Veracity Management Global, Inc.
Form 10-Q
November 03, 2011

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

FORM 10-Q

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

For the quarterly period ended September 30, 2011

or

o 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 (State of Incorporation)	43-1889792 (I.R.S. Employer Identification No.)
21819 Town Place Drive, Boca Raton, FL (Address of Principal Executive Offices)	33433 (ZIP Code)

Registrant's Telephone Number, Including Area Code: : (561)998-8425

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 þ No ¨

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

Large Accelerated Filer o	Accelerated Filer o	Non-Accelerated Filer o (Do not check if a smaller reporting company)	Smaller Reporting Company þ

On October 28, 2011, the Registrant had 16,643,057 shares of common stock issued and outstanding.

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PART I - FINANCIAL INFORMATION

ITEM 1. (Unaudited) FINANCIAL STATEMENTS

VERACITY MANAGEMENT GLOBAL, INC.
BALANCE SHEETS
(UNAUDITED)
(A Development Stage Company)

	September 30, 2010	June 30, 2010
ASSETS		
Current Assets		
Cash	$729	$585
Total Current Assets	729	585
Total Assets	$729	$585
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts Payable	$3,946	$1,126
Accounts Payable - Related party	79,762	79,262
Total Current Liabilities	83,708	80,388
Total Non- Current Liablities	-	-
Total Liabilities	83,708	80,388
Stockholders' Deficit		
Preferred Stock, $.001 par value, 5,000,000 shares authrized, 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 September 30, 2010 and June 30, 2010 respectively	16,635	16,635
Additional paid-in capital	4,052,836	4,052,836
Accumulated deficit prior to development stage	(4,040,470)	(4,040,470)
Accumulated deficit during the development stage	(111,980)	(108,804)
Total Stockholders' Deficit	(82,979)	(79,803)
Total Liabilities and Stockholders' Defecit	$729	$585

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

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VERACITY MANAGEMENT GLOBAL, INC.
Statements of Operations
For the Three Months Ended September 30, 2011 and 2010 and the period from July 1, 2008 to September 30, 2011
(Unaudited)
(A Development Stage Company)

	2011	2010	Period re-entered development stage (July 1, 2008) to September 30, 2011
Revenues	$-	$-	$ -
Cost of Sales	-	-	-
Gross Profit	-	-	-
Expenses			
Administrative Expenses	3,000	2,523	55,828
General Expenses	176	620	56,252
Total Expenses	3,176	3,143	112,080
Other Income			
Interest Income	-	-	100
Net Income (Loss)	$(3,176)	$(3,143)	$ (111,980)
Basic and Diluted Net Loss per Share	*	*	
Weighted Average Shares	16,643,057	16,643,057	

* less then $0.01 per share

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

VERACITY MANAGEMENT GLOBAL, INC.
STATEMENT OF STOCKHOLDERS' DEFICIT
(Unaudited)
(A Development Stage Company)

	Common Stock Shares	Amount	Additional Paid-in Capital	Accumulated Deficit during developmnet stage	Accumulated Deficit	Total
Balance at June 30, 2011	16,643,057	$16,635	$4,052,836	$ (108,804)	$ (4,040,470)	$(79,803)
Net loss				(3,176)		(3,176)
Balance at September 30, 2011	16,643,057	$16,635	$4,052,836	$ (111,980)	$ (4,040,470)	$(82,979)

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

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VERACITY MANAGEMENT GLOBAL, INC.

STATEMENT OF CASH FLOWS
(Unaudited)
(A Development Stage Company)

	Three Months Ended, September 30, 2011	Three Months Ended, September 30, 2010	Period re-entered development stage (July 1, 2008) to September 30, 2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss from continuing operations	$(3,176)	$(3,143)	$ (111,980)
Adjustments to reconcile net loss to net cash used in operating activities:			
Shares issued for services:	-	-	50,000
Increase (decrease) in:			
Accounts Payable	2,820	3,400	7,470
Net cash used in operating activities	(356)	257	(54,510)
CASH FLOWS FROM FINANCING ACTIVITIES			
Related party - accounts payable	500	3,143	55,239
Net cash provided by financing activities	500	3,143	55,239
NET INCREASE (DECREASE) IN CASH	144	3,400	729
CASH - BEGINNING OF PERIOD	585	-	-
CASH - END OF PERIOD	$729	$3,400	$ 729

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

VERACITY MANAGEMENT GLOBAL, INC.
NOTES TO FINANCIAL STATEMENTS
THREE MONTHS ENDED SEPTEMBER 30, 2011
(A Development Stage Company)
(Unaudited)

NOTE 1 – BASIS OF PRESENTATION

The accompanying financial statements of Veracity Management Global, Inc (the "Company", "VCMG") at September 30, 2011 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 three months ended September 30, 2011 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. Certain prior period amounts have been reclassified to conform to the September 30, 2008 presentation. On August 2, 2007, the Company's Board of Directors approved a 1 for 73 reverse split of the Company's common stock by Action of the Board and a majority of shareholders. All information related to common stock, warrants to purchase common stock and earnings per share have been retroactively adjusted to give effect to the stock split.

