Veracity Management Global, Inc.
Form 10KSB
September 27, 2007

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

FORM 10-KSB

&#253 **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended June 30, 2007

&#168 **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 0-52493

VERACITY MANAGEMENT GLOBAL, INC.

(Exact Name Of Registrant As Specified In Its Charter)

43-1889792
(I.R.S. Employer Identification No.)

33134
(ZIP Code)

Registrant's Telephone Number, Including Area Code: (786) 777-0808

Securities Registered Pursuant to Section 12(g) of The Act: Common Stock, $0.001

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 &#120 No &#168

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes &#120 No &#168

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in the definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. &#120

On September 24, 2007, the aggregate market value of the 3,426,490 common stock held by non-affiliates of the Registrant was approximately $1,130,741. On September 24, 2007, the Registrant had 33,181,543 shares of common stock outstanding.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer.

Large accelerated filer &#168	Accelerated filer &#168	Non-accelerated filer &#120

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Forward-Looking Statements and Associated Risks

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for certain forward-looking statements. Some of the statements contained in this annual report of Veracity Management Global, Inc. (hereinafter the "Company", "We" or the "Registrant") discuss future expectations, contain projections of our operations or financial condition or state other forward-looking information. Some statements contained in this annual report on Form 10-KSB that are not historical facts (including without limitation statements to the effect that we "believe," "expect," "anticipate," "plan," "intend," "foresee," or other similar expressions) and are forward-looking statements. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those anticipated by us. All comments concerning our expectations for future revenue and operating results are based on our forecasts of our plan of operation and do not include the potential impact of any future acquisitions or operations. These forward-looking statements involve significant risks and uncertainties (some of which are beyond our control) and assumptions. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in the forward-looking statements. For a more detailed discussion of the foregoing risks and uncertainties, see "Risk Factors".

PART I

ITEM 1. DESCRIPTION OF BUSINESS Back to Table of Contents

Background of the Registrant

The Registrant was incorporated in the State of Delaware on April 7, 2000 under the name Intertech Corporation and is publicly traded on the NASDAQ OTCBB under the symbol VCMG. On July 28, 2001, the Registrant acquired Wholesale Merchandisers, Inc. through a share exchange agreement and Wholesale Merchandisers, Inc. became a wholly-owned subsidiary of the Registrant. Wholesale Merchandisers' primary asset was a technology called "Load Toter technology", which is a vehicle balancing bar that automatically balances as weight is applied to a vehicle. The Registrant's wholly-owned subsidiary ceased operations in May 2002. In connection with discontinuing its former business operations the Registrant changed its name from Intertech Corporation to Kirshner International Inc. During the period from May 2002 until the Registrant's acquisition of its operating subsidiaries, Veracity Management Group, a Florida corporation ("VMG") and Secured Financial Data Inc., a Florida corporation ("SFD") effective on July 1, 2006, the Registrant had only limited business operations. In January 2005 the Registrant announced its intention to develop an Internet-based broadcast channel and in June 2005 the Registrant entered into a licensing and advertising agreement with Yadio, Inc., an Internet technology and marketing firm, to operate the Registrant's Internet broadcast website. The Registrant's objective was to generate revenues from its broadcast channel. However, the Registrant was not successful in raising funding necessary for this project and failed to generate any revenues. It ceased its Internet broadcast business activities in the third quarter of 2005. As a result, the financial statements of the Registrant for the years ended June 30, 2007 and 2006 are not comparable.

Acquisition of Veracity Management Global Inc.and Secured Financial Data Inc.

On July 1, 2006, the Registrant entered into share exchange agreements with Secured Financial Data Inc. ("SFD"), a Florida corporation and Veracity Management Group ("VMG"), a Florida corporation, which resulted in SFD and VMG becoming wholly-owned subsidiaries of the Registrant. The Registrant issued 19,047,685 restricted shares of common stock to the shareholders of SFD and 3,535,353 restricted shares of common stock to the shareholder of VMG in exchange of 100% of the issued and outstanding shares of SFD and VMG. In connection with these acquisitions in September 2006, the Registrant changed its name to Veracity Management Global, Inc and issued 11,985,413 shares for management and consulting services valued at their fair value of $1,345,904.

Our Business Consulting Operations

The Registrant is a consulting and professional services company specialized in technology transformation, business continuity and disaster recovery planning processes and procedures. The Registrant assists corporations and organizations with the design, development and implementation of business solutions. These solutions varying from requirements based legislative regulation, such as; The Sarbanes Oxley (SOX) Act, Gramm-Leach Bliley Act (GLBA), and Health Insurance Portability and Accountability Act (HIPAA). Additionally our consulting services encompass solutions that meet our client s strategic business needs, including organizational transformation, change management, outsourcing, software development, integration, product identification, gap analysis, configuration and installation of its related supporting infrastructure.

Regulatory and Compliance Consulting Services

We provide consulting services to private and publicly traded companies. We work with our clients in the United States to help them meet their regulatory and governance requirements.

