

CAPITAL MARKETS TECHNOLOGIES, INC.

Form 10-Q

November 19, 2008

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2008

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT

COMMISSION FILE NUMBER: 0-27382

CAPITAL MARKETS TECHNOLOGIES, INC.

(Name of small business issuer as specified in its charter)

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FLORIDA
(State or other jurisdiction of
incorporation or organization)

65-0907899
(I.R.S. Employer
Identification No.)

340 E. Randolph Street, Suite 2701, Chicago, IL USA
(Address of principal executive offices)

60610
(Zip Code)

Issuer's Telephone Number: (312) 533-0230

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 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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non Accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in rule 12b-2 of the Exchange Act). Yes No

DOCUMENTS INCORPORATED BY REFERENCE: none

Transitional Small Business Disclosure Format YES NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 19, 2008
Common stock, \$0.001 par value	22,807,709

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The Financial Statements of the Registrant required to be filed with this 10-Q Quarterly Report were prepared by management and commence on the following page, together with Related Notes. In the opinion of management, the Financial Statements fairly present the financial condition of the Company.

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	Sept. 30, 2008 (unaudited)	Dec. 31, 2007 (audited)
ASSETS		
CURRENT ASSETS		
Cash	\$ 68,023	\$ 292,968
Prepaid Expenses	13,658	
Accounts Receivable	44,150	9,005
Total Current Assets	125,831	301,973
OFFICE EQUIPMENT net of depreciation	16,466	20,265
OTHER ASSETS		
Note Receivable	113,967	
Investment in The Sepa Consultancy Limited	1,993,350	
Investment in Strike IT	811,216	202,180
	\$ 3,060,830	\$ 524,418
LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIENCY)		
CURRENT LIABILITIES		
Accounts payable	\$ 891,326	\$ 806,222
Due to Simplex Consulting Limited	35,966	
Due to related party	114,191	
Total Current Liabilities	1,041,483	806,222
Minority Interest	(169,205)	(38,037)
STOCKHOLDERS EQUITY (DEFICIENCY)		
Preferred stock		
10,000,000 shares authorized at \$.001 par value; 2,286,000 outstanding	2,286	
Capital in excess of par value	158,364	
Common stock		
250,000,000 shares authorized at \$.001 par value; 22,807,709 shares issued and outstanding	22,808	18,533
Capital in excess of par value	16,911,848	13,097,102
Common Stock subscriptions received	491,500	
Accumulated deficit during development stage	(15,392,972)	(13,347,202)
Comprehensive income (loss)	(5,282)	(12,200)

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Total Stockholders	Equity (Deficiency)	2,188,552	(243,767)
		\$ 3,060,830	\$ 524,418

The accompanying notes are an integral part of these financial statements.

Table of Contents**CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARIES****(Development Stage Company)****STATEMENTS OF OPERATIONS****For the three months ended September 30, 2008 and 2007****(unaudited)**

	Sept. 30, 2008	Sept. 30, 2007
REVENUES	\$ 89,488	\$
EXPENSES		
Professional fees	86,920	
Consulting fees	130,655	12,500
Management fees	157,723	
Advertising and Promotion	309,496	133,477
Administrative	129,418	10,759
Commissions	49,150	
Wages and Benefits	34,363	
Software Development	95,567	
Depreciation	1,267	
	994,559	156,736
NET OPERATING LOSS FROM OPERATIONS	(905,071)	(156,736)
OTHER INCOME (LOSSES)		
Interest income (expense)	1,276	(119)
NET LOSS BEFORE MINORITY INTEREST	(903,795)	(156,855)
Less Minority Interest & comprehensive loss	62,391	
NET LOSS	\$ (841,404)	\$ (156,855)
NET LOSS PER COMMON SHARE		
Basic	\$ (0.04)	\$ (0.01)
Diluted	\$ (0.03)	\$ (0.01)
AVERAGE OUTSTANDING SHARES - stated in 1,000 s		
Basic	22,808	30,081
Diluted	28,523	30,081

The accompanying notes are an integral part of these financial statements.

Table of Contents**CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARIES****(Development Stage Company)****CONSOLIDATED STATEMENTS OF OPERATIONS****For the Nine months ended September 30, 2008 and 2007 and the period****June 29, 1995 (date of inception) to September 30, 2008****(unaudited)**

	Sept. 30, 2008	Sept. 30, 2007	June 29, 1995 to Sept. 30, 2008
REVENUES	\$ 89,488	\$	\$ 166,856
EXPENSES			
Professional fees	146,545	27,750	210,307
Consulting fees	330,968	42,500	511,556
Management fees	157,723		157,723
Advertising and Promotion	1,028,434	198,734	1,570,873
Administrative	233,452	34,165	3,958,388
Commissions	106,650		205,551
Wages and Benefits	84,819		109,280
Amortization of web site			1,789,800
Software Development	177,804		177,804
Stock and options compensation expense			6,959,293
	2,266,395	303,149	15,650,575
NET OPERATING LOSS FROM OPERATIONS	(2,176,907)	(303,149)	(15,483,719)
OTHER INCOME (LOSS)			
Interest income (expense)	5,438	(722)	(321,786)
Depreciation	(3,799)		(8,865)
Gain on transfer of assets and liabilities			252,008
NET LOSS BEFORE MINORITY INTEREST	\$ (2,175,268)	\$ (303,871)	\$ (15,562,362)
Less Minority Interest and comprehensive loss	129,498		169,390
NET LOSS	\$ (2,045,770)	\$ (303,871)	\$ (15,392,972)
NET LOSS PER COMMON SHARE			
Basic	\$ (0.09)	\$ (0.01)	
Diluted	\$ (0.07)	\$ (0.01)	

AVERAGE OUTSTANDING SHARES - stated in 1,000 s

Basic	22,808	35,023
Diluted	28,523	35,023

The accompanying notes are an integral part of these financial statements.

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CAPITAL MARKETS TECHNOLOGIES, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY
(Development Stage Company)
Period June 29, 1995 (date of inception) to September 30, 2008
(unaudited)

	Common Stock		Capital in	Accumulated
	Shares	Amount	Excess of Par Value	Deficit
Balance June 29, 1995		\$	\$	\$
Issuance of common stock for services	6,000	6	4,994	
Net loss for period ended December 31, 1995				(5,000)
Net loss for year ended December 31, 1996				
Net loss for year ended December 31, 1997				
Net loss for year ended December 31, 1998				(900)
Issuance of common stock for cash	72,163	72	308,928	
Issuance of common stock for services	133		288,000	
Options granted for services			6,466,293	
Contributions to capital - expenses			174,000	
Net loss for year ended December 31, 1999				(6,819,904)
Issuance of common stock for services	100		200,000	
Amortize deferred compensation discount on note payable - related party			1,980,939	