR IN RUSSIA AND THE CIS, ANNOUNCES THE DECISIONS MADE AT THE ANNUAL GENERAL MEETING (AGM) OF THE COMPANY S SHAREHOLDERS ON JUNE 23, 2006.

The Meeting adopted the following resolutions:

- To approve the Company s Russian version of the annual report and annual accounting statements in accordance with the Russian Accounting Standards.

- To pay an annual dividends of RUR 7.6 per ordinary MTS share (approximately $1.4 per ADR(1)) for the 2005 fiscal year, amounting to a total of RUR 15.15 billion ($561.98 million(2)). Dividends should be paid out before the end of 2006.

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(1) According to the Russian Central Bank exchange rate of 26.9569 RUR/$ as of May 18, 2006.

(2) The amount is 50% of net income under US GAAP.

- To elect the following persons to the MTS Board of Directors (BoD):
- Alexey Buyanov, Senior Vice President, Sistema;
- Alexander Gorbunov, Head of the Corporate Development Department, Sistema;
- Vladimir Lagutin, Member of the Board of Directors of Sistema and Sistema Telecom;
- Leonid Melamed, President and CEO of MTS;
- Sir Peter Middleton GCB, independent member of MTS BoD;
- Helmut Reuschenbach, independent member of MTS BoD;
- Sergey Schebetov, General Director, Sistema Telecom.

The number of the BoD remains unchanged from last year.

- To approve the Statute on the Audit Commission.

- To approve CJSC Deloitte and Touche CIS as MTS auditor.

- To approve a new version of MTS Charter, the new version of the Statute on the President of MTS whereby the President shall be elected by the BoD by a majority of votes of its elected members, the new version of the Statute on the Board of Directors and the new version of the Statute on the General Meeting of Shareholders.

The AGM approved the recommendation of the BoD with respect to the distribution of the Company s profits for full year 2005, whereby the annual remuneration of the BoD members was lowered by more than three times. I welcome this decision of our shareholders as it fully reflects MTS new corporate governance policy that is aimed at increasing the efficiency of profit distribution and cost optimization, highlighted Sergey Schebetov, the Chairman of the Company s BoD.

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The Board of Directors meeting took place on the same day and re-appointed Sergey Schebetov as Chairman and Vladimir Lagutin as Deputy Chairman of the Board of Directors. Independent directors Helmut Reuschenbach and Sir Peter Middleton were appointed to the Company s Audit Committee along with Alexey Buyanov, who will have non-voting observer status on the Audit Committee.

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For further information, please contact:

Mobile TeleSystems, Moscow
Investor Relations

tel: +7 495 223 2025
e-mail: ir@mts.ru

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Mobile TeleSystems OJSC (MTS) is the largest mobile phone operator in Russia and the CIS. Together with its subsidiaries, the Company services over 62.89 million subscribers. The regions of Russia, as well as Belarus, Turkmenistan, Ukraine, and Uzbekistan, in which MTS and its associates and subsidiaries are licensed to provide GSM services, have a total population of approximately 233.1 million. Since June 2000, MTS Level 3 ADRs have been listed on the New York Stock Exchange (ticker symbol MBT). Additional information about MTS can be found on MTS website at www1.mtsgsm.com.

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Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of MTS, as defined in the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify forward looking statements by terms such as expect, believe, anticipate, estimate, intend, will, could, may or might, and such terms or other similar expressions. We wish to caution you that these statements are only predictions and that actual events or results may differ materially. We do not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. We refer you to the documents MTS files from time to time with the U.S. Securities and Exchange Commission, specifically the Company s most recent Form 20-F. These documents contain and identify important factors, including those contained in the section captioned Risk Factors that could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, potential fluctuations in quarterly results, our competitive environment, dependence on new service development and tariff structures, rapid technological and market change, acquisition strategy, risks associated with telecommunications infrastructure, risks associated with operating in Russia, volatility of stock price, financial risk management and future growth subject to risks.

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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, thereunto duly authorized.

MOBILE TELESYSTEMS OJSC

By: Leonid Melamed

Name: Leonid Melamed

Title: CEO

Date: **June 28, 2006**

C. Based on the 69,640,000 shares issued and outstanding, Mr. Ayers could sell up to 696,400 shares every three months if all of the above conditions are met. For a discussion of Mr. Ayers acquisition of his 45,000,000 shares, see Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations-Recent Events below.