Our firm specializes in the transformation and alignment of business process automation and its supporting service business units. We assist our clients in standardizing their general computer based control processes through the implementation of appropriate monitoring mechanisms into everyday IT activities. We use industry recognized best practices like COBIT, COSO, ITIL, PMI and Balance Scorecard. The use of these best practices not only insures an organization s compliance and best in class operations, but provides the framework for subsequent outsourcing of non-strategic services. In addition, we help our client establish an effective sustained compliance program through the automation of controls and their documentation repository. Using our expertise, we have successfully completed numerous Sarbanes-Oxley projects for customers in diverse industries. Having worked with many accounting firms responsible for SOX audits, we can provide tailored methodologies that meet business in specific vertical's such as Financial Services Institutions, Healthcare, and Manufacturing and Distribution.

Our regulatory compliance services focus on primary areas, including project management, infrastructure implementation and documentation and testing support. We customize the scope of our services based on our client's needs.

To help with companies or organizations initiative to meet regulatory requirements, we perform a gap analysis by performing a trial audit of the client s existing controls and document the findings. We coordinate with internal and external auditors to ensure all open or hidden issues are properly identified and accounted for. Using our approved findings, we leverage industry best practice operational models and methods to fill any gaps and revise all existing business documentation.. We then use the newly developed operational model and execution plan to remediate the clients existing environment identifying each relevant key controls as a testing point. Finally, we liaison with internal and external auditors as needed.

Our SOX Compliance Process

At the beginning of each compliance project, we meet with our client to define primary goals and objectives as well as additional opportunities that may present additional business benefits. Based on our findings, we will create a phased plan for implementing a compliance and process improvement program in collaboration with all key members in our client's organization.

We meet with our clients independent auditors at several points throughout the process to ensure their acceptance of the evaluation criteria and documentation necessary for certification of management s assertions of internal controls. We guide our clients through the entire implementation process, including remediation of deficient IT controls.

Beyond the primary goal of compliance, there are many opportunities for enhancing an IT environment. We provide suggestions on how to design a control structure to achieve the optimal segregation of duties within your IT organization. We review their internal workflow and help identify improvement opportunities providing increased efficiency and cost savings.

Our SOX Three-Phased Approach

Executing a project in phases allows us to define clear milestones and checkpoints for consistent and effective progress. Following is a general outline for achieving compliance and process improvement:

Phase 1 Planning and scoping

Confirm objectives, scope, success criteria and team members

- Execute pilot full documentation and testing for one business stream
- Confirm pilot results with auditor and finalize plans to move forward

Phase 2 Process documentation, evaluation and improvement

- Document all current processes, procedures and control points
- Identify potential process improvements and implement where appropriate
- Identify control test plans and metrics and establish monitoring procedure

Phase 3 Control testing and remediation

- Execute tests of control points, document test results and identify inconsistencies with expected results
- Refine process or control to achieve compliance and update process documentation accordingly

Many of our clients have achieved initial compliance with SOX requirements and are now faced with ongoing regulatory demands. These demands can rise from new legislation, changes to existing legislation and annual review of new business practices implemented to meet business demands. We provide this ongoing support, including process changes, system upgrades and/or replacements.

Quarterly testing: We can define the scope of testing with your external auditors and execute quarterly tests, including any required process remediation.

Process improvement: We can work with our clients to make process and procedure improvements aimed at improving efficiency and effectiveness.

Business Continuity Planning and Disaster Recovery Process

As part of our SOX Compliance Services we provide regulatory solutions such as business continuity planning, disaster recovery processes. Current regulations have multi-faceted requirements. Our comprehensive approach starts with an initial risk and impact assessment, to the deployment of remotely monitored and secured redundant support environments. These services include collocation services and/or outsourcing services for client s computer server and network equipment. We have relationships and partnerships with Collocation Data Centers located across the US and overseas.

Our comprehensive assessment process covers all aspects of insuring the survivability of our client s businesses. The following describes an overview of our comprehensive solutions;

- Which business units, operations and processes are absolutely essential to the survival of the organization?
- How quickly essential business units or processes have to be back in operation before the impacts are catastrophic
- Which recovery alternatives are the most plausible for meeting the recovery windows
- Which resources are needed to resume operations at a survival level for the essential parts of the business?
- Which elements have to be pre-positioned to meet recovery time windows

As organizations change their business as a result of mergers and growth, their requirements also change. We offer collocation services for our client s computer and network infrastructure. The process side of our solution is a critical part of our business continuity and disaster recovery service products and packages. The data center space is rented or sub-leased by our clients from us for the purpose of housing clients computer servers and network equipment.

Recovery Testing: After the implementation of a client s equipment into the data center for collocation, we offer our client recovery testing in support of client audit processes. In this capacity we provide consulting services as follows:

- Validate that the awareness and communication plans are in place, understood and workable
- Validate that the infrastructure is in place to recover by performing mock events
- Validate that key processes required.
- Validate logistics are in place to relocate/provide systems access to employees

We provide SOX Compliance Services that are true alternatives and compliments to in-house resources, offering a very high level of practical and hands-on experience, combined with quality of service and confidence.

Gramm-Leach-Bliley Act Compliance Consulting Services

The Financial Modernization Act of 1999, also known as the "Gramm-Leach-Bliley Act" or GLB Act, includes provisions to protect consumers personal financial information held by financial institutions. There are three principal parts to the privacy requirements: the Financial Privacy Rule, Safeguards Rule and pretexting provisions.

