

CAPITAL MARKETS TECHNOLOGIES, INC.

Form 10QSB

November 14, 2007

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

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

FOR THE QUARTER ENDED JUNE 30, 2002

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

COMMISSION FILE NUMBER: 0-27382

CAPITAL MARKETS TECHNOLOGIES, INC.

(Formerly Known as Fintech Group, Inc.; formerly known as Gentech Pharma, Inc.; formerly known as Netmaximizer.com, Inc. and formerly known as RLN Realty Associates, Inc.)

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

FLORIDA
(State or other jurisdiction of
incorporation or organization)

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

200 South Michigan, 21st Floor

60604

Edgar Filing: CAPITAL MARKETS TECHNOLOGIES, INC. - Form 10QSB

CHICAGO, IL
(Address of principal executive offices)

(Zip Code)

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

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

COMMON STOCK, PAR VALUE \$.001

(Title of each class)

Number of shares of the issuer's common stock, par value \$.001, outstanding as November 14, 2007 15,757,617

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

DOCUMENTS INCORPORATED BY REFERENCE: none

Transitional Small Business Disclosure Format YES NO

Table of Contents

CAPITAL MARKETS TECHNOLOGIES, INC.

INDEX TO FORM 10-QSB

	Page
	Number
PART I FINANCIAL INFORMATION	
Item 1. Financial Statements	
<u>Balance Sheet</u>	3
Statements of Operations:	
<u>3 months ended June 30, 2002 and 2001</u>	4
<u>6 months ended June 30, 2002 and 2001</u>	5
<u>Statements of Changes in Stockholders' Equity</u>	6
<u>Statement of Cash Flows</u>	7
<u>Notes to Financial Statements</u>	8-9
Item 2. <u>Management Discussion & Analysis</u>	10-11
Item 3. <u>Controls and Procedures</u>	11
PART II OTHER INFORMATION	
Item 1. <u>Legal Proceedings</u>	12
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	12
Item 3. <u>Defaults Upon Senior Securities</u>	12
Item 4. <u>Submission of Matters to a Vote of Security Holders</u>	12
Item 5. <u>Other Information</u>	12
Item 6. <u>Exhibits</u>	12

Table of Contents**CAPITAL MARKETS TECHNOLOGIES, INC.****(Development Stage Company)****BALANCE SHEET****As of June 30, 2002 and December 31, 2001**

	June 30,	Dec. 31,
	2002	2001
ASSETS		
CURRENT ASSETS		
Cash	\$	\$ 48,318
Accounts receivable		14,509
Total Current Assets		\$ 62,827
PROPERTY AND EQUIPMENT net		12,839
		\$ 75,666
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
CURRENT LIABILITIES		
Account payable	\$ 557,310	\$ 526,532
Total Current Liabilities	557,310	526,532
STOCKHOLDERS' DEFICIENCY		
Preferred stock		
10,000,000 shares authorized at \$.001 par value; none outstanding		
Common stock		
250,000,000 shares authorized at \$.001 par value; 81,117 shares issued and outstanding	81	81
Capital in excess of par value	11,772,539	11,772,539
Accumulated deficit during development stage	(12,329,930)	(12,223,486)
Total Stockholders' Deficiency	(557,310)	(450,866)
	\$	\$ 75,866

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

Table of Contents

CAPITAL MARKETS TECHNOLOGIES, INC.

(Development Stage Company)

STATEMENTS OF OPERATIONS

For the three months ended June 30, 2002 and 2001

	June 30,	June 30,
	2002	2001
REVENUES	\$	\$ 40,126
EXPENSES		
Amortization of web site		80,961
Amortization of debt discount		143,513
Administrative		445,134
		669,608
NET OPERATING LOSS FROM OPERATIONS		(629,482)
OTHER INCOME (LOSSES)		
Interest expense		(44,571)
NET LOSS	\$	\$ (674,053)
NET LOSS PER COMMON SHARE		
Basic and diluted	\$	\$ (8.32)
AVERAGE OUTSTANDING SHARES stated in 1,000's		
Basic	81	81

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

Table of Contents**CAPITAL MARKETS TECHNOLOGIES, INC.****(Development Stage Company)****STATEMENTS OF OPERATIONS****For the six months ended June 30, 2002 and 2001**

	June 30,	June 30,
	2002	2001
REVENUES	\$	\$
	42,904	42,904
EXPENSES		
Amortization of web site		147,915
Amortization of debt discount		287,026
Administrative	106,444	843,313
	106,444	1,278,254
NET OPERATING LOSS FROM OPERATIONS	(106,444)	(1,235,350)
OTHER INCOME (LOSSES)		
Interest expense		(85,141)
NET LOSS	\$ (106,444)	\$ (1,320,491)
NET LOSS PER COMMON SHARE		
Basic and diluted	\$ (1.31)	\$ (16.30)
AVERAGE OUTSTANDING SHARES stated in 1,000's		
Basic	81	81

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

Table of Contents

CAPITAL MARKETS TECHNOLOGIES, INC.

STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY

(Development Stage Company)

Period June 29, 1995 (date of inception) to June 30, 2002

	Common Stock		Capital in	
	Shares	Amount	Excess of Par Value	Accumulated Deficit
		\$	\$	\$
Balance June 29, 1995				
Issuance of common stock for services	6,000	6	4,994	
Net loss for period ended December 31, 1995				(5,000)
Net loss for year ended December 31, 1996				
Net loss for year ended December 31, 1997				
Net loss for year ended December 31, 1998				(900)
Issuance of common stock for cash	72,163	72	308,928	
Issuance of common stock for services	133		288,000	
Options granted for services			6,466,293	
Contributions to capital expenses			174,000	
Net loss for year ended December 31, 1999				(6,819,904)
Issuance of common stock for services	100		200,000	
Amortize deferred compensation discount on note payable related party			1,980,939	
Net loss for year ended December 31, 2000				(3,323,139)
Issuance of common stock for cash	2,174	2	1,937,386	
Issuance of common stock for expenses	173		132,000	
Issuance of common stock for cash	374	1	279,999	
Net loss for year ended December 31, 2001				(2,074,543)
Net loss for period ended June 30, 2002				(106,444)
Balance June 30, 2002	81,117	\$ 81	\$ 11,772,539	\$ (12,329,930)

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

Table of Contents**CAPITAL MARKETS TECHNOLOGIES, INC.****(Development Stage Company)****STATEMENT OF CASH FLOWS****For the six months ended June 30, 2002 and 2001**

	June 30,	June 30,
	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (106,444)	\$ (1,320,491)
Adjustments to reconcile net loss to net cash provided by operating activities		
Amortization and depreciation		182,113
Amortization of debt discount		287,026
Changes in current assets and liabilities	43,617	115,485
Loss on sale of assets		23,082
Net Cash Used in Operations	(62,827)	(712,785)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase and transfer of equipment and web site	14,509	(624,459)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from sale common stock		1,500,000
Repayments on long-term debt		(1,061)
Net Cash Used in Financing		1,498,939
Net Increase (Decrease) in Cash	(48,318)	161,695
Cash at Beginning of Period	48,318	80,448
Cash at End of Period	\$	\$ 242,143

The accompanying notes are an integral part of these financial statements

Table of Contents

CAPITAL MARKETS TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2002

1. ORGANIZATION

The Company was incorporated under the laws of the State of Florida on June 29, 1995 with the name RLN Realty Associates, Inc with authorized common shares of 7,500 with a par value of \$1.00. The Company had several name changes and authorized common share changes and on September 14, 2006 changed its name to Fintech Group, Inc. and changed its authorized common shares to 250,000,000 at a par value of \$.001 and added authorized preferred shares of 10,000,000 at par value of \$.001. The terms of the preferred shares have not been determined. On February 7, 2007 the name was changed to Capital Markets Technologies, Inc.

The principal business activity of the corporation was the development of an e-commerce web site and an e-commerce virtual department store. During 2001 the activity was discontinued and its remaining assets and related liabilities were transferred and the Company has remained inactive since that date.

The Company is a development stage company.

After 2001, the Company has been engaged in seeking viable business opportunities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Methods

The Company recognizes income and expenses based on the accrual method of accounting.

Dividend Policy

The Company has not adopted a policy regarding payment of dividends.

Income Taxes

The Company utilizes the liability method of accounting for income taxes. Under the liability method deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws that will be in effect, when the differences are expected to reverse. An allowance against deferred tax assets is recognized, when it is more likely than not, that such tax benefits will not be realized.

On June 30, 2002, the Company did not have a net operating loss available for carry forward.

Financial Instruments

The carrying amounts of financial instruments are considered by management to be their estimated fair values due to their short term maturities.

