

Veracity Management Global, Inc.
Form 10-Q
January 11, 2016

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, 2015

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 0-52493

VERACITY MANAGEMENT GLOBAL, INC.
(Exact Name Of Registrant As Specified In Its Charter)

Delaware 43-1889792
(State of Incorporation) (I.R.S. Employer Identification No.)

21819 Town Place Dr. Boca Raton, FL 33433
(Address of Principal Executive Offices) (ZIP Code)

Registrant's Telephone Number, Including Area Code: (561) 613-1888

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 shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

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| | | | |
|---|---|--|---|
| <input type="radio"/> Large Accelerated Filer | <input type="radio"/> Accelerated Filer | <input type="radio"/> Non-Accelerated Filer (Do not check if a smaller reporting company) | <input type="radio"/> Smaller Reporting Company |
|---|---|--|---|

On January 7, 2016, the Registrant had 16,643,057 shares of common stock issued and outstanding.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

VERACITY MANAGEMENT GLOBAL, INC.

BALANCE SHEETS

| | December 31, 2015 (Unaudited) | June 30, 2015 (Audited) |
|---|--|-------------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash | \$- | \$- |
| Total Current Assets | - | - |
| | | |
| Total Assets | \$- | \$- |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | |
| Current Liabilities | | |
| Accounts Payable | \$4,568 | \$5,790 |
| Accounts Payable - Related party | 125,154 | 113,877 |
| Total Current Liabilities | 129,722 | 119,667 |
| | | |
| Total Non - Current Liabilities | - | - |
| | | |
| Total Liabilities | 129,722 | 119,667 |
| Stockholders' Deficit | | |
| Preferred Stock, \$.001 par value, 5,000,000 shares authorized, 0 shares issued and outstanding | - | - |
| Common Stock, \$.001 par value, 3,500,000,000 shares authorized, 16,643,057 and 16,643,057 shares issued and outstanding at December 31, 2015 and June 30, 2015, respectively | 16,635 | 16,635 |
| Additional paid-in capital | 4,052,836 | 4,052,836 |
| Accumulated deficit | (4,199,193) | (4,189,138) |
| | | |
| Total Stockholders' Deficit | (129,722) | (119,667) |
| | | |
| Total Liabilities and Stockholders' Defecit | \$- | \$- |

The accompanying notes to the financial statements are integral part of these financial statements

VERACITY MANAGEMENT GLOBAL, INC.

STATEMENTS OF OPERATIONS

For the Three and Six Months Ended December 31, 2015 and 2014
(Unaudited)

| | Three Months Ended December 31, 2015 | Three Months Ended December 31, 2014 | Six Months Ended December 31, 2015 | Six Months Ended December 31, 2014 |
|--------------------------------------|---|---|--|--|
| Revenues | \$- | \$- | \$- | \$- |
| Cost of Sales | - | - | - | - |
| Gross Profit | - | - | - | - |
| Expenses | | | | |
| Administrative Expenses | 2,000 | 1,000 | 6,000 | 4,000 |
| General Expenses | 2,634 | 2,099 | 4,055 | 2,144 |
| Total Expenses | 4,634 | 3,099 | 10,055 | 6,144 |
| Net Loss | \$(4,634 |) \$(3,099 |) \$(10,055 |) \$(6,144 |
| Basic and Diluted Net Loss per Share | | | | |
| * less than (\$0.01) | * | * | * | * |
| Weighted Average Shares | 16,643,057 | 16,643,057 | 16,643,057 | 16,643,057 |

The accompanying notes to the financial statements are integral part of these financial statements

VERACITY MANAGEMENT GLOBAL, INC.

STATEMENT OF STOCKHOLDERS' DEFICIT
(Unaudited)

| | Common Stock Shares | Amount | Additional Paid-in Capital | Accumulated Deficit | Total |
|------------------------------|---------------------------|-----------|----------------------------------|------------------------|--------------|
| Balance at June 30, 2015 | 16,643,057 | \$ 16,635 | \$4,052,836 | \$ (4,189,138) | \$ (119,667) |
| Net loss | | | | (10,055) | (10,055) |
| Balance at December 31, 2015 | 16,643,057 | \$ 16,635 | \$4,052,836 | \$ (4,199,193) | \$ (129,722) |

The accompanying notes to the financial statements are integral part of these financial statements

VERACITY MANAGEMENT GLOBAL, INC.

STATEMENTS OF CASH FLOW

(Unaudited)

| | Six Months Ended, December 31, 2015 | Six Months Ended, December 31, 2014 |
|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net loss from continuing operations | \$ (10,055) | \$ (6,144) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Increase (decrease) in: | | |
| Accounts Payable | (1,222) | 930 |
| Net cash used in operating activities | (11,277) | (5,214) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Related party - accounts payable | 11,277 | 5,130 |
| Net cash provided by financing activities | 11,277 | 5,130 |
| NET INCREASE (DECREASE) IN CASH | - | (84) |
| CASH - BEGINNING OF PERIOD | - | 84 |
| CASH - END OF PERIOD | \$ - | \$ - |

The accompanying notes to the financial statements are integral part of these financial statements

VERACITY MANAGEMENT GLOBAL, INC.