The GLB Act gives authority to eight federal agencies and the states to administer and enforce the Financial Privacy Rule and the Safeguards Rule. These two regulations apply to "financial institutions," which include not only banks, securities firms, and insurance companies, but also companies providing many other types of financial products and services to consumers. Among these services are lending, brokering or servicing any type of consumer loan, transferring or safeguarding money, preparing individual tax returns, providing financial advice or credit counseling, providing residential real estate settlement services, collecting consumer debts and an array of other activities. Such non-traditional "financial institutions" are regulated by the Federal Trade Commission ("FTC"). The FTC is one of eight federal agencies that, along with the states, are responsible for developing a consistent regulatory framework to administer and enforce the Financial Privacy Rule.

The Financial Privacy Rule governs the collection and disclosure of customers' personal financial information by financial institutions. It also applies to companies, whether or not they are financial institutions, who receive such information. The Financial Privacy Rule requires financial institutions to give their customers privacy notices that explain the financial institution s information collection and sharing practices. In turn, customers have the right to limit some sharing of their information. Also, financial institutions and other companies that receive personal financial information from a financial institution may be limited in their ability to use that information.

The Safeguards Rule requires all financial institutions to design, implement and maintain safeguards to protect customer information and to develop a written information security plan that describes how the financial institution is prepared for, and plans to continue to protect clients nonpublic personal information. The Safeguards Rule also applies to information of those no longer consumers of the financial institution. This plan must include:

- Denoting at least one employee to manage the safeguards,
- Constructing a thorough [risk management] on each department handling the nonpublic information,
- Develop, monitor, and test a program to secure the information, and
- Change the safeguards as needed with the changes in how information is collected, stored, and used.

The Pretexting provisions of the GLB Act protect consumers from individuals and companies that obtain their personal financial information under false pretenses, a practice known as "pretexting." Pretexting occurs when someone tries to gain access to personal nonpublic information without proper authority to do so. This may entail requesting private information while impersonating the account holder, by phone, by mail, by email, or even by "phishing" (i.e., using a "phony" website or email to collect data). The GLB Act has provisions that require the financial institution to take all precautions necessary to protect and defend the consumer and associated nonpublic information.

Financial Institutions

The GLB Act applies to "financial institutions" which is defined as entities that offer financial products or services to individuals, such as loans, financial or investment advice, or insurance, among others. The FTC has authority to enforce the law with respect to "financial institutions" that are not covered by the federal banking agencies, the Securities and Exchange Commission, the Commodity Futures Trading Commission, and state insurance authorities. Among the institutions that fall under FTC jurisdiction for purposes of the GLB Act are non-bank mortgage lenders, loan brokers, some financial or investment advisers, tax preparers, providers of real estate settlement services, and debt collectors. At the same time, the FTC's regulation applies only to companies that are "significantly engaged" in such financial activities.

The law requires that financial institutions protect information collected about individuals; it does not apply to information collected in business or commercial activities.

GLB Act Compliance Services

Identifying and assessing threats to customer information and evaluating the effectiveness of a financial institution s safeguards is a complex task that requires in-depth knowledge of security technology and practices, as well as continual identification of ever-changing security threats and requirements. Our management utilizes its expertise to conduct comprehensive assessment of its financial institution customer s controls and procedures to safeguard the institution s customer s privacy information. We work with our financial institution customer s GLB Act compliance personnel in connection with the design, development, installation and implementation of a customized security program that cost-effectively addresses key gaps in security.

Our services include thorough assessment of any vulnerability in our customer s existing network security plans, policies, operations, usage, performance, and physical security. We assess immediate security concerns to identify any gaps between the current infrastructure and identified requirements for GLB Act compliance as well as overall system security and ability of the financial institution to maintain security compliance based upon projected growth. Such services may include preparing a comprehensive security policy plan for our customers; optimizing our customer s network performance and reliability and recommending products and services; providing for protection and monitoring of network solutions; and creating disaster-recovery and business-continuity plans to ensure continued security of privacy information to satisfy GLB Act requirements.

We recognize that our financial institution customers confront both internal and external risks. These risks include, but are not limited to:

- Unauthorized access of their customers privacy information by someone other than the owner of the covered data and information;
- Compromised system security as a result of system access by an unauthorized person;
- Interception of data during transmission;

- Loss of data integrity;
- Physical loss of data in a disaster;
- Errors introduced into the system;
- Corruption of data or systems;
- Unauthorized access of covered data and information by employees;
- Unauthorized requests for covered data and information;
- Unauthorized access through hardcopy files or reports; and
- Unauthorized transfer of covered data and information through third parties.

To comply with the GLB Act, we advise our financial institution customers on their plans and procedures to detect, prevent, and respond to network attacks, intrusions, and other system failures. As part of our disaster recovery and business continuity services under the GLB Act, we provide our customers with collocation facilities and capacity to house our customer s backup computer servers and network equipment on a fully-secure basis. This enables our financial institution customers to maintain their customers privacy information during periods of disaster recovery ensuring business continuity with immediate access at all times to the privacy information of their customers, which privacy information is safeguarded in compliance with the GLB Act.

