

CAPITAL MARKETS TECHNOLOGIES, INC.

Form 10-Q

August 19, 2008

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 10-Q**

(Mark One)

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

**FOR THE QUARTER ENDED JUNE 30, 2008**

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

**COMMISSION FILE NUMBER: 0-27382**

**CAPITAL MARKETS TECHNOLOGIES, INC.**

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

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<b>FLORIDA</b> (State or other jurisdiction of incorporation or organization)	<b>65-0907899</b> (I.R.S. Employer Identification No.)
<b>340 E. Randolph Street, Suite 2701, Chicago, IL USA</b> (Address of principal executive offices)	<b>60610</b> (Zip Code)
<b>Issuer's Telephone Number: (312) 533-0230</b>	

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

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. 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  Small Business Issuer   
Indicate by check mark whether the registrant is a shell company (as defined in rule 12b-2 of the Exchange Act). Yes  No

DOCUMENTS INCORPORATED BY REFERENCE: none

Transitional Small Business Disclosure Format YES  NO

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

Class	Outstanding at August 10, 2008
Common stock, \$0.001 par value	22,798,186

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

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	<b>Jun. 30, 2008 (unaudited)</b>	<b>Dec. 31, 2007 (audited)</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 115,508	\$ 292,968
Prepaid Expenses	18,077	
Accounts Receivable	15,356	9,005
Total Current Assets	148,941	
<b>OFFICE EQUIPMENT net of depreciation</b>	<b>17,732</b>	<b>20,265</b>
<b>OTHER ASSETS</b>		
Note Receivable	129,887	
Investment in The Sepa Consultancy Limited	1,993,350	
Investment in Strike IT	811,216	202,180
	\$ 3,101,126	\$ 524,418
<b>LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIENCY)</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 684,733	\$ 806,222
Total Current Liabilities	684,733	806,222
<b>Minority Interest</b>	<b>(107,587)</b>	<b>(38,037)</b>
<b>STOCKHOLDERS EQUITY (DEFICIENCY)</b>		
Preferred stock		
10,000,000 shares authorized at \$.001 par value; 2,286,000 outstanding	2,286	
Capital in excess of par value	158,364	
Common stock		
250,000,000 shares authorized at \$.001 par value; 22,798,186 shares issued and outstanding	22,798	18,533
Capital in excess of par value	16,901,858	13,097,102
Accumulated deficit during development stage	(14,551,569)	(13,347,202)
Comprehensive income (loss)	(9,757)	(12,200)
Total Stockholders Equity (Deficiency)	2,523,980	(243,767)

\$ 3,101,126      \$ 524,418

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

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

	<b>June 30, 2008</b>	<b>June 30, 2007</b>
<b>REVENUES</b>	\$	\$
<b>EXPENSES</b>		
Professional fees	44,378	10,750
Consulting fees	155,213	30,000
Advertising and Promotion	453,662	65,257
Administrative	36,324	19,476
Wages and Benefits	14,191	
Depreciation	83,503	
	787,271	125,483
<b>NET OPERATING LOSS FROM OPERATIONS</b>	(787,271)	(125,483)
<b>OTHER INCOME (LOSSES)</b>		
Interest income (expense)	4,162	(230)
<b>NET LOSS BEFORE MINORITY INTEREST</b>	(783,109)	(125,713)
<b>Less Minority Interest &amp; comprehensive loss</b>	42,778	
<b>NET LOSS</b>	\$ (740,331)	\$ (125,713)
<b>NET LOSS PER COMMON SHARE</b>		
Basic	\$ (0.03)	\$ (0.00)
Diluted	\$ (0.02)	\$ (0.00)
<b>AVERAGE OUTSTANDING SHARES</b> - stated in 1,000 s		
Basic	22,798	34,335
Diluted	28,513	34,335

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

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

	<b>Jun 30, 2008</b>	<b>Jun 30, 2007</b>
<b>REVENUES</b>	<b>\$</b>	<b>\$</b>
<b>EXPENSES</b>		
Professional fees	59,625	27,750
Consulting fees	200,313	30,000
Advertising and Promotion	718,938	65,257
Administrative	104,034	23,406
Commissions	57,500	
Wages and Benefits	50,456	
Software Development	82,237	
Depreciation	2,533	
	1,275,636	146,413
<b>NET OPERATING LOSS FROM OPERATIONS</b>	<b>(1,275,636)</b>	<b>(146,413)</b>
<b>OTHER INCOME (LOSSES)</b>		
Interest income	4,162	(603)
<b>NET LOSS BEFORE MINORITY INTEREST</b>	<b>\$ (1,271,474)</b>	<b>\$ (147,016)</b>
<b>Less Minority Interest and Comprehensive Loss</b>	<b>67,107</b>	
<b>NET LOSS</b>	<b>\$ (1,204,367)</b>	<b>\$ (147,016)</b>
<b>NET LOSS PER COMMON SHARE</b>		
Basic	\$ (0.05)	\$ (0.00)
Diluted	\$ (0.04)	\$ (0.00)
<b>AVERAGE OUTSTANDING SHARES - stated in 1,000 s</b>		
Basic	22,798	34,335

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





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## CAPITAL MARKETS TECHNOLOGIES, INC.

## STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY

(Development Stage Company)

Period June 29, 1995 (date of inception) to June 30, 2008

(unaudited)

	Common Stock		Capital in	Accumulated
	Shares	Amount	Excess of Par Value	Deficit
Balance June 29, 1995		\$	\$	\$
Issuance of common stock for services	6,000	6	4,994	
Net loss for period ended December 31, 1995				(5,000)
Net loss for year ended December 31, 1996				
Net loss for year ended December 31, 1997				
Net loss for year ended December 31, 1998				(900)
Issuance of common stock for cash	72,163	72	308,928	
Issuance of common stock for services	133		288,000	
Options granted for services			6,466,293	
Contributions to capital - expenses			174,000	
Net loss for year ended December 31, 1999				(6,819,904)
Issuance of common stock for services	100		200,000	
Amortize deferred compensation discount on note payable - related party			1,980,939	
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 year ended December 31, 2002				(106,444)
Net loss for year ended December 31, 2003				(57,597)
Net loss for year ended December 31, 2004				(2,838)
Net loss for year ended December 31, 2005				(2,838)
Issuance of common stock for services	30,000,000	30,000		
Issuance of common stock for debt	2,160,000	2,160	19,440	
Net loss for year ended December 31, 2006				(34,727)
Issuance of common stock for debt	4,516,500	4,517	40,649	
Common Stock cancelled	(20,000,000)	(20,000)	20,000	