

Edgar Filing: Nevada Processing Solutions - Form 10-Q

Nevada Processing Solutions
Form 10-Q
January 21, 2010

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

FORM 10-Q

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

For the quarterly period ended December 31, 2009

OR

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

For the transition period from _____ to _____

Commission file number 0-51861

NEVADA PROCESSING SOLUTIONS

(Exact name of registrant as specified in its charter)

Nevada

20-4959207

(State or other jurisdiction of
incorporation or organization)

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

9646 Giddings, Las Vegas, NV 89148

(Address of principal executive offices) (Zip Code)
Issuer's telephone number, including area code: (702) 334-4008

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 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 definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act (Check one).

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller Reporting Company
(Do not check if a 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

As of January 20, 2010, the registrant had issued and outstanding 3,375,000 shares of its \$0.001 par value Common Stock, 195,000,000 common voting shares authorized; and, 872,690 convertible and callable preferred issued and outstanding, 5,000,000 preferred shares authorized.

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Part I. Financial Information

Item 1. Financial Statements

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NEVADA PROCESSING SOLUTIONS
(A development stage company)
Condensed Balance Sheets

	December 31, 2009 (Unaudited)	September 30, 2009
	-----	-----
ASSETS		
Current Assets:		
Prepaid expense	\$ -	\$ 1,000
	-----	-----
Total current assets	-	1,000
	-----	-----
TOTAL ASSETS	\$ -	\$ 1,000
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 1,500	\$ 775
Accrued expense	1,500	-
	-----	-----
Total current liabilities	3,000	775
	-----	-----
Stockholders' equity:		
Preferred stock, \$0.001 par value, 5,000,000 shares authorized, 872,690 shares issued and outstanding as of 12/31/09 and 9/30/09, respectively	873	873
Common stock, \$0.001 par value, 195,000,000 shares authorized, 3,375,000, 3,375,000 issued and outstanding as of 12/31/09 and 9/30/09, respectively	3,375	3,375
Additional paid-in capital	734,743	733,768
(Deficit) accumulated during development stage	(741,991)	(737,791)
	-----	-----
Total stockholders' equity	(3,000)	225
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ -	\$ 1,000
	=====	=====

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

NEVADA PROCESSING SOLUTIONS
(A development stage company)
Condensed Statements of Operations
(Unaudited)

For the three months ending	For the Period from May 30, 2006
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	December 31,		(Inception) to
	2009	2008	December 31,
	-----	-----	2009
	-----	-----	-----
REVENUE	\$ -	\$ -	\$ -
EXPENSES			
General and administrative expenses	4,200	3,250	35,113
	-----	-----	-----
Total Expenses	4,200	3,250	35,113
	-----	-----	-----
Net (Loss) before beneficial interest and provision for income taxes	\$ (4,200)	\$ (3,250)	\$ (35,113)
	-----	-----	-----
Beneficial Conversion Feature of Preferred stock			(706,878)
	-----	-----	-----
Income tax expense	-	-	-
	-----	-----	-----
NET (LOSS)	\$ (4,200)	\$ (3,250)	\$ (741,991)
	=====	=====	=====
(LOSS) PER SHARE - BASIC AND FULLY DILUTED	\$ (0.00)	\$ (0.00)	
	=====	=====	
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND FULLY DILUTED	3,375,000	3,375,000	
	=====	=====	

The accompanying notes are an integral part of these statements

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NEVADA PROCESSING SOLUTIONS
(A development stage company)
Condensed Statements of Cash Flows
(Unaudited)

	For the three		For the Period
	months ending	months ending	from
	December 31,	December 31,	May 30, 2006
	-----	-----	(Inception) to
	2009	2008	December 31,
	-----	-----	2009
	-----	-----	-----
OPERATING ACTIVITIES			
Net (loss)	\$ (4,200)	\$ (3,250)	\$ (741,991)
Adjustments to reconcile			