Technology Project Management and Strategic Planning Services

Our firm segregates work into tracks to provide customers with greater visibility into the work and effort being provided. We commonly partner with our customers by assembling a small team consisting of both Veracity and client personnel. We find this cross company team approach particularly successful because:

- Actively involves key stakeholders early in the process
- Lowers overall cost of strategic initiatives
- Promotes knowledge transfer between organizations
- Facilitates the development of consensual recommendations (if and where appropriate)
- Expedites the adoption and deployment process for recommendations

Our greatest asset is providing our customers with a formal proven approach to accomplish their strategic goals and objectives. This process aligns the operational model of the Information Technology department to the enterprise business strategy. Use industry recognized methods, and processes VMG specializes in the running, retooling and transforming of Information Technology departments.

VMG works from a results oriented solutions provider. Our solutions are developed from detailed root cause business and operational analysis. Our process is to develop measurable value based, **O**perational and **R**evenue **B**ased **S**trategic **(ORBS)** solutions. Our ORBS wholly encapsulate all solution dependencies, thereby reducing assumptions, failures and rework. The ORBS methodology leverages best practices such as the Project Management Institute s PMIBOK framework and The Balance Scorecard.

Our process identifies the business strategic and tactical objectives for each initiative and ties these to each business unit across the organization. To identify individual business unit impact, we interview managers, subject matter experts and users. This process also builds consensus among key stakeholders. We then perform current state analysis and gap to best practices. Using this information we develop the appropriate solution and document the required catalog of services to support the business needs. We develop the initial project plan for the solutions implementation inclusive of methods to insure continuous improvement activities and metrics. Throughout this process we manage to the client s expectations, by repeatedly facilitating sessions to revalidate consensus on the objectives, timeframes, budget and success measures to insure the strategic alignment to business climate is maintained.

Transformation Services

Our firm specializes in assisting companies change. These changes many come about as part of a business climate change, where the methods and practices previously used are no longer valid. Many times our clients are not sure what is not working, they just know they are either losing opportunities or have over built their operations through years of patch work resulting in non-scalable and costly infrastructure. Other times opportunities come in forms of acquisitions, merger, etc.. Other times brand new business lines are developed, but all in all change is occurring at all levels of the organization and the organization is built to conduct the daily business at hand not retools and reshape themselves. This is where a firm like Veracity Management Group can provide enormous value. Veracity Management Group has developed a three step process that involves identification, change modeling and remediation.

Stage 1: Current State Assessment

Strategic measures, service and resource inventory

Our process begins by identifying and distilling a high-level business driven strategic plan and quantitative success measures. We then assist in identifying the operational supporting services required to make such a plan successful. We start a parallel process to interview individuals, review business process maps, and inventory all assets, organizational hierarchies and their related resources. The final product is a comprehensive current state assessment of the client s current operational model.

Stage 2: Future State Definition and Design

Best practices models, services catalog definition and resources

Using the current state models, VMG will facilitate gap sessions that explore and test against industry best practices. Our consultants will provide lessons learned and previous industry experience in similar projects to simulate discussions challenging traditional organizational and process silo s, gaining client buy-in and identifying client sponsorship roles. We will develop a future state operational model continually challenging and testing the client tolerance for change, maturity and formality by developing and instituting regulatory compliant policies and procedures each tying to individual job descriptions and to a detailed service catalog that defines the operational model and departmental organizational chart.

Stage 3: Transformation and implementation Roadmap

3T s, Tools, Talent and Tactics, planning and budgeting

Our process starts with the implementation of Program Office, whose charter is to manage the organizational aspect of, leveraging our findings and developing or enhancing existing change management processes required by the project. Using the future state design our consultants will develop a milestone based transformation roadmap to updating the organization. VMG fosters a buy versus build model, limiting custom development to integration or client unique functionality not available in the marketplace. Subsequently on the approval and acquisition of these tools we design the new operational model developing talent refresh programs for the internal staff and updating all job functions descriptions accordingly. VMG will finally present a scalable operational model that integrates seamlessly to the enterprise.

Our Business Strategy

We bring predictability to your business

Veracity Management Group is a Full Service Management Consulting company focused on developing and nurturing a value based annuity relationship business with our clients.

We help organizations manage and make sense of obstacles and challenges they face in every day business. Our firm specializes in developing, transforming, establishing and delivering predictable operational models to information technology organizations. Through the use of industry best practices, strategic partnerships, and tools we deploy auditable and quantitative metric for business driven continuous improvement across the enterprise.

Our business objective is to become a leading provider in the market of providing technology transformation services, business continuity and disaster recovery planning processes and procedures. To pursue our objective, we are focusing on the following initiatives:

Build our business by:

- obtaining sufficient financing to grow our business;
- developing a strong brand and reputation for business consulting services; and
- attracting and retaining clients that are leaders in their respective fields.
- through the sale of products that automate client processes or resolve client objectives

Generate and subsequently diversify our revenue by:

- establishing our services as the leading solution for business continuity and disaster recovery planning processes and procedures;
- increase the size and effectiveness of our marketing and sales methods; and expand our customer base
- identifying industry leading products that we can be a vendor and representative for at a regional and or national level. The model is similar to that of any dealer including product representation, sales, and continual support and upgrade throughout the client s ownership of product.