NOTES TO FINANCIAL STATEMENTS
SIX MONTHS ENDED DECEMBER 31, 2015
(Unaudited)

NOTE 1 – BASIS OF PRESENTATION

The accompanying financial statements of Veracity Management Global, Inc (the "Company", "VCMG") at December 31, 2015 have been prepared without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in conformity with generally accepted accounting principles have been omitted or condensed pursuant to such rules and regulations. These statements should be read in conjunction with VCMG's audited financial statements and notes thereto included in VCMG's Form 10-K. In management's opinion, these unaudited interim financial statements reflect all adjustments (consisting of normal and recurring adjustments) necessary for a fair presentation of the financial position and results of operations for each of the periods presented. The accompanying unaudited interim financial statements for the six months ended December 31, 2015 are not necessarily indicative of the results which can be expected for the entire year.

Basis of Presentation

The Company follows accounting principles generally accepted in the United States of America.

In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The financial statements include the accounts of Veracity Management Global, Inc and the operations of Secured Financial Data, Inc and Veracity Management Group, Inc. are being reported as loss from discontinued operations. Any inter-company transactions have been eliminated as part of the transaction.

As a development stage company, the Company continues to rely on infusions of debt and equity capital to fund operations. The Company relies principally on cash infusions from its directors and affiliates, and paid a significant amount of personal services and salaries in the form of common stock.

Recently Issued Accounting Standards

In August 2014, the FASB issued ASU No. 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern ("ASU 2014-15"). ASU 2014-15 will explicitly require management to assess an entity's ability to continue as a going concern, and to provide related footnote disclosure in certain circumstances. The new standard will be effective for all entities in the first annual period ending after December 15, 2016. Earlier adoption is permitted. We are currently evaluating the impact of the adoption of ASU 2014-15.

Management does not anticipate that the adoption of these standards will have a material impact on the financial statements.

VERACITY MANAGEMENT GLOBAL, INC.

NOTES TO FINANCIAL STATEMENTS
SIX MONTHS ENDED DECEMBER 31, 2015
(Unaudited)

NOTE 2- GOING CONCERN

Veracity Management Global, Inc.'s financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities and commitments in the normal course of business for the foreseeable future. Since inception, the Company has accumulated losses aggregating to \$4,198,127 and has insufficient working capital to meet operating needs for the next twelve months as of December 31, 2015, all of which raise substantial doubt about VCMG's ability to continue as a going concern.

NOTE 3 – ACCOUNTS PAYABLE – RELATED PARTY

The officers and directors of the Company have advanced funds to pay for the filing and other necessary costs of the Company. The following are the advances from the officers and directors:

| | December | |
|--------------------------------|-------------|------------------|
| | 31, 2015 | June 30, 2015 |
| Donald W Prosser (Director) | \$ 119,154 | \$ 107,877 |
| Gregory Paige (CEO & Director) | 6,000 | 6,000 |
| Total | \$ 125,154 | \$ 113,877 |

NOTE 4 – SUBSEQUENT EVENTS

The Company has received a letter of intent dated August 31, 2015 and an Exchange Agreement dated November 20, 2015 to merge an operating business effective January 1, 2016 and to close in January 2016.

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS AND RESULTS OF OPERATION

Forward-Looking Statement

Some of the statements contained in this quarterly report of Veracity Management Global, Inc., a Delaware corporation (hereinafter referred to as "we", "us", "our", "Company" and the "Registrant") discuss future expectations, contain projections of our plan of operation or financial condition or state other forward-looking information. Forward-looking statements give our current expectations or forecasts of future events. You can identify these statements by the fact that they do not relate strictly to historical or current facts. They use of words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. From time to time, we also may provide forward-looking statements in other materials we release to the public.

General

The Registrant acquired its operating subsidiaries Veracity Management Group, a Florida corporation ("VMG") and Secured Financial Data Inc., a Florida corporation ("SFD") effective on July 1, 2006. Prior to the acquisition of its operating subsidiaries, during the period from May 2002 until the acquisition of its operating subsidiaries on July 1, 2006, the Registrant had only limited business operations. The Registrant operated the above named subsidiaries until July 1, 2008 until the when the Registrant rescinded the merger and the Registrant has no business operations and is in the business of acquiring a target company or business seeking the perceived advantages of being a publicly held corporation. Our principal business objective for the next 12 months and beyond such time will be to achieve long-term growth potential through a combination with a business rather than immediate, short-term earnings. The Registrant will not restrict our potential candidate target companies to any specific business, industry or geographical location and, thus, may acquire any type of business.

The results of operations comparative information has no meaning as the operations were removed as part of the rescinding of the mergers of the operating businesses.

Results of Operations For the Three Months and the Six Months Ended December 31, 2015 Compared to Three Months and the Six Months Ended December 31, 2014

The results of the recession agreement made the Company a shell company as defined in Rule 12b-2 of the Exchange Act.