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net loss to net cash			
used by operating activities:			
Beneficial Interest on			
Conversion	-	-	706,878
Contributed services	-	-	10,000
Decrease in prepaid expense	1,000	-	-
Increase in accounts payable	725	-	1,500
Increase in accrued expense	1,500	-	1,500
	-----	-----	-----
Cash (used) by operating activities	(975)	(3,250)	(22,113)
FINANCING ACTIVITIES			
Sale of Common Stock	-	-	5,850
Sale of Preferred Stock	-	-	873
Contributed Capital	975	3,250	15,390
	-----	-----	-----
Cash provided by financing activities	975	3,250	22,113
	-----	-----	-----
NET CHANGE IN CASH	-	-	-
CASH AND CASH EQUIVALENTS -			
BEGINNING OF PERIOD	-	-	-
	-----	-----	-----
CASH AND CASH EQUIVALENTS -			
END OF PERIOD	\$ -	\$ -	\$ -
	=====	=====	=====
SUPPLEMENTAL DISCLOSURES:			
Interest paid	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -
Non-cash transactions	\$ -	\$ -	\$ -

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

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NEVADA PROCESSING SOLUTIONS
(A development stage company)
Notes to the Condensed Financial Statements
(Unaudited)

NOTE 1 - CONDENSED FINANCIAL STATEMENTS

The accompanying condensed financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at December 31, 2009, and for all periods presented, have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's September 30, 2009 audited financial statements filed with its annual report. The results of operations for the periods ended December 31, 2009 and 2008 are not necessarily indicative of the operating results for the full year.

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NOTE 2 - GOING CONCERN

These condensed financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. As of December 31, 2009, the Company has not recognized any revenues and has accumulated operating losses of approximately \$35,113 since inception. The Company's ability to continue as a going concern is contingent upon the successful completion of additional financing arrangements and its ability to achieve and maintain profitable operations. Management plans to raise equity capital to finance the operating and capital requirements of the Company. Amounts raised will be used to further development of the Company's services, to provide financing for marketing and promotion, to secure additional property and equipment, and for other working capital purposes. While the Company is putting forth its best efforts to achieve the above plans, there is no assurance that any such activity will generate funds that will be available for operations.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments that might arise from this uncertainty.

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NEVADA PROCESSING SOLUTIONS
(A development stage company)
Notes to the Condensed Financial Statements
(Unaudited)

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In June 2009, the FASB issued ASC 105-10, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles". ASC 105-10 will become the source of authoritative U.S. generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. On the effective date of this Statement, the Codification will supersede all then-existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification will become non-

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authoritative. This statement is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Company does not expect the adoption of ASC 105-10 to have an impact on the Company's results of operations, financial condition or cash flows.

NOTE 4 - RELATED PARTY TRANSACTIONS

The Company does not lease or rent any property. Office services are provided without charge by a director. Such costs are immaterial to the financial statements and, accordingly, have not been reflected therein. The officers and directors of the Company are involved in other business activities and may, in the future, become involved in other business opportunities. If a specific business opportunity becomes available, such persons may face a conflict in selecting between the Company and their other business interests. The Company has not formulated a policy for the resolution of such conflicts.

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NEVADA PROCESSING SOLUTIONS
(A development stage company)
Notes to the Condensed Financial Statements
(Unaudited)

NOTE 5 - CONCENTRATION OF CREDIT RISK

Cash Balances

The Company maintains its cash in various financial institutions in the United States. Balances maintained in the United States are insured by the Federal Deposit Insurance Corporation (FDIC). This government corporation insured balances up to \$100,000 through October 13, 2008. As of October 14, 2008 all non-interest bearing transaction deposit accounts at an FDIC-insured institution, including all business checking deposit accounts that do not earn interest, are fully insured for the entire amount in the deposit account. This unlimited insurance coverage is temporary and will remain in effect for participating institutions until December 31, 2009. All other deposit accounts at FDIC-insured institutions are insured up to at least \$250,000 per depositor until December 31, 2013.