Leverage our client relationships by:

- developing new client relationships through referrals ;
- developing additional services for existing and potential clients; and
- entering into joint ventures for particular markets that may develop for our services.

Dependence on Major Customers

The Registrant has one client that accounted for 45% of its revenues during its fiscal year ended June 30, 2007 and accounted for 64% of its revenues during the fiscal year ended June 30, 2006. At present, the Company has 15 customers.

The Company is dependent on one major customer, Bank United FSB, which accounted for approximately 45% of our revenues for the year ended June 30, 2007. Bank United is a regional retail bank in Florida. The Company s business and financial condition would be materially adversely affected if Bank United ceased to be a client of the Company or materially reduced the level of services provided by the Company.

Materials and Suppliers

To fulfill our contractual obligation, we often rely on third party equipment manufacturers and subcontractors to complete our projects. We are not substantially dependent on any individual third party to support our projects; however, we are subject to possible cost escalations based on inflation and other market price fluctuations.

We purchase equipment directly from manufacturers or third party resellers. If a manufacturer is unable to deliver the materials according to the negotiated terms, we may be required to purchase the materials from another source at a higher price. We may keep certain items in stock at our facilities. We obtain more specialized equipment from suppliers when required for a contract or project, which could adversely affect our business.

The Company uses computer equipment in connection with its client consulting services.

Patents, Trademarks And Licenses and Other Intellectual Property

At present, we have no patents, trademarks, licenses and other intellectual properties.

Competition

The markets in which we operate and provide our compliance services are highly competitive and, for the most part, require highly skilled and experienced personnel. A large number of regional, national and international consulting companies are competing in the markets we serve, and certain of these competitors have greater financial and other resources. Further, we are a recent entrant into the market for compliance services, and certain competitors possess substantially greater experience, market knowledge and customer relationships.

In pursuing contracts and projects, we experience significant competition in the markets we operate in. We believe that we have earned an excellent reputation. We compete based on our reputation and business relationships developed over the years.

Corporate America and the general public are aware of their vulnerability to natural and man-made disasters. This is an emerging market and we have entered this market early. We are in the compliance market where there are many competitors. We expect to gain a strong hold in this market.

Employees

At June 30, 2007, we had 21 full-time employees and none of these employees were represented by labor unions. We also employ part-time personnel from time to time on a contract or project-specific basis. We believe current relationships with our employees are satisfactory. We are not aware of any circumstances that are likely to result in a work stoppage at any of our projects.

Environmental Laws and Regulations

We are subject to environmental laws and regulations, including those concerning emissions into the air, discharges into waterways, generation, storage, handling, treatment and disposal of hazardous materials and wastes and health and safety.

The environmental, health and safety laws and regulations to which we are subject are frequently changing, and it is impossible to predict the effect of such laws and regulations on us in the future. We believe we are in substantial compliance with all applicable environmental, health and safety laws and regulations. To date, our costs with respect to environmental compliance have not been material, and we have not incurred any material environmental liability. However, we cannot assure you that we will not incur material environmental costs or liabilities in the future. For more information on the impact of environment regulation upon our businesses, see "Risk Factors" below.

RISK FACTORS

You should carefully consider the risks described below before making an investment in our common stock. All of these risks may impair our business operations. If any of the following risks actually occurs our business, financial condition or results of operations could be materially adversely affected. In such case, the trading price of our common stock could decline, and you may lose all or part of your investment

Risk Factors Related to Our Business

We have a history of operating losses, and we may not achieve or maintain profitability in the future

We have experienced a net loss of $1,997,139 for the fiscal year ended June 30, 2007. We do not expect these losses to continue but it is uncertain when, if ever, we will become profitable. These losses have resulted primarily from non-cash, stock-based compensation costs incurred as stock issued for compensation, and general and administrative costs associated with operations. Stock issued for compensation and for consulting fees has been valued at market price on the effective date of the agreement, per SEC requirement. Our Independent Auditor has included a paragraph as to their substantial doubt of our ability to continue as a going concern for the years ended June 30, 2007 and 2006, respectively.

We may experience adverse impacts on our results of operations as a result of adopting new accounting standards or interpretations

Our implementation of and compliance with changes in accounting rules, including new accounting rules and interpretations, could adversely affect our operating results or cause unanticipated fluctuations in our operating results in future periods. For example, we are required by the Sarbanes-Oxley Act of 2002 to file annual reports and quarterly reports disclosing the effectiveness of our internal controls and procedures starting with the Company s annual report for the fiscal year ending June 30, 2007. Management s internal control report under SOX is applicable for fiscal years beginning after December 15, 2007. Under SOX we will have our first internal control report in our annual report ending June 30, 2008. Although we believe our internal controls are operating effectively, and we have committed internal resources to ensure compliance, we cannot guarantee that we will not have any material weaknesses as reported by our auditors and such determination could materially adversely affect our business or significantly increase our costs in order to establish effective controls and procedures.

Competition

While we believe that we are competitive and have an established presence in the market we operate in, we may face significant competition in our efforts to market and sell our compliance services. Further, we could face competition from our customers, if they determine to perform and implement their own compliance infrastructure. Many of our customers are well-established and possess far greater financial, technical, human and other resources than does the Company.

We will compete against many companies in fragmented, highly competitive markets and we have fewer resources than some of those companies.