Basic and Diluted Net Income (Loss) Per Share

Basic net income (loss) per share amounts are computed based on the weighted average number of shares actually outstanding. Diluted net income (loss) per share amounts are computed using the weighted average number of common shares and common equivalent shares outstanding as if shares had been issued on the exercise of any common share rights unless the exercise becomes antidilutive and then only the basic per share amounts are shown in the report.

Concentration of Credit Risk

There are no financial instruments that potentially subject the Company to significant concentration of credit risks.

Table of Contents

CAPITAL MARKETS TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2002 (continued)

Revenue Recognition

Revenue will be recognized on the sale and delivery of a product or the completion of services provided.

Advertising and Market Development

The company expenses advertising and market development costs as incurred.

Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing these financial statements.

Other Recent Accounting Pronouncements

The Company does not expect that the adoption of other recent accounting pronouncements will have a material impact on its financial statements.

3. ACCOUNTS PAYABLE

The Statute of Limitations has run on a substantial part of the accounts payable.

4. CAPITAL STOCK

During 2001 the Company issued 2,548 post split restricted common shares for cash of \$2,217,388 and 173 for expenses of \$132,000.

On November 2, 2005 the Company completed a reverse common stock split of one share for 500 outstanding shares. This report has been prepared showing post split shares from inception.

5. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Officers-directors have not acquired any shares of the Company's outstanding common stock, however, control parties have acquired 30,000,000 shares during 2006.

6. GOING CONCERN

The Company does not have the necessary working capital to service its debt and for its planned activity, which raises substantial doubt about its ability to continue as a going concern. Continuation of the Company as a going concern is dependent upon obtaining additional working capital and the management of the Company has developed a strategy, which it believes will accomplish this objective through settlement of its debt by the issuance of common shares, loans from related parties, and equity funding which will enable the Company to conduct operations for the coming year.

Table of Contents

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

Management's discussion and analysis contains statements that are forward-looking and involve risks and uncertainties. Several factors could cause actual results to differ materially from those described in such forward-looking statements. This includes the Company's ability to manage growth, involvement in litigation, competition, ongoing contractual relationships, dependence upon key personnel, changes in customer demand for product and services, and the adoption of new, or changes in, accounting policies, practices and estimates and the application of such policies, practices, and estimates, and federal and state governmental regulation.

The following financial data should be read in conjunction with the financial statements of Capital Markets Technologies, Inc. related notes and other financial information appearing elsewhere in this report.

OVERVIEW

Capital Markets Technologies, Inc. (formerly known as Fintech Group, Inc.; Gentech Pharma, Inc.; Netmaximizer.com, Inc.) (CMT) was incorporated in the State of Florida on June 29, 1995 under the name RLN Realty Associates, Inc. During 2002, we closed our business operations due to lack of funding.

NET REVENUES

We have had no revenues since 2002 when we closed our business operations.

SELLING AND PROMOTION

We have had no selling and promotion expense since we closed our business operations.

OFFICE AND ADMINISTRATION

In 2002, we closed our business operations.

GAIN ON EXTINGUISHMENT OF DEBT

In 2002, we closed our business operations due to lack of funding

NET LOSS

Our net loss for the quarter ended June 30, 2002 was \$106,444 as a result of administrative expenses

NET LOSS PER SHARE

Net loss per share was \$1.31 for the quarter ended June 30, 2002.

LIQUIDITY AND CAPITAL RESOURCES

The company closed our business operations due to lack of funding.

In the past we were an e-commerce department store that sold a wide variety of consumer goods to members of affinity groups, paying a commission on those sales to the affinity group. In 2002, we ceased our business operations due to lack of funding.

During 2006, we changed our name to Fintech Group, Inc. and subsequently to Capital Markets Technologies, Inc. to reflect our current focus. We are a financial technology solutions company providing innovative solutions to global financial institutions and major corporations. The company currently is operating in Chicago, and with its proposed acquisition of Simplex Consulting will operate out of London, England as well. We were founded initially to capitalize on the estimated US\$30 billion financial technology market opportunity which management believes exists within Europe between 2007-2010. Our management has an aggressive acquisitions strategy focusing on companies which are well positioned to take advantage of the paradigm shift occurring in the financial technology markets under the European Union regulatory directives: MiFID (Markets in Financial Instruments Directive) and SEPA (Single Euro Payments Area).