NOTE 6 - SUBSEQUENT EVENTS

None. The Company has evaluated subsequent events through January 20, 2010, the date which the financial statements were available to be issued.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Item 2. - Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Information

The Company may from time to time make written or oral "forward-looking statements" including statements contained in this report and in other communications by the Company, which are made in good faith by the Company pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements include statements of the Company's plans, objectives, expectations, estimates and intentions, which are subject to change based on various important factors (some of which are beyond the Company's control). The following factors, in addition to others not listed, could cause the Company's actual results to differ materially from those expressed in forward looking statements: the strength of the domestic and local economies in which the Company conducts operations, the impact of current uncertainties in global economic conditions and the ongoing financial crisis affecting the domestic and foreign banking system and financial markets, including the impact on the Company's suppliers and customers, changes in client needs and consumer spending habits, the impact of competition and technological change on the Company, the Company's ability to manage its growth effectively, including its ability to successfully integrate any business which it might acquire, and currency fluctuations. All forward-looking statements in this report are based upon information available to the Company on the date of this report. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.

Critical Accounting Policies

There have been no material changes to our critical accounting policies and estimates from the information provided in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations", included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2009.

Results of Operations

Overview of Current Operations

Nevada Processing Solutions ("the Company") was formed on May 30, 2006.

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Nevada Processing Solutions is a startup company that processes loan applications for mortgage companies. Activities to date have been limited primarily to organization, initial capitalization, establishing an appropriate operating facility in Las Vegas, Nevada, and commencing its initial operational plans.

Business Strategy

Nevada Processing Solutions goal is to develop long-term business partnerships by providing mortgage processing services to mortgage brokers. It is managements goal to handle loan processing from submission to funding. The Company plans to handle all types of loan programs. Management plans to develop the procedures necessary to process loans accurately and professionally. The loan processor fee is billed at closing on the as a third party loan processing fee. Nevada Processing Solutions plans to charge approximately \$500 for each loan processed. Services include:

- o Expedite Closing Cycles. Nevada Processing Solutions will handle all "back-end" loan processing activities associated with closing a loan: appraisal and title/escrow ordering and follow-up, submission to underwriting, clearing of conditions, coordination of closing and confirmation of funding.
- o Upon receiving a loan package, Nevada Processing Solutions will upload it into its system, verify that ratios, income, accuracy of data and notify the broker of any deficiencies.
- o Review a broker's file for compliance issues and/or missing documentation.
- o Order (depending on the Brokers needs) title work, payoffs, appraisals, and surveys that will be required.
- o Keep the mortgage broker up to date as the loan progresses through underwriting.
- o After meeting the conditions, the Company will monitor the status of the file in the lender's closing department to insure the closing documents are sent to the title company.

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Further, the Company plans to utilize a software program designed to track all of the steps required to approve a mortgage loan application. As each step is completed, the software updates the information in the applicants' file. The loan applicant is able to determine the progress of their loan by checking the status of the loan approval process through a secure internet site.

Nevada Processing Solutions plans to provide information to loan applicants as to the approval status of their individual mortgage loan. Via a user name and password, the loan applicants can check daily through a secure website on the progress of their mortgage loan(s). A mortgage loan, on average, goes through twenty steps before it is approved. The loan applicant can check the status of the mortgage approval process as it passes through these twenty steps. It allows the loan applicant to understand what has taken place and what needs to take place before their mortgage funds are released.

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Market

Nevada Processing Solutions plans to offer loan mortgage processing and tracking services to mortgage companies. According to the U.S. Census Bureau 2005 Report, there are approximately 8,967 mortgage and non-mortgage loan brokers in the U.S. In the State of Nevada alone there are 96 mortgage and non-mortgage loan brokers. These loan brokers who represent the future customer base of Nevada Processing Solutions.

Plan of Operations

Short term goal (twelve-month period)

The two key elements of management's short term plan is to create an initial customer base, and to utilize a software program which tracks the approval status of loans. The Company's plan of operation for the next 12 months will be focused on three major areas: (i) Operations; (ii) Marketing; and (iii) Financing.

Operations

Management has designed a software program to track all of the steps required to approve a mortgage loan application: The Company now has the infrastructure and software program in place and ready to use.