Our business competes principally on the basis of the following factors: service quality, service fees and specifications; customized design and technical qualifications of compliance procedure and infrastructure; and reputation, technical expertise and reliable service. Competitive pressures, including those described above, and other factors could cause us additional difficulties in acquiring and maintaining customers or could result in decreases in the fees we are able to charge, either of which could have a material adverse effect on our financial position and results of operations. From time to time, the intensity of competition results in fee reductions in a particular areas or region. Such price discounting puts pressure on margins and can negatively impact our ability to generate an operating profit.

We rely on equipment manufactured by third parties and price fluctuations can have a material and adverse affect on the cost structure of our business

We are exposed to fluctuations in market prices for various equipment in providing our compliance services, such as computer equipment products. The rising price of components can have an impact on the cost of our services. At this time, we are unable to predict the potential impact of future increases in such costs on the fees of our services, or our ability, if any, to increase our fees for our services to cover such costs. We have not established arrangements to protect us against such price increases, where possible, to limit near-term exposure to fluctuations in those prices.

Our business is subject to regulations; failure to comply could result in substantial penalties

We are regulated by various national and local laws. Compliance with these laws could have a material impact on our capital expenditures, earnings, or competitive position. Our failure or inability to comply with the applicable laws and regulations could result in monetary or other penalties, resulting in unanticipated expenditures or restrictions on our ability to operate.

A disruption or termination of our collocation relationships could have a material adverse effect on our operations

Disruption or termination of our collocation relationships could have a material adverse effect on our operations. We believe that alternative sources could be obtained, if necessary, but the inability in a timely manner to obtain alternative relationships, if and as required in the future, could result in reductions of revenues which in turn could have an adverse effect on our operating results and customer relationships.

Actual results could differ from the estimates and assumptions that we use to prepare our financial statements

To prepare financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions, as of the date of the financial statements, which affect the reported values of assets, liabilities, revenues and expenses and disclosures of contingent assets and liabilities. Areas requiring significant estimates by our management include:

- contract costs and profits and revenue recognition;
- provisions for uncollectible receivables and recoveries of costs from subcontractors, vendors and others;
- provisions for income taxes and related valuation allowances;
- accruals for estimated liabilities;
- timing of the introduction of new products and services and market acceptance of the same

We may become subject to the risks associated with being a government contractor

We intend to become a provider of compliance services to governmental agencies, including municipal agencies. At present, we have no contract with governmental agencies or municipal agencies. We may therefore become exposed to risks associated with government contracting, including reductions in government spending, canceled or delayed appropriations specific to our contracts or projects, heightened competition and modified or terminated contracts. Legislatures typically appropriate funds for a given program on a year-by-year basis, even though contract performance may take more than one year and are not always guaranteed. As a result, at the beginning of a contract or project, the related contract or project may be only partially funded, and additional funding is normally committed only as appropriations are made in each subsequent year. These appropriations, and the timing of payment of appropriated amounts, may be influenced by, among other things, the state of the economy, competing priorities, curtailments in the use of government contracting firms, budget constraints, the timing and amount of tax receipts and the overall level of government expenditures.

Our failure to attract and retain qualified personnel, including our key officers, could have an adverse effect on us

Our ability to attract and retain qualified engineers, and other professional personnel in accordance with our needs is an important factor in determining our future success. The market for these professionals is competitive, and there can be no assurance that we will be successful in our efforts to attract and retain needed professionals. In addition, our ability to be successful depends in part on our ability to attract and retain skilled laborers. Demand for these workers can be high at times and the supply can be extremely limited at times. Our success is also highly dependent upon the continued services of our management and the loss of any member of our management team could materially adversely affect us.

We may need additional capital to fund our negative cash flow from operations through debt or equity

Based upon our present available cash of $19,760 as of June 30, 2007, loans from stockholders and a line of credit from a financial institution, secured by a certificate of deposit of Michael Rideman, our CEO, President and Chairman, if we find that the market for our compliance services develop more slowly than we anticipate, we may require additional funding through debt and/or equity financing in order to fund our increasing costs of operations and the costs. If unexpected expenses or increases in costs arise, there can be no assurance that we will be able to raise additional capital in a timely manner as and if needed. As additional funds are required it may be expected that we sell additional securities or seek increased credit lines or new debt financing, but there can be no assurance that such financing will be at terms satisfactory to us.

Potential risks associated with rapid regulatory changes

Rapid regulatory changes could adversely affect our business. The market for our compliance services in particular is characterized by rapid changes in regulatory environments. Evolving regulatory standards and changing compliance needs gives rise to a very competitive marketplace for compliance services. If we are unable to meet or stay ahead of new regulatory requirements and to changes in regulatory standards, our business could be adversely affected.

Changes in regulatory requirements influence the demand for our services.

To grow and remain competitive, we need to anticipate changes in regulatory standards. We need to continue to introduce new and enhanced compliance products on a timely basis. We may not achieve these goals and some of our service products may become obsolete. Stricter governmental regulations also may affect acceptance of new compliance products. We may not be able to enforce our rights under trademarks or patents against third parties.