Securities Authorized for Issuance under Equity Compensation Plans

The Company does not have any equity compensation plans and there are no outstanding options.

DESCRIPTION OF SECURITIES

Common Stock

The Company is authorized to issue 200,000,000 shares of common stock, par value $0.00001 per share (Common Stock). Holders of Common Stock are entitled to one vote per share and to receive dividends or other distributions when and if declared by the Board of Directors. As of this filing, there are 69,640,000 shares of Common Stock outstanding held by 49 shareholders of record.

Our Common Stock trades on the OTCBB under the symbol RRFC . We expect to receive a new trading symbol for our common stock on June 1, 2009. None of our Common Stock is subject to outstanding options or rights to purchase, nor do we have any securities that are convertible into shares of our Common Stock. We have not agreed to register any of our stock for anyone nor do we presently have in effect employee stock options or benefit plans that would involve the issuing of additional shares of our Common Stock.

Our Common Stock does not have preemptive rights, meaning that our common shareholders ownership interest would be diluted if additional shares of our Common Stock are subsequently issued, and the existing shareholders are not granted the right, in the discretion of the Director, to maintain their percentage ownership interest in the Company. This lack of protection from dilution to minority shareholders could allow our Director to issue additional shares of our Common Stock to persons friendly with our existing management, thus preventing any change in control of the Company.

Upon any liquidation, dissolution or winding-up of Gold Bag, our assets, after the payment of debts and liabilities and any liquidation preferences of, and unpaid dividends on, any class of Preferred Stock then outstanding, will be distributed pro-rata to the holders of the Common Stock. The holders of the Common Stock have no right to require us to redeem or purchase their shares.

The holders of Common Stock are entitled to share equally in dividends, if and when declared by our Director, out of funds legally available therefore, subject to the priorities given to any class of Preferred Stock which may be issued.

No Cumulative Voting

Holders of shares of our Common Stock do not have cumulative voting rights, which means that the holders of more than 50% of the outstanding shares, voting for the election of directors, can elect all of the directors to be elected, if they so choose, and, in that event, the holders of the remaining shares will not be able to elect any of our directors. Lance Ayers, our sole officer, director and employee, owns approximately 64.62% of our outstanding shares and will be able to elect all of our directors.

Preferred Stock

Gold Bag is authorized to issue 100,000,000 shares of preferred stock, $0.00001 par value per share (the Preferred Stock). We have no shares of Preferred Stock issued and outstanding, however, the Director may later determine to issue shares of our Preferred Stock. The Preferred Stock may be created and issued in one or more series and with such designations, rights, preferences and restrictions as shall be stated and expressed in the resolution(s) providing for the creation and issuance of such preferred stock. If Preferred Stock is issued and we are subsequently liquidated or dissolved, the preferred shareholders would have preferential rights to receive a liquidating distribution for their shares prior to any distribution to common shareholders.

Although we have no present intent to do so, we could issue shares of Preferred Stock with such terms and privileges that a third party acquisition of Gold Bag could be difficult or impossible, thus indefinitely entrenching our existing management in control of the Company.

Dividend Policy

To date, we have not paid any dividends. The payment of dividends, if any, on our Common Stock in the future is within the sole discretion of our Director and will depend upon our earnings, capital requirements, financial condition, and other relevant factors. Our sole officer, director and employee, Mr. Ayers, does not intend to declare any dividends on the Common Stock in the foreseeable future, but instead intends to retain all earnings, if any, for use in our business operations.

Transfer Agent

The Company uses Securities Transfer Corporation located at 2591 Dallas Parkway, Suite102, Frisco, Texas 75034 as its transfer agent.

RECENT SALES OF UNREGISTERED SECURITIES.

None.

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ITEM 6. **SELECTED FINANCIAL DATA.**

	February 28, 2009	February 29, 2008
TOTAL ASSETS	$ 114,331	$ 156,547
TOTAL LIABILITIES	$ 40,366	$ 21,890
TOTAL STOCKHOLDERS EQUITY	73,965	134,657
TOTAL LIABILITIES AND STOCKHOLDERS DEFICIT	$ 114,331	$ 156,547

	Year Ended		From Inception through
	February 28, 2009	February 29, 2008	February 28, 2009
REVENUE, NET	$ -0-	$ -0-	$ -0-
TOTAL EXPENSES	65,492	24,965	142,635
NET LOSS FOR PERIOD	$ (65,492)	$ (24,965)	$ (142,635)
NET LOSS PER SHARE-BASIC AND DILUTED	$ -0-	$ -0-	
WEIGHTED AVERAGE SHARES OUTSTANDING	69,640,000*	69,640,000*	

* Post-Forward Split

ITEM 7. **MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

Cautionary Notice Regarding Forward Looking Statements

We desire to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. This Report contains a number of forward-looking statements that reflect management s current views and expectations with respect to our business, strategies, products, future results and events and financial performance. All statements made in this Report other than statements of historical fact, including statements that address operating performance, events or developments that management expects or anticipates will or may occur in the future, statement related to distributor channels, volume growth, revenues, profitability, new products, adequacy of funds from operations, statements expressing general optimism about future operating results and non-historical information, are forward looking statements. In particular, the words believe, expect, intend, anticipate, estimate, may, will, variations of such words, and similar expressions identify forward-looking statements, but are not the exclusive means of identifying such statements and their absence does not mean that the statement is not forward-looking. These forward-looking statements are subject to certain risks and uncertainties, including those discussed below. Our actual results, performance or achievements could differ materially from historical results as well as those expressed in, anticipated or implied by these forward-looking statements. We do not undertake any obligation to revise these forward-looking statements to reflect any future events or circumstances.

Readers should not place undue reliance on these forward-looking statements, which are based on management s current expectations and projections about future events, are not guarantees of future performance, are subject to risks, uncertainties and assumptions (including those described below) and apply only as of the date of this Report. Our actual results, performance or achievements could differ materially from

the results expressed in, or implied by, these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in Risk Factors herein as well as those discussed elsewhere in this Report and in the press releases and other communications to shareholders issued by us from time to time which attempt to advise interested parties of the risks and factors that may affect our business. We undertake no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise.

Overview

Gold Bag, Inc. (the Company) was formed as a Nevada corporation on December 23, 2005 under the name Real Estate Referral Center, Inc. to cater to the inexperienced buyer or seller of residential real estate who did not have a pre-existing established relationship with a realtor. The business plan called for us to locate a realtor for the client with the realtor paying us a fee for that service. The Company was unsuccessful in developing this business plan.

On December 27, 2005, we sold 5,000,000 shares of our Common Stock at $0.001 per share to its officers for proceeds of $5,000.

On June 21, 2006, the Securities and Exchange Commission declared our Form SB-2 Registration Statement effective through which we offered up to 2,000,000 shares of our Common Stock at $0.10 per share (the Offering). No underwriter was involved in the Offering. On July 31, 2006, we closed the Offering in which we raised $196,400 by selling 1,964,000 shares of Common Stock to 55 individuals.

In April 2009, we moved our operations and changed our corporate address to 12830 Hillcrest Road, Suite 111, Dallas, TX 75230-1547. Simultaneously, Lance Ayers, the sole member of the Company s Board of Directors and majority shareholder, approved our new business operations and changed our name to Gold Bag, Inc. to reflect our new business to purchase unwanted gold coins or broken jewelry, or other items containing precious metals, from the general public at a scrap value price. The precious metals will then be sold to a refinery where the items will be melted down into pure form and sold at market price.

Also at the time of the name change to Gold Bag, Inc., we affected a forward stock split on a 10:1 basis in order to establish a more liquid public market for our shares to trade (the Forward Split). Based upon 6,964,000 shares of Common Stock issued and outstanding on May 22, 2009, the Record Date used to determine shareholders eligible to receive shares under the Forward Split, this action increased the outstanding shares of Common Stock by 900% bringing the total shares issued and outstanding after the Forward Split to 69,640,000. The Pay Date of the Forward Split shares was May 29, 2009. Our Common Stock trades on the OTCBB under the symbol RRFC . We expect to receive a new trading symbol for our common stock on June 1, 2009.

