

NetVentory Solutions, Inc.  
Form S-1  
September 03, 2008  
Table of Contents

As filed with the United States Securities and Exchange Commission on September 3, 2008

Registration No. 333-\_\_\_\_\_

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**FORM S-1**  
**REGISTRATION STATEMENT**  
*UNDER*  
*THE SECURITIES ACT OF 1933*

**NETVENTORY SOLUTIONS, INC.**

(Exact Name of Registrant as Specified in our Charter)

**Nevada**  
(State or other jurisdiction of

**7389**  
(Primary Standard Industrial

**98-0573252**  
(I.R.S. Employer I.D No.)

Edgar Filing: NetVentory Solutions, Inc. - Form S-1

incorporation or organization)

Classification Code Number)  
NetVentory Solutions, Inc.

8th Floor-200 South Virginia Street

Reno, NV 89501

775-562-0504

(Name, address, Including Zip Code and Telephone Number, Including Area Code, of Agent for Service)

*Copies to:*

Gersten Savage LLP

David E. Danovitch, Esq.

Cheryll J. Calaguio, Esq.

Rostin Behnam, Esq.

600 Lexington Avenue, 9th Floor

New York, NY 10022-6018

**Approximate date of proposed sale to the public:** As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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 the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer   
Non-accelerated Filer  (Do not check if a smaller reporting company)

Accelerated Filer   
Smaller reporting company

**CALCULATION OF REGISTRATION FEE**

	<b>Amount to be Registered</b>	<b>Proposed Maximum Offering Price per Share<sup>(1)</sup></b>	<b>Proposed Maximum Aggregate Offering</b>	<b>Amount of Registration Fee<sup>(2)</sup></b>
Common stock of the registrant, par value \$.001 per share <sup>(3)</sup>	640,000	\$0.05	\$32,000	\$1.26
<b>Total</b>	<b>640,000</b>	<b>\$0.05</b>	<b>\$32,000</b>	<b>\$1.26</b>

(1) This price was arbitrarily determined by us.

(2) Estimated solely for the purpose of calculating the registration fee under Rule 457(c) of the Securities Act.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the commission, acting pursuant to Section 8(a), may determine.**

**Table of Contents**

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state or jurisdiction where the offer or sale is not permitted by the law of such state or jurisdiction. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of the prospectus. Any representation to the contrary is a criminal offense.

**SUBJECT TO COMPLETION, DATED SEPTEMBER 3, 2008**

**PRELIMINARY PROSPECTUS**

**NETVENTORY SOLUTIONS, INC.**

**640,000 SHARES**

**OF**

**COMMON STOCK**

This prospectus relates to the resale by certain selling shareholders of up to 640,000 shares of our common stock, par value \$0.001 per share.

The selling shareholders named in this prospectus are offering all of the shares of common stock offered through this prospectus. Our common stock is not traded on any market or securities exchange.

The selling shareholders will sell our shares at \$0.05 per share until our shares are quoted on the OTC Bulletin Board, and thereafter at prevailing market prices or privately negotiated prices. This offering price was arbitrarily determined by us. The expenses of the offering are estimated at \$25,301.26 and will be paid by us.

INVESTING IN OUR COMMON STOCK INVOLVES A HIGH DEGREE OF RISK. CONSIDER CAREFULLY THE RISK FACTORS DETAILED ON PAGE 4 OF THIS PROSPECTUS BEFORE INVESTING.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

You should rely only on the information contained in this Prospectus and the information we have referred you to. We have not authorized any person to provide you with any information about this offering, NetVentory Solutions, Inc., or the shares of our Common Stock offered hereby that is different from the information included in this prospectus. If anyone provides you with different information, you should not rely on it.