Dependent upon our ability to manage our growth.
We anticipate continued growth in the future, based upon sales growth achieved in 2006 and new contracts to be completed throughout 2007, especially if our marketing efforts for compliance services is successful. In such event we will require effective management, more personnel and increased financial and other resources. This growth, if achieved, could place significant strains on our financial, managerial and other resources. Failure to effectively manage growth could have a materially adverse effect on our business and results of operations.

Dependence upon one major customer
We are dependent on one major customer, a financial institution, that has accounted for 45% of our revenues during the fiscal year ended June 30, 2007 and for 64.6% of our revenues during the fiscal ended June 30, 2007. While we believe that the percentage of revenues from our one major customer will continue to decline if our revenues continue to increase, there can be no assurance that our revenues will continue to increase, nor can there be any assurance that we will not continue to be dependent upon our major customer. In the event that our major customer should cease or significantly reduce its use of our services, our business and financial condition could be materially adversely effected.

Risk Factors Related to Our Common Stock

Market prices of our equity securities can fluctuate significantly
The market price of our shares of Common Stock may change significantly in response to various factors and events beyond our control, including the following:
- the risk factors described in this annual report;
- changing demand for our products and services;
- our results from operations;
- general conditions in markets we operate in;
- general conditions in the securities markets;
- issuance of a significant number of shares, whether pursuant to this offering on behalf of the selling shareholder, for compensation under employee stock options, conversion of debt, acquisitions, additional financing or otherwise.

There is only a limited trading market for our common stock
Our Common Stock is subject to quotation on the NASDAQ OTCBB. There has only been limited trading activity in our Common Stock. There can be no assurance that a more active trading market will commence in our securities as a result of increasing operations. Further, in the event that an active trading market commences, there can be no assurance as to the level of any market price of our shares of Common Stock, whether any trading market will provide liquidity to investors, or whether any trading market will be sustained.

State blue sky registration; potential limitations on resale of our securities
The class of Common Stock registered under the Exchange Act, other than the shares of Common Stock registered for the benefit of the selling shareholder, have not been registered for resale under the Act or the "blue sky" laws of any state. Other than the selling shareholder, the holders of such shares and persons who desire to purchase them in any trading market that may exist in the future, should be aware that there may be significant state blue-sky law restrictions upon the ability of investors to resell our securities. Accordingly, investors should consider the possibility that the secondary market for the Company's securities may be a limited one.

It is the intention of the management to seek coverage and publication of information regarding the Company in an accepted publication which permits a manual exemption. This manual exemption permits a security to be distributed in a particular state without being registered if the Company issuing the security has a listing for that security in a securities manual recognized by the state. However, it is not enough for the security to be listed in a recognized manual. The listing entry must contain (i) the names of issuers, officers, and directors, (ii) an issuer's balance sheet, and (iii) a profit and loss statement for either the fiscal year preceding the balance sheet or for the most recent fiscal year of operations. Furthermore, the manual exemption is a nonissuer exemption restricted to secondary trading transactions, making it unavailable for issuers selling newly issued securities.

Most of the accepted manuals are those published in Standard and Poor's, Moody's Investor Service, Fitch's Investment Service, and Best's Insurance Reports, and many states expressly recognize these manuals. A smaller number of states declare that they "recognize securities manuals" but do not specify the recognized manuals. The following states do not have any provisions and therefore do not expressly recognize the manual exemption: Alabama, Georgia, Illinois, Kentucky, Louisiana, Montana, South Dakota, Tennessee, Vermont and Wisconsin.

Dividends unlikely on our common stock
We do not expect to pay cash dividends on our common stock for the foreseeable future. The payment of dividends, if any, will be contingent upon our future revenues and earnings, capital requirements and general financial condition. The payment of any cash dividends will be within the discretion of our board of directors. It is our intention to retain all earnings for use in the business operations and, accordingly, we do not anticipate that we will declare any dividends on our common stock in the foreseeable future.

Possible issuance of additional securities
Our Articles of Incorporation authorize the issuance of 3,500,000,000 shares of common stock, par value $0.001 and 5,000,000 shares of

preferred stock, par value $0.001. At June 30, 2007, we had 36,805,895 shares of common stock issued and none of our preferred stock issued.

In addition, we may issue additional shares of common stock in connection with any future acquisitions of operating businesses or assets, to raise additional funding or under employee incentive or option plans. To the extent that additional shares of common stock are issued, our shareholders would experience dilution of their respective ownership interests in the Company. The issuance of additional shares of common stock may adversely affect the market price of our common stock and could impair our ability to raise capital through the sale of our equity securities.

Compliance with penny stock rules

Our securities will initially be considered a "penny stock" as defined in the Exchange Act and the rules thereunder, since the price of our shares of Common Stock is less than $5. Unless our Common Stock is otherwise excluded from the definition of "penny stock," the penny stock rules apply with respect to that particular security. The penny stock rules require a broker-dealer prior to a transaction in penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document prepared by the SEC that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its sales person in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. In addition, the penny stock rules require that the broker-dealer, not otherwise exempt from such rules, must make a special written determination that the penny stock is suitable for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure rules have the effect of reducing the level of trading activity in the secondary market for a stock that becomes subject to the penny stock rules. So long as the Common Stock is subject to the penny stock rules, it may become more difficult to sell such securities. Such requirements, if applicable, could additionally limit the level of trading activity for our Common Stock and could make it more difficult for investors to sell our Common Stock.