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Marketing

The Company plans to develop a strategic marketing plan by working together with mortgage brokers to generate awareness about our services. The marketing plan will cover the following:

- o Active promotional program including printing promotional materials, educating mortgage brokers about our services
- o Media relations program by developing a website that markets our services;
- o Developing an advertising campaign to market the Company's services.

Competition

Management has developed a software program to track the process of mortgage approvals. This software program is not trademarked or protect by any patents. Any who can develop a similar software program can infringe on the Company's business, by offering the same service to the Company's customers at a lower price. Many other companies are better funded and more established than

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Nevada Processing Solutions.

Results of Operations for the three months ended December 31, 2009

Nevada Processing Solutions earned no revenues since our inception on May 30, 2006 through December 31, 2009. Management does not anticipate earning any significant revenues until such time as the Company's business plan becomes fully operational. Nevada Processing Solutions is presently in the development stage of its business and management can provide no assurances that the Company will be successful in developing its business.

For the period inception through December 31, 2009, Nevada Processing Solutions generated no income. Since the Company's inception on May 30, 2006, Nevada Processing Solutions experienced a net loss of \$(741,991). This loss was attributed to organizational expenses, legal and accounting fees of \$35,113 and the beneficial conversion feature of our preferred stock of \$706,878. The bulk of the Company's expenses since inception dealt with keeping the Company fully reporting. Management anticipates the Company's operating expenses will increase as the Company begins its operations.

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For the three months ending December 31, 2009, Nevada Processing Solutions experienced a net loss of \$(4,200) as compared to a net loss of \$(3,250) for the same period last year. The net loss for the three months ending December 31, 2009 was attributed to general and administrative expenses of \$4,200. Most of the general and administrative expenses since the Company's inception consist of legal and audit fees. The Company had no cash on hand as of December 31, 2009. In the September 30, 2009 year-end financials and the December 31, 2009 interim financials, the Company's auditor issued an opinion that Nevada Processing Solutions financial condition raises substantial doubt about the Company's ability to continue as a going concern.

Revenues

The Company generated no revenues for the period from May 30, 2006 (inception) through December 31, 2009. Management does not anticipate generating any revenues for at least the next year.

Going Concern

Our independent auditors included an explanatory paragraph in their report regarding concerns about our ability to continue as a going concern. Our financial statements contain additional note disclosures describing the circumstances that lead to this disclosure by our independent auditors.

Summary of any product research and development that we will perform for the

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term of our plan of operation.

Nevada Processing Solutions does not anticipate performing any additional significant product research and development under its current plan of operation.

Expected purchase or sale of plant and significant equipment.

Nevada Processing Solutions does not anticipate the purchase or sale of any plant or significant equipment; as such items are not required by the Company at this time.

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Significant changes in the number of employees.

As of December 31, 2009, the Company does not have any employees. The Company is dependent upon its sole officer and a director for the Company's future business development. As the Company's operations expand management anticipates the need to hire additional employees, consultants and professionals; however, the exact number is not quantifiable at this time.

Liquidity and Capital Resources

The Company's balance sheet as of December 31, 2009 reflects no current assets and \$3,000 in current liabilities. Cash and cash equivalents from inception to date have been sufficient to provide the operating capital necessary to operate to date. Since the Company has no cash reserves, management has agreed to donate funds to the operations of the Company, in order to keep it fully reporting for the next twelve (12) months, without seeking reimbursement for the funds donated.

During the period from inception to December 31, 2009, proceeds were received from the sale of common stock and preferred stock in connection with various private placements. At the time of incorporation, we issued 872,690 non-voting Callable and Convertible Preferred shares. We filed with the Nevada Secretary of State the designation that "These Series A Preferred shares shall be designated as 'Callable and Convertible Preferred Stock.'" The corporation has the right to call for and purchase these shares at any time, within twelve months of issue, either at par value or at a slight premium above par value, or if corporation should designate that these shares are deemed not callable, the holders of these non-voting Series A Preferred Shares shall have the right to cause the corporation to redeem shares for Common Stock at any time. Each holder of the non voting Series A Callable and Convertible Preferred Stock shall have the right to convert all or any portion of such shares as such holder desires to convert, into shares of the Common Stock of the corporation, as follows: each share of Series A Convertible Preferred Stock can be exchanged for ten (10) shares of Common Stock of the corporation."