The date of this prospectus is September \_\_, 2008

**Table of Contents**

**TABLE OF CONTENTS**

	<b>Page</b>
<u>GLOSSARY OF TERMS</u>	1
<u>GENERAL</u>	2
<u>PROSPECTUS SUMMARY</u>	2
<u>RISK FACTORS</u>	5
<u>SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS</u>	13
<u>TAX CONSIDERATIONS</u>	13
<u>USE OF PROCEEDS</u>	13
<u>DETERMINATION OF OFFERING PRICE</u>	13
<u>DILUTION</u>	13
<u>SHARES ELIGIBLE FOR RESALE</u>	14
<u>SELLING SHAREHOLDERS</u>	15
<u>PLAN OF DISTRIBUTION</u>	18
<u>DESCRIPTION OF SECURITIES</u>	19
<u>INTERESTS OF NAMED EXPERTS AND COUNSEL</u>	19
<u>LEGAL REPRESENTATION</u>	20
<u>EXPERTS</u>	20
<u>TRANSFER AGENT</u>	20
<u>DESCRIPTION OF BUSINESS</u>	20
<u>FINANCIAL STATEMENTS</u>	F-1
<u>SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS</u>	25
<u>MANAGEMENT'S DISCUSSION AND PLAN OF OPERATION</u>	25
<u>RESULTS OF OPERATIONS</u>	25
<u>LIQUIDITY AND CAPITAL RESOURCES</u>	26
<u>CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE</u>	26
<u>DIRECTORS AND EXECUTIVE OFFICERS</u>	26
<u>EXECUTIVE COMPENSATION</u>	27
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	28
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	28
<u>DISCLOSURE OF COMMISSION POSITION OF INDEMNIFICATION FOR SECURITIES ACT LIABILITIES</u>	28
<u>WHERE YOU CAN FIND ADDITIONAL INFORMATION</u>	28
<u>PART II INFORMATION NOT REQUIRED IN PROSPECTUS</u>	31
<u>SIGNATURES</u>	37
<b>YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT. THIS DOCUMENT MAY ONLY BE USED WHERE IT IS LEGAL TO SELL THESE SECURITIES. THE INFORMATION IN THIS DOCUMENT MAY ONLY BE ACCURATE ON THE DATE OF THIS DOCUMENT.</b>	

**Table of Contents**

**GLOSSARY OF TERMS AND ABBREVIATIONS**

Within this document, the following terms and abbreviations have specific meanings:

**ASP** stands for Application Service Provider, an organization that hosts software applications on its own servers within its own facilities.

**CRM** stands for Customer Relationship Management, an integrated information system that is used to schedule, plan and control the pre-sales and post-sales activities within an organization. CRM embraces all aspects of dealing with prospects and customers, including call centers, sales force, marketing, technical support and field service.

**C++** is an object-oriented programming language widely used to develop enterprise and commercial applications

**ERP** stands for Enterprise Resource Planning, an integrated information system that serves all departments within an enterprise. It implies the use of packaged software rather than proprietary software written by or for one customer.

**Java** refers to a programming language expressly designed for use in the distributed environment of the Internet. It can be used to create complete applications that run on a single computer or may be distributed among servers and clients in a single network.

**MYSQLQ** refers to a relational database management system based on based on Structured Query Language.

**PHP** refers to a computer scripting language designed for producing web pages.

**PostgreSQL** is a full featured, open source database management system.

**SMB** stands for Small and Medium Businesses.

**Table of Contents**

**GENERAL**

As used in this Prospectus, references to the NetVentory, Company, we, our, ours and us refer to NetVentory Solutions, Inc., unless the context otherwise requires. In addition, references to our financial statements are to our consolidated financial statements except as the context otherwise requires and any references to fiscal year refers to our fiscal year ending July 31. Unless otherwise indicated, the term common stock refers to shares of the Company's common stock.

**PROSPECTUS SUMMARY**

The following summary highlights some of the information in this prospectus. It may not contain all of the information that is important to you. To understand this offering fully, you should read the entire prospectus carefully, including the risk factors and our financial statements and the notes accompanying the financial statements appearing elsewhere in this prospectus.

**THE COMPANY**

**Where You Can Find Us**

Our principal executive offices are located at 8th Floor-200 South Virginia Street, Reno, NV 89501. Our telephone number is (775) 562-0504. Our website address is <http://www.net-ventory.com>.

The information on our website is not a part of this prospectus.

**Corporate Background**

We were incorporated in the state of Nevada on February 8, 2008, under the name NetVentory Solutions, Inc., and are engaged in providing online inventory services to small and medium sized companies. Our goal is to offer comprehensive inventory management and product fulfillment services to our customers. Our target clientele will include small to medium sized business owners who demand convenient and cost effective ways to monitor and control their company's inventory.

In order to satisfy global demand for online inventory services, we plan to develop a network of international and domestic resellers, and also retain a foreign sales force will manage various call centers, which will develop client networks and contact potential customers.