Shares eligible for future sale

As of June 30, 2007, we had 36,805,895 shares of Common Stock issued and outstanding, of which 36,590,729 shares are "restricted" as that term is defined under the Securities Act, and in the future may be sold in compliance with Rule 144 under the Securities Act. Rule 144 generally provides that a person holding restricted securities for a period of one year may sell every three months in brokerage transactions and/or market-maker transactions an amount equal to the greater of one (1%) percent of (a) the Company's issued and outstanding Common Stock or (b) the average weekly trading volume of the Common Stock during the four calendar weeks prior to such sale. Rule 144 also permits, under certain circumstances, the sale of shares without any quantity limitation by a person who has not been an affiliate of the Company during the three months preceding the sale and who has satisfied a two-year holding period. However, all of the current shareholders of the Company owning 5% or more of the issued and outstanding Common Stock are subject to Rule 144 limitations on selling.

Any investment in our shares of Common Stock involves a high degree of risk. You should carefully consider the following information about these risks, together with the other information contained in this prospectus before you decide to invest in our Common Stock. Each of the following risks may materially and adversely affect our business objective, plan of operation and financial condition. These risks may cause the market price of our Common Stock to decline, which may cause you to lose all or a part of the money you invested in our Common Stock. We provide the following cautionary discussion of risks, uncertainties and possible inaccurate assumptions relevant to our business plan.

In addition to other information included in this registration statement, the following factors should be considered in evaluating the Company's business and future prospects.

ITEM 2. DESCRIPTION OF PROPERTIES Back to Table of Contents

The Registrant's corporate office is located at 2655 LeJeune Road, Suite 311, Coral Gables, FL 33134, which space is rented for $1,104 per month. The office facilities consist of approximately 1,300 square feet of executive office space and are leased by the Registrant from an unaffiliated third party. The Registrant believes that the office facilities are sufficient for the foreseeable future.

ITEM 3. LEGAL PROCEEDING Back to Table of Contents

The Registrant's officers and directors are not aware of any threatened or pending litigation to which the Registrant is a party or which any of its property is the subject and which would have any material, adverse effect on the Registrant.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITIES HOLDERS

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During the year ended June 30, 2007, no matters were submitted to a vote of our security holders.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTER Back to Table of Contents

(a) Market Price Information

Our common stock is subject to quotation on the NASDAQ OTCBB under the symbol "VCMG". There has been no significant trading activity for approximately the past two years. The following table shows the high and low bid prices for the Company's common stock during the last three fiscal years as reported by the National Quotation Bureau Incorporated adjusted for a 1 for 73 reverse split effective September 5, 2007. These prices reflect inter-dealer quotations without adjustments for retail markup, markdown or commission, and do not necessarily represent actual transactions.

	Fiscal 2006		Fiscal 2005		Fiscal 2004	
	High	Low	High	Low	High	Low
First Quarter ended September 30,	$ 0.73	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Second Quarter ended December 31,	$ 3.65	$ 0.73	$ 1.46	$ 0.73	$ 0.00	$ 0.00
Third Quarter ended March 31,	$ 1.50	$ 0.50	$ 0.73	$ 0.73	$ 0.00	$ 0.00
Fourth Quarter ended June 30,	$ 0.50	$ 0.50	$ 1.46	$ 0.73	$ 0.00	$ 0.00

(b) Approximate Number of Holders of Common Stock

On June 30, 2007, there were approximately 137 shareholders of record of our common stock. The transfer agent of our Common Stock is Interwest Transfer Co., Inc., Salt Lake City, UT.

(c) Dividends

We currently do not pay cash dividends on our common stock and have no plans to reinstate a dividend on our common stock.

(d) Equity Compensation Plans

We have no equity compensation plans.

Recent Sales of Unregistered Securities

Date	Title	Shares Issued	Persons	Cash or Non Cash Consideration
5/18/05	Common	1,000,000	Joseph Guilano	Services valued at $50,000 (1)(a)
5/18/05	Common	1,000,000	Valuemetrics	Services valued at $50,000 (1)(a)
5/18/05	Common	580,000	W. Keith Webb	Services valued at $29,000 (1)(a)
5/18/05	Common	500,000	Blue Water Ventures	Services valued at $25,000 (1)(a)
5/19/05	Common	29,675,466	Greg Paige, former officer	For services as officer valued at $1,069,428 (1)(a)
5/25/05	Common	100,000	Jeff Graves	Services valued at $9,840 from 8/04-12/04 (1)(a)
5/25/05	Common	10,000	Teresa Fisher	Services valued at $600 from 8/04-10/04 (1)(a)
5/25/05	Common	10,000	Rose Newton	Services valued at $1,337 from 3/05-6/05 (1)(a)
5/25/05	Common	50,000	Robert Yurglich	Services valued at 10,460 from 3/04-1/05 (1)(a)
5/25/05	Common	100,000	Neil Baritz	Services valued at 6,670 from 1/05-12/05 (1)(a)
5/25/05	Common	400,000	Carol Wager	Services valued at $60,000 (1)(a)
5/25/05	Common	100,080	Alan Brown	