The statements of operations show the effect of a reclassification of the distribution of the subsidiary companies until July 1, 2008. The reclassification included all parts of the prior operations for both subsidiary companies as loss from discontinued operations for the prior reported period.

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 January 2010, the FASB issued ASU 2010-06, Fair Value Measurements and Disclosures (Topic 820) Improving Disclosures about Fair Value Measurements. This update provides amendment to the codification regarding the disclosures required for fair value measurements. The key amendments include: (a) a requirement to disclose transfer in and out of Level 1 and 2; (b) activity in Level 3 should show information about purchases, sales, settlements, etc. on a gross basis rather than as net basis; and (c) additional disclosures about inputs and valuation techniques. The new disclosure requirements are effective for periods beginning after December 31, 2009, except for the gross disclosures

of purchases, etc. which is effective for periods beginning after December 15, 2010. The Company adopted this update on January 1, 2010, and it did not have a significant impact on the Financial Statements.

In January 2010, the FASB issued ASU 2010-02, Consolidation (Topic 810) — Accounting and Reporting for Decreases in Ownership of a Subsidiary — a Scope Clarification. This update provides clarification about Topic 810 (previously Statement of Accounting Standards ("SFAS") No. 160, Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No. 51) and clarifies that the de-recognition provisions of Topic 810 apply to (a) a subsidiary or group of assets that is a business or nonprofit activity; (b) a subsidiary that is a business or nonprofit activity that is transferred to an equity method investee or joint venture; and (c) an exchange of a group of assets that constitutes a business or nonprofit activity for a noncontrolling interest in an entity. This update is effective for the first reporting period beginning after December 15, 2009. The Company adopted this update effective January 1, 2010, and it did not have a significant impact on the Financial Statements.

In September 2010, the SEC issued Release 33-9142 which amended the SEC's rules and forms to remove the requirement for issuers that are neither accelerated filers nor large accelerated filers to obtain an auditor attestation report on internal control over financial reporting. Therefore, smaller reporting companies will not need their auditors to test internal controls; however, management will still need to do its assessment for the year ended June 30, 2011. We did not obtain an opinion on the Company's internal controls over financial reporting for the year ended June 30, 2011 due to this change in the requirement.

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

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 $4,152,450 and has insufficient working capital to meet operating needs for the next twelve months as of September 30, 2011, 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:

	September 30, 2011	June 30, 2011
Donald W Prosser (Director)	$73,762	$73,262
Gregory Paige (CEO & Director)	6,000	6,000
Total	$79,762	$79,262

NOTE 4 – SUBSEQUENT EVENTS

There were not any subsequent events through the date November 1, 2011.

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 Ended September 30, 2011 Compared to Three Months Ended September 30, 2010

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

Revenues. The Company recorded revenue of $0 and $0 for the three months ended September 30, 2011 and 2010, respectively.

Cost of Services. The Company recorded cost of services of $0 and $0 for the three months ended September 30, 2011 and 2010, respectively.

Administrative Expenses: Our administrative expenses totaled $3,000 for the three-months ended September 30, 2011 as compared to $2,523 administrative expenses for the same period ended September 30, 2010.

General Expenses There was $176 general expenses were during the three-months ended September 30, 2011. There was $620 in general expenses for the three months period ended September 30, 2010.

Net Loss. We incurred a net loss of $3,176 during the three-month period ended September 30, 2011, compared to a net loss of $3,143 during the three-month period ended September 30, 2010.

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Liquidity and Capital Resources

At September 30, 2011 and June 30, 2011, we had total assets of $729 and $585, respectively. We had total current liabilities of $83,708 at September 30, 2011 compared to $80,388 at June 30, 2011. We had long-term liabilities of $0 as of September 30, 2011 compared to $0 at June 30, 2011.

We had no working capital at September 30, 2010. Net cash used in operations during the three-month period ended September 30, 2011 was $(3560. For the three-month period ended September 30, 2010 the net cash used in operations was $(3,143).

During the three-month period ended September 30, 2011, financing activities provided $500 compared to $3,143 during the same three-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 year 2012

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 QAULITATIVE 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 September 30, 2011, 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.

As of September 30, 2011, 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 2. RECENT SALES OF UNREGISTERED EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

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

Exhibit No.	Description
31.1	Certification of CEO pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of CFO pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of CEO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of CFO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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: November 3, 2011

/s/ Mark L. Baker
Mark L. Baker
CFO
Dated: November 3, 2011