As the popularity and utility of the Internet as a business tool continues to increase, we plan to capitalize on the continually maturing marketplace for online inventory management services. Automated inventory services are becoming an increasingly necessary tool to reduce costs and increase productivity. From scanning the bar codes on products stored in warehouses and storage bins, to tracking the cost of goods sold to customers, inventory management is becoming an essential part of everyday life for many businesses.

We believe that our company has a strategic advantage over our competition because our customers will have access to a protected local copy of their inventory at their premises to which they can refer to in the event of a failure in Internet connectivity. By granting our customers a local copy of their inventory that is readily available, our customers will have the ability to continue with a project such as an inventory count (despite the lack of Internet service), without disruptions. In addition, once Internet connection is restored, the local copy will automatically synch with the client's online inventory system, updating any changes.

**Table of Contents**

that may have occurred during the interruption. We believe our unique technology will find a comfortable niche in the online inventory system business, and will continue to refine our product and related services in order to meet the needs of small and medium size businesses.

**THE OFFERING**

<b>Securities Being Offered</b>	Up to 640,000 shares of common stock.
<b>Initial Offering Price</b>	The selling shareholders will sell our shares at \$0.05 per share until our shares are quoted on the OTC Bulletin Board, and thereafter at prevailing market prices or privately negotiated prices. This price was determined arbitrarily by us.
<b>Terms of the Offering</b>	The selling shareholders will determine when and how they will sell the common stock offered in this prospectus.
<b>Termination of the Offering</b>	The offering will conclude when all of the 640,000 shares of common stock have been sold or we, in our sole discretion, decide to terminate the registration of the shares. We may decide to terminate the registration if it is no longer necessary due to the operation of the resale provisions of Rule 144 promulgated under the Securities Act of 1933. We also may terminate the offering for no reason whatsoever.
<b>Risk Factors</b>	The securities offered hereby involve a high degree of risk and should not be purchased by investors who cannot afford the loss of their entire investment. See <b>Risk Factors</b> beginning on page 4.
<b>Common Stock Issued and Outstanding Before Offering</b>	2,140,000 shares of our common stock are issued and outstanding as of the date of this prospectus. All of the common stock to be sold under this prospectus will be sold by our existing shareholders.
<b>Common Stock Issued and Outstanding After Offering</b>	2,140,000 shares.
<b>Use of Proceeds</b>	We will not receive any proceeds from the sale of the common stock by the selling shareholders.



**Table of Contents****SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA**

THE FOLLOWING TABLE PRESENTS SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA AND HAS BEEN DERIVED FROM OUR AUDITED FINANCIAL STATEMENTS FOR THE PERIOD SINCE INCEPTION UP TO JULY 31, 2008. THE INFORMATION BELOW SHOULD BE READ IN CONJUNCTION WITH SELECTED HISTORICAL FINANCIAL AND OTHER DATA, MANAGEMENT'S DISCUSSION AND PLAN OF OPERATIONS AND OUR FINANCIAL STATEMENTS AND THE NOTES TO OUR FINANCIAL STATEMENTS, EACH OF WHICH IS INCLUDED IN ANOTHER SECTION OF THIS PROSPECTUS.

<i>(US Dollars)</i>	<b>2008</b>
<b>Consolidated Statement of Operations Data:</b>	
Revenues	
Total Costs and Expenses	11,530
Loss from Operations	(11,530)
Interest Income(expense)-net	
Net (loss)	(11,530)
<b>Consolidated Balance Sheet Data:</b>	
Cash and Cash Equivalents	40,763
Total Assets	40,763
Total Liabilities	5,293
Total Stockholders' Equity	35,470

**Table of Contents**

**RISK FACTORS**

The securities offered hereby involve a substantial risk of loss. Prospective investors should carefully consider the risks and uncertainties described below before making an investment in our securities. The risks and uncertainties described below are those which management currently believes may significantly affect us.

*Risks Related to Our Business*

**We incurred historical losses as a result, we may not be able to generate profits, support our operations, or establish a return on invested capital.**

We incurred net losses from our inception, February 8, 2008 to our fiscal year ended July 31, 2008 in the amount of \$11,530. In addition, we expect to increase our operating expenses to fund our anticipated growth. We cannot assure you that any of our business strategies will be successful or that significant revenues or profitability will ever be achieved or, if they are achieved, that they can be consistently sustained or increased on a quarterly or annual basis.