Revenue: The Company recorded revenue of \$0 and \$0 for the six months ended December 31, 2015 and 2014, respectively. The Company recorded revenue of \$0 and \$0 for the three months ended December 31, 2015 and 2014, respectively.

Cost of Service: The Company recorded cost of services of \$0 and \$0 for the six months ended December 31, 2015 and 2014, respectively. The Company recorded cost of services of \$0 and \$0 for the three months ended December 31, 2015 and 2014, respectively.

Administrative Expenses: Our administrative expenses totaled \$6,000 for the six-months ended December 31, 2015 as compared to \$4,000 administrative expenses for the same period ended December 31, 2014. Our administrative expenses totaled \$2,000 for the three-months ended December 31, 2015 as compared to \$1,000 administrative expenses for the same period ended December 31, 2014.

General Expenses General expenses were \$4,055 during the six-months ended December 31, 2015. There were \$2,144 general expenses for the six months period ended December 31, 2014. There were general expenses of \$2,634 during

the three-months ended December 31, 2015. There was \$2,099 in general expenses for the three months period ended December 31, 2014.

Net Loss: We incurred a net loss of \$10,055 during the six-month period ended December 31, 2015, compared to a net loss of \$6,144 during the six-month period ended December 30, 2014. We incurred a net loss of \$4,634 during the three-month period ended December 31, 2015, compared to a net loss of \$3,099 during the three-month period ended December 31, 2014.

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Liquidity and Capital Resources

At December 31, 2015, we had no current assets compared to no current assets at June 30, 2015. At December 31, 2015 and June 30, 2015, we had no total assets, respectively. We had total current liabilities of \$129,722 at December 31, 2015 compared to \$119,667 at June 30, 2015. We had long-term liabilities of \$0 as of December 31, 2015 compared to \$0 at June 30, 2015.

We had a working capital deficit of \$(129,722) at December 31, 2015. Net cash used in operations during the six-month period ended December 31, 2015 was \$(11,277). For the six-month period ended December 31, 2014 the net cash used in operations was \$(5,214).

During the six-month period ended December 31, 2014, financing activities provided \$11,277 compared to \$5,130 during the same six-month period in the prior year.

There are no limitations in the Company's articles of incorporation on the Company's ability to borrow funds or raise funds through the issuance of restricted common stock.

Plan of Current and Future for the fiscal year 2016

The Company has no business operations and is in the business of acquiring a target company or business seeking the perceived advantages of being a publicly held corporation. Our principal business objective for the next 12 months and beyond such time will be to achieve long-term growth potential through a combination with a business rather than immediate, short-term earnings. The Company will not restrict our potential candidate target companies to any specific business, industry or geographical location and, thus, may acquire any type of business.

ITEM 3. QUANTITATIVE and QUALITATIVE DISCUSSION ABOUT MARKET RISK

The Company is defined by Rule 229.10 (f)(1) as a "Smaller Reporting Company" and is not required to provide or disclose the information required by this item.

ITEM 4. CONTROLS AND PROCEDURES

As of December 31, 2015, our Chief Executive Officer and Chief Financial Officer (the "Certifying Officers") conducted evaluations of our disclosure controls and procedures. As defined under Sections 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 Act, as amended (the "Exchange Act") the term "disclosure controls and procedures" means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including the Certifying Officers, to allow timely decisions regarding required disclosure. Based on this evaluation, the Certifying Officers have concluded that our disclosure controls and procedures were not effective to ensure that material information is recorded, processed, summarized and reported by our management on a timely basis in order to comply with our disclosure obligations under the Exchange Act, and the rules and regulations promulgated there under. The Certifying Officers' conclusion that the Company's disclosure controls and procedures were not effective was based upon a determination that a deficiency relating to measuring and recording the elements of a merger relating to the Company's accounting for the non-cash compensation in the transaction, as discussed

below.

As of December 31, 2015, there were no other changes in our internal control over financial reporting during the subject fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

Item 1A. RISK FACTORS

There have been no material changes to the risk factors set forth in our Annual Report on Form 10-K for the year ended June 30, 2015, as filed with the SEC on December 17, 2015. The risk factors in our Annual Report on Form 10-K for the year ended June 30, 2015, in addition to the other information set forth in this quarterly report, could materially affect our business, financial condition or results of operations. Additional risks and uncertainties not currently known to us or that we deem to be immaterial could also materially adversely affect our business, financial condition or results of operations.

ITEM 2. RECENT SALES OF UNREGISTERED EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS

(a) The following documents are filed as exhibits to this report on Form 10-Q or incorporated by reference herein.

| Exhibit Number | Exhibit Description |
|----------------|---|
| 31.1 | Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification of the Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2 | Certification of the Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document* |
| 101.INS | XBRL Instance Document |
| 101SCH | XBRL Taxonomy Extension Schema Document |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document |

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Veracity Management Global, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

/s/Gregory L. Paige

Gregory L. Paige

CEO

Dated: January 11, 2016

/s/ Mark L. Baker

Mark L. Baker

CFO

Dated: January 11, 2016