Through a Board Resolution, it was resolved that we shall not call nor redeem

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our Series A non-voting Callable and Convertible Preferred shares. The shareholders of the Series A Preferred shares will be permitted to convert each Series A Preferred share owned for ten common shares, at their sole discretion. The conversion of 872,690 Series A Preferred Shares converts into 8,726,900 registered common shares.

A critical component of our operating plan impacting our continued existence is the ability to obtain additional capital through additional equity and/or debt financing. We do not anticipate generating sufficient positive internal operating cash flow until such time as we can deliver our product to market, complete additional financial service company acquisitions and generate substantial revenues, which may take the next few years to fully realize. In the event we cannot obtain the necessary capital to pursue our strategic plan, we may have to cease or significantly curtail our operations. This would materially impact our ability to continue operations.

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The Company has limited financial resources available, which has had an adverse impact on the Company's liquidity, activities and operations. These limitations have adversely affected the Company's ability to obtain certain projects and pursue additional business. Without realization of additional capital, it would be unlikely for the Company to continue as a going concern. In order for the Company to remain a Going Concern it will need to find additional capital. Additional working capital may be sought through additional debt or equity private placements, additional notes payable to banks or related parties (officers, directors or stockholders), or from other available funding sources at market rates of interest, or a combination of these. The ability to raise necessary financing will depend on many factors, including the nature and prospects of any business to be acquired and the economic and market conditions prevailing at the time financing is sought. No assurances can be given that any necessary financing can be obtained on terms favorable to the Company, or at all.

As a result of the Company's current limited available cash, no officer or director received compensation through the quarter ended December 31, 2009. The Company has no employment agreements in place with its officers.

Future Financing

Management anticipates continuing to rely on equity sales of its common shares in order to continue to fund its business operations. Issuances of additional shares will result in dilution to our existing shareholders. There are no assurances that the Company will achieve any sales of its equity securities or arrange for debt or other financing to fund its business plan.

The Company seeks to raise a \$100,000 in an offering of its common stock. In the event the Company is unable to raise \$100,000, the Company may be unable to conduct any operations and may consequently go out of business. There are no formal or informal agreements to attain such financing and management cannot make any assurances that any financing can be obtained. If management is unable to raise these funds, the Company will not be able to implement any of its proposed business activities and may be forced to cease operations.

Management has been seeking funding from a number of sources, but has yet to secure any funding, especially during this current economic downturn. Management continues to seek different funding sources in order to initiate its business plan. The downturn in the economy has limited various sources of financing. Management continues to seek financing with no success. If we are unable to raise these funds, we will not be able to implement any of our

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proposed business activities and may be forced to cease operations.

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Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results or operations, liquidity, capital expenditures or capital resources that is material to investors.

Critical Accounting Policies and Estimates

Revenue Recognition: We recognize revenue from service sales once all of the following criteria for revenue recognition have been met: pervasive evidence that an agreement exists; the services have been rendered; the fee is fixed and determinable and not subject to refund or adjustment; and collection of the amount due is reasonable assured.

New Accounting Standards

In June 2009, the FASB issued ASC 105-10, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles". ASC 105-10 will become the source of authoritative U.S. generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. On the effective date of this Statement, the Codification will supersede all then-existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification will become non-authoritative. This statement is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Company does not expect the adoption of ASC 105-10 to have an impact on the Company's results of operations, financial condition or cash flows.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Not applicable.

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Item 4T. Controls and Procedures

(a) Evaluation of Internal Controls and Procedures

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Nevada Processing Solutions is committed to maintaining disclosure controls and procedures that are designed to ensure that information required to be disclosed in its Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to its management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

As required by Rule 13a-15(b) of the Exchange Act, Nevada Processing Solutions has carried out an evaluation, under the supervision and with the participation of its management, including its Chief Executive Officer who also serves as the Chief Financial Officer, who is also the sole member of our Board of Directors, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with U. S. generally accepted accounting principles.