**We expect our operating losses to continue**

We expect to incur increased operating expenses during the next year. The amount of net losses and the time required for us to reach and sustain profitability are uncertain. The likelihood of our success must be considered in light of the problems, expenses, difficulties, and delays frequently encountered in connection with our business, including, but not limited to the increase in costs to be incurred for research and development, protection of our intellectual property and the marketing and delivery of our product. There can be no assurance that we will ever generate revenue or achieve profitability at all or on any substantial basis.

**Because we provide a suite of on-demand applications that many of our customers use to manage their critical business processes, the market for our service may develop more slowly than we expect.**

Our success will depend, to a large extent, on the willingness of SMBs to accept on-demand services for applications that they view as critical to the success of their business. Many companies have invested substantial effort and financial resources to integrate traditional enterprise software into their businesses and may be reluctant or unwilling to switch to a different application or to migrate these applications to on-demand services. Other factors that may affect market acceptance of our application include:

the security capabilities, reliability and availability of on-demand services;

customer concerns with entrusting a third party to store and manage their data, especially confidential or sensitive data;

our ability to minimize the time and resources required to implement our suite;

our ability to maintain high levels of customer satisfaction;

our ability to implement upgrades and other changes to our software without disrupting our service;

the level of customization or configuration we offer;

our ability to provide rapid response time during periods of intense activity on customer websites; and

the price, performance and availability of competing products and services.

## **Table of Contents**

The market for these services may not develop further, or it may develop more slowly than we expect, either of which would harm our business.

### **Our customers are small and medium-sized businesses, which can be challenging to cost-effectively reach, acquire and retain.**

We plan to market and sell our application suite to SMBs. To grow our revenue quickly, we must add new customers, sell additional services to existing customers and encourage existing customers to renew their subscriptions. However, selling to and retaining SMBs can be more difficult than selling to and retaining large enterprises because SMB customers:

are more price sensitive;

are more difficult to reach with traditional marketing campaigns;

have high churn rates in part because of the nature of their businesses;

may lack the staffing to benefit fully from our application suite's rich feature set;

often require higher sales, marketing and support expenditures by vendors that sell to them per revenue dollar; and

are more vulnerable to negative changes in the general economic environment that may disrupt continued business operations.

If we are unable to cost-effectively market and sell our service to our target customers, our ability to grow our revenue quickly and become profitable will be harmed.

### **Our limited operating history makes it difficult to evaluate our current business and future prospects, and may increase the risk of your investment.**

Our company has been in existence only since early 2008. Our limited operating history will make it difficult to evaluate our current business and our future prospects. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing industries. If we do not address these risks successfully, our business will be harmed, which may increase the risk to an investment in our securities.

### **Our business depends substantially on customers renewing, upgrading and expanding their subscriptions for our services. Any decline in our customer renewals, upgrades and expansions would harm our future operating results.**

We will sell our application suite pursuant to service agreements that have a specific term and are not automatically renewable. Our ability to grow will be dependent in part on customers purchasing additional subscriptions after the term of their initial subscriptions. Our customers' renewal rates may decline or fluctuate because of several factors, including their satisfaction or dissatisfaction with our services, the prices of our services, the prices of services offered by our competitors or reductions in our customers' spending levels. If our customers do not renew their subscriptions for our services, renew on less favorable terms, or do not purchase additional functionality or subscriptions, our revenue may grow more slowly than expected or decline and our profitability and gross margins may be harmed.

## **Table of Contents**

**If our security measures are breached and unauthorized access is obtained to a customer's data, we may incur significant liabilities, our service may be perceived as not being secure and customers may curtail or stop using our suite.**

The services we plan to offer will involve the storage of large amounts of our customers' sensitive and proprietary information. If our security measures are breached as a result of third-party action, employee error, malfeasance or otherwise, and someone obtains unauthorized access to our customers' data, we could incur significant liability to our customers and to individuals or businesses whose information was being stored by our customers, our business may suffer and our reputation will be damaged. Because techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventive measures. If an actual or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed and we could lose sales and customers. We do not have, and are likely not to have for the foreseeable future, insurance that will adequately cover any liability to a customer under these circumstances.

**The market for our services is intensely competitive, and if we do not compete effectively, our operating results may be harmed.**

The markets for online inventory solutions are intensely competitive and rapidly changing with relatively low barriers to entry. With the introduction of new technologies and market entrants, we expect competition to intensify in the future. In addition, pricing pressures and increased competition generally could result in reduced sales, reduced margins or the failure of our service to achieve or maintain more widespread market acceptance. We expect to compete to sell our application suite against existing systems that our potential customers have already made significant expenditures to install. Competition in our market is based principally upon service breadth and functionality; service performance, security and reliability; ability to tailor and customize services for a specific company, vertical or industry; ease of use of the service; speed and ease of deployment, integration and configuration; total cost of ownership, including price and implementation and support costs; professional services implementation; and financial resources of the vendor.

Many of our actual and potential competitors enjoy substantial competitive advantages over us, such as greater name recognition, longer operating histories, more varied products and services and larger marketing budgets, as well as substantially greater financial, technical and other resources. In addition, many of our competitors have established marketing relationships and access to larger customer bases, and have major distribution agreements with consultants, system integrators and resellers. If we are not able to compete effectively, our operating results will be harmed.

**The market for our services is price sensitive, and if the prices we charge for our services are unacceptable to our customers, our operating results will suffer.**

Many of our potential customers are price sensitive, and we have limited experience with respect to determining the appropriate prices for our services. As the market for our services matures, or as new competitors introduce new products or services that compete with ours, we may be unable to renew our agreements with existing customers or attract new customers at the same price or based on the same pricing model that we may have previously used. As a result, it is possible that competitive dynamics in our market may require us to change our pricing model or reduce our prices, which could negatively impact our revenue, gross margin and operating results.

## **Table of Contents**

### **If we do not effectively build and train our direct sales force and our services and support teams, our future operating results will suffer.**

We plan to build our direct sales force and our services and support teams both domestically and internationally to increase our customer base and revenue. We believe that there is significant competition for direct sales, service and support personnel with the skills and technical knowledge that we require. Our ability to achieve significant revenue growth will depend, in large part, on our success in recruiting, training and retaining sufficient numbers of personnel to support our growth. New hires require significant training and, in most cases, take significant time before they achieve full productivity. Our recent hires and planned hires may not become as productive as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business. If our efforts to build a direct sales force are not successful or do not generate a corresponding increase in revenue, our business will be harmed.

### **If we are unable to develop new services or sell our services into new markets, our revenue will not grow as expected.**

Our ability to attract new customers and increase revenue from existing customers will depend in large part on our ability to enhance and improve our existing application suite and to introduce new services and sell into new markets. The success of any enhancement or new service depends on several factors, including the timely completion, introduction and market acceptance of the enhancement or service. Any new service we develop or acquire may not be introduced in a timely or cost-effective manner and may not achieve the broad market acceptance necessary to generate significant revenue. Any new markets, into which we attempt to sell our application, including new vertical markets and new countries or regions, may not be receptive. If we are unable to successfully develop or acquire new services, enhance our existing services to meet customer requirements or sell our services into new markets, our revenue will not grow as expected.

### **Because we plan to develop a global organization and our long-term success depends, in part, on our ability to expand the sales of our services to customers located outside of the United States, our business is susceptible to risks associated with international sales and operations.**

We currently maintain offices outside of the United States and plan to have sales personnel or independent consultants in several countries throughout the world. Managing a global organization will be difficult, time consuming and expensive. In addition, conducting international operations subjects us to risks that not generally faced in the United States. These risks include:

localization of our services, including translation into foreign languages and adaptation for local practices and regulatory requirements;

lack of familiarity with and unexpected changes in foreign regulatory requirements;

longer accounts receivable payment cycles and difficulties in collecting accounts; receivable;

difficulties in managing and staffing international operations;

fluctuations in currency exchange rates;

potentially adverse tax consequences, including the complexities of foreign value added tax systems and restrictions on the repatriation of earnings;

dependence on certain third parties, including channel partners with whom we do not have extensive experience;

the burdens of complying with a wide variety of foreign laws and legal standards;

**Table of Contents**

increased financial accounting and reporting burdens and complexities;

political, social and economic instability abroad, terrorist related risks and security concerns in general; and

reduced or varied protection for intellectual property rights in some countries.

Operating in international markets also requires significant management attention and financial resources. The investment and additional resources required to establish operations and manage growth in other countries may not produce desired levels of revenue or profitability.

**Assertions by a third party that we infringe its intellectual property, whether successful or not, could subject us to costly and time-consuming litigation or expensive licenses.**

The software and technology industries are characterized by the existence of a large number of patents, copyrights, trademarks and trade secrets and by frequent litigation based on allegations of infringement or other violations of intellectual property rights. As we face increasing competition and become a publicly traded company, the possibility of intellectual property rights claims against us may grow. Our technologies may not be able to withstand any third-party claims or rights against their use. Additionally, although we have licensed from other parties proprietary technology covered by patents, we cannot be certain that any such patents will not be challenged, invalidated or circumvented. Furthermore, many of our service agreements require us to indemnify our customers for certain third-party intellectual property infringement claims, which could increase our costs as a result of defending such claims and may require that we pay damages if there were an adverse ruling related to any such claims. These types of claims could harm our relationships with our customers, may deter future customers from subscribing to our services or could expose us to litigation for these claims. Even if we are not a party to any litigation between a customer and a third party, an adverse outcome in any such litigation could make it more difficult for us to defend our intellectual property in any subsequent litigation in which we are a named party.

Any intellectual property rights claim against us or our customers, with or without merit, could be time-consuming, expensive to litigate or settle and could divert management attention and financial resources. An adverse determination also could prevent us from offering our suite to our customers and may require that we procure or develop substitute services that do not infringe.

For any intellectual property rights claim against us or our customers, we may have to pay damages or stop using technology found to be in violation of a third party's rights. We may have to seek a license for the technology, which may not be available on reasonable terms, if at all, may significantly increase our operating expenses or may require us to restrict our business activities in one or more respects. As a result, we may also be required to develop alternative non-infringing technology, which could require significant effort and expense.

**Material defects or errors in the software we use to deliver our services could harm our reputation, may cause us to become liable to our customers, may result in the loss of existing customers, or may result in a significant costs to us and impair our ability to sell our services.**

The software applications underlying our services are inherently complex and may contain material defects or errors, particularly when first introduced or when new versions or enhancements are released. We have from time to time found defects in our service, and new errors in our existing service may be detected in the future. Any defects that cause interruptions to the availability of our services could result in:

a reduction in sales or delay in market acceptance of our services;



**Table of Contents**

sales credits or refunds to our customers;

loss of existing customers and difficulty in attracting new customers;

diversion of development resources;

harm to our reputation; and

increased warranty and insurance costs.

Since customers that will use our suite will do so to manage critical aspects of their business, any errors, defects, disruptions in service or other performance problems with our suite, whether in connection with the day-to-day operation of our suite, upgrades or otherwise, could damage our customers' businesses. Any errors, defects, disruptions in service or other performance related issues regarding our suite may result in customers electing to terminate or to not renew any existing subscriptions, or delay or withhold payment to us which may result in a significant loss for the Company. Customers may also make warranty claims against us, which could result in an increase in our provision for doubtful accounts, an increase in collection cycles for accounts receivable or costly litigation. We do not maintain and do not expect to maintain in the foreseeable future, insurance to adequately cover these risks.

**Government regulation of the Internet and e-commerce is evolving, and unfavorable changes or our failure to comply with regulations could harm our business and operating results.**

As Internet commerce continues to evolve, increasing regulation by federal, state or foreign agencies may become more likely. For example, the need for increased regulation in the area of data privacy, and laws and regulations applying to the solicitation, collection, processing or use of personal or consumer information has been suggested by a number of politicians and if enacted could affect our customers' ability to use and share data, potentially reducing demand for ERP, CRM and e-commerce solutions and restricting our ability to store, process and share our customers' data. Any regulation imposing greater fees for Internet use or restricting information exchange over the Internet could result in a decline in the use of the Internet and the viability of Internet-based services, which could harm our business and operating results.

**We rely on our management team and need additional personnel to grow our business, and the loss of one or more key employees or our inability to attract and retain qualified personnel could harm our business.**

Our success and future growth depends to a significant degree on the skills and continued services of our management team, especially Ronald C. Dela Cruz, our President. Our future success also depends on our ability to attract, retain and motivate highly skilled technical, managerial, sales, marketing and service and support personnel, including members of our management team. Competition for sales, marketing and technology development personnel is particularly intense in the software and technology industries. As a result, we may be unable to successfully attract or retain qualified personnel. Our inability to attract and retain the necessary personnel could harm our business. We have no employment agreement or insurance policy insuring the life of our president and thus we are at risk should he become incapacitated, die, or otherwise voluntarily leave our employ.

**Table of Contents**

*Risks Relating To Our Common Stock*

**Because our Directors and Officers own 70% of our outstanding common stock, they can exert significant influence over corporate decisions that may be disadvantageous to minority shareholders.**

Our directors and officer collectively own approximately 70% of the outstanding shares of our common stock. Accordingly, they can exert significant influence in determining the outcome of all corporate transactions or other matters, including the election of directors, mergers, consolidations, the sale of all or substantially all of our assets, and a change in control. The interests of our directors and officers may differ from the interests of our other shareholders and thus result in corporate decisions that are disadvantageous to our other shareholders.

**Currently, there is no public market for our securities, and there is no assurance that any public market will ever develop or that our common stock will be quoted for trading and, even if quoted, that a viable, liquid market with low volatility will develop.**

Currently, our common stock is not listed on any public market, exchange, or quotation system. Although we are taking steps to enable our common stock to be publicly traded, a market for our common stock may never develop. We currently plan to apply for quotation of our common stock on the Over the Counter Bulletin Board (the OTC Bulletin Board ) upon the effectiveness of the registration statement of which this prospectus forms a part. However, our shares may never be traded on the OTC Bulletin Board or if traded, a viable public market may not materialize. Even if we are successful in developing a public market, there may not be enough liquidity in such market to enable shareholders to sell their stock. If our common stock is not quoted on the OTC Bulletin Board or if a viable public market for our common stock does not develop, investors may not be able to re-sell the shares of our common stock that they have purchased, rendering their shares effectively worthless and resulting in a complete loss of their investment.

We are planning to identify a market maker to file an application with the Financial Industry Regulatory Authority, Inc. ( FINRA ) on our behalf so that we may quote our shares of common stock on the OTC Bulletin Board (which is maintained by the FINRA) commencing upon the effectiveness of our registration statement of which this prospectus is a part. We cannot assure you that such market maker s application will be accepted by the FINRA. We are not permitted to file such application on our own behalf. If the application is accepted, there can be no assurances as to whether any market for our shares will develop or the prices at which our common stock will trade. If the application is accepted, we cannot predict the extent to which investor interest in us will lead to the development of an active, liquid trading market. Active trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors.

In addition, our common stock is unlikely to be followed by any market analysts, and there may be few institutions acting as market makers for the common stock. Either of these factors could adversely affect the liquidity and trading price of our common stock. Until our common stock is fully distributed and an orderly market develops in our common stock, if ever, the price at which it trades is likely to fluctuate significantly. Prices for our common stock will be determined in the marketplace and may be influenced by many factors, including the depth and liquidity of the market for shares of our common stock, developments affecting our business, including the impact of the factors referred to elsewhere in these Risk Factors, investor perception of the Company, and general economic and market conditions. No assurances can be given that an orderly or liquid market will ever develop for the shares of our common stock.

## **Table of Contents**

**Because we will be subject to penny stock rules once our shares are quoted on the OTC Bulletin Board, the level of trading activity in our stock may be reduced.**

Broker-dealer practices in connection with transactions in penny stocks are regulated by penny stock rules adopted by the Securities and Exchange Commission. Penny stocks generally are equity securities with a price of less than \$5.00 (other than securities registered on some national securities exchanges or quoted on NASDAQ). The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and, if the broker-dealer is the sole market maker, the broker-dealer must disclose this fact and the broker-dealer's presumed control over the market, and monthly account statements showing the market value of each penny stock held in the customer's account. In addition, broker-dealers who sell these securities to persons other than established customers and accredited investors must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. Consequently, these requirements may have the effect of reducing the level of trading activity, if any, in the secondary market for a security subject to the penny stock rules, and investors in our common stock may find it difficult to sell their shares.

**We may be exposed to potential risks resulting from new requirements under Section 404 of the Sarbanes-Oxley Act of 2002.**

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, we will be required, beginning with our fiscal year ending July 31, 2009, to include in our annual report our assessment of the effectiveness of our internal control over financial reporting as of the end of fiscal 2008. Furthermore, our independent registered public accounting firm will be required to attest to whether our assessment of the effectiveness of our internal control over financial reporting is fairly stated in all material respects and separately report on whether it believes we have maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009. We have not yet begun our assessment of the effectiveness of our internal control over financial reporting and expect to incur additional expenses and diversion of management's time as a result of performing the system and process evaluation, testing and remediation required in order to comply with the management certification and auditor attestation requirements. Further, implementing any appropriate changes to our internal controls may distract our officers and employees, entail substantial costs to modify our