Gold Bag, Inc. is in the business of purchasing gold coins and other precious metals in the form of jewelry directly from the general public. Dealing with the customer directly enables a faster sale to the consumer and all parties avoid the costs of a middleman. Once the gold coins and precious metals are purchased from the customer, we will send the items to a refinery that is able to produce pure gold, silver, and other precious metals which are then sold for a profit. We are a development stage company. We intend to offer our services to customers worldwide from whom we will provide a fast and convenient solution to sell their unwanted items made of precious metals. We are a company without revenues or operations, have minimal assets, and have incurred losses since inception.

Our customers can be any individual or entity worldwide for whom we will provide a fast and convenient solution to sell their unwanted items containing precious metals. Our customers will be solicited through direct marketing through advertisements over the Internet and radio and television. Our toll-free number and website will provide easy access to customers who want to sell their unwanted items. After they initiate an order, the Company will send them everything they need in order that they may return their items for processing. Upon receipt of each item, it will be catalogued and then be appraised based on the quality and quantity of the metals. If accepted for purchase by the Company, a check will be mailed to the customer within 72-hours of the appraisal. The customer has a fifteen (15) day period from the date of the check in which they can accept the amount paid for the items and cash the check, or they may return the check to the Company. If the customer cashes the check or fails to return the check before the end of the fifteen (15) day period, the transaction will be completed and the precious metals will then be refined and sold. If the customer returns the check to the Company within the fifteen (15) day period, the Company will return the items to the customer.

With the exception of the funds raised in the Offering, we are a company without revenues or operations; we have minimal assets and have incurred losses since inception. Our auditors have issued a going concern opinion. This means that there is substantial doubt that we can continue as an ongoing business operation for the next 12 months. Our ability to achieve and maintain profitability and positive cash flow is dependent upon (i) our ability to attract customers who want to sell their unwanted coins or broken jewelry, (ii) the price at which we purchase the items, (iii) our ability to have the metals refined into a pure form, (iv) and our ability to sell the pure form metals to a refinery or third party for a profit. We expect to generate revenues from the sale of the refined metals to a third party. The attached financial statements do not include any adjustments that might result from the uncertainty about our ability to continue in business. As such, we may have to cease operations and investors may lose their investment.

Our principle business activities will be (i) creating our website where customers can request an informational packet to send us their unwanted items, (ii) identifying and entering into an agreement with a refinery; and (iii) promoting our Company through advertisements over the Internet and on radio and television. We have not yet developed our website, network infrastructure, or transaction processing system. We intend to (i) immediately initiate the development of our website, www.goldbag.com, (ii) seek and negotiate an agreement with a suitable refinery, and (iii) retain a third party service provider to build and maintain our network infrastructure and transaction processing system. We believe it will take up to four months to create a workable website, network infrastructure, and transaction processing system.

We believe that we have a low-cost business plan designed to maximize revenues while minimizing costs. As demand for our services increase, our plan can be easily adapted while keeping our costs low.

Critical Accounting Policies and Estimates

Our financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make significant estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosure of contingent assets and liabilities. We evaluate our estimates, including those related to contingencies, on an ongoing basis. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following critical accounting policy among others involve the more significant judgments and estimates used in the preparation of our consolidated financial statements.

Revenue is recognized when the coins and unwanted jewelry has been shipped to the refiner and collectability is reasonably assured. Revenue recognized from these sales is net of applicable provisions for refunds, discounts and allowances.

The Company accounts for compensation associated with stock options warrants issued to non-employees using the fair and -value based method prescribed by Financial Accounting Standard 123 Accounting for Stock-Based Compensation. The Company uses the Black-Scholes options-pricing model to determine the fair value of these instruments.

In December 2004, the Financial Accounting Standards Board (FASB) issued Statement No. 123R

(SFAS 123R) Share based Payment a revision of Statement No. 123, Accounting for Stock Based Compensation. This standard requires the Company to measure the cost of employee services received in exchange for equity awards based on grant date fair value of the awards. The Company adopted 123R. The standard provides for a prospective application. Under this method, the Company will begin recognizing compensation costs for equity based compensation of or all new or modified grants after the date of adoption.

Recently Issued Accounting Pronouncements

During the year ended December 31, 2008, there wer