The evaluation examined those disclosure controls and procedures as of December 31, 2009, the end of the period covered by this report. Based on that evaluation, they concluded that, during the period covered by this report, such internal controls and procedures were not effective to detect the inappropriate application of US GAAP rules as more fully described below. This was due to deficiencies that existed in the design or operation of our internal controls over financial reporting that adversely affected our internal controls and that may be considered to be material weaknesses.

The matters involving internal controls and procedures that our management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board were: (1) lack of a functioning audit committee due to a lack of a majority of independent members and a lack of a majority of outside directors on our board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures; (2) inadequate segregation of duties consistent with control objectives; and (3) ineffective controls over period end financial disclosure and reporting processes. The aforementioned material weaknesses were identified by our Chief Executive Officer in connection with the review of our financial statements as of December 31, 2009.

Management believes that the material weaknesses set forth in items (2) and (3) above did not have an effect on our financial results. However, management believes that the lack of a functioning audit committee and the lack of a majority of outside directors on our board of directors results in ineffective oversight in the establishment and monitoring of required internal controls and procedures, which could result in a material misstatement in our financial statements in future periods.

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Additional procedures were performed in order for management to conclude with reasonable assurance that the Company's financial statements contained in this Quarterly Report on Form 10-Q present fairly, in all material respects, the Company's financial position, results of operations and cash flows for the periods presented.

This quarterly report does not include an attestation report of the Corporation's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Corporation's registered public accounting firm pursuant to temporary rules of the SEC that permit the Corporation to provide only the management's

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report in this quarterly report.

(b) Management's Remediation Initiatives

In an effort to remediate the identified material weaknesses and other deficiencies and enhance our internal controls, we have initiated, or plan to initiate, the following series of measures:

We will create a position to segregate duties consistent with control objectives and will increase our personnel resources and technical accounting expertise within the accounting function when funds are available to us. And, we plan to appoint one or more outside directors to our board of directors who shall be appointed to an audit committee resulting in a fully functioning audit committee who will undertake the oversight in the establishment and monitoring of required internal controls and procedures such as reviewing and approving estimates and assumptions made by management when funds are available to us.

(c) Changes in internal controls over financial reporting

There was no change in our internal controls over financial reporting that occurred during the period covered by this report, that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

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PART II. OTHER INFORMATION

Item 1 -- Legal Proceedings

From time to time, the Company may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business.

Nevada Processing Solutions is not presently a party to any material litigation, nor to the knowledge of management is any litigation threatened against the Company, which may materially affect the Company.

Item 1A - Risk Factors

See Risk Factors set forth in Part I, Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2009 and the discussion in Item 1, above, under "Financial Condition - Liquidity and Capital resources.

Item 2 -- Unregistered Sales of Equity Securities and Use of Proceeds

None.

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Item 3 -- Defaults Upon Senior Securities

None.

Item 4 -- Submission of Matters to a Vote of Security Holders

None.

Item 5 -- Other Information

None.

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Item 6 -- Exhibits

Exhibit	Exhibit Description	Filed herewith	Form	Period ending	Exhibit	Filing date
3.1	Articles of Incorporation, dated May 30, 2006		S-1	9/30/08	3.1	11/04/08
3.2	Bylaws dated May 31, 2006 as currently in effect		S-1	9/30/08	3.2	11/04/08
3.3	Amended Articles of Incorporation dated February 23, 2007 as currently in effect		S-1	9/30/08	3.3	11/04/08
3.4	Articles/Designation dated April 29, 2008 as currently in effect		S-1	9/30/08	3.4	11/04/08
10.1	Preferred share lock-up agreement dated Apr. 1, 2009		10-Q	3/31/09	10.1	4/21/09
31.1	Certification of President and Principal Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act	X				
32.1	Certification of President and Principal Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act	X				

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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.

Nevada Processing Solutions

Registrant

Date: January 20, 2010

By: /s/ J. Chad Guidry

J. Chad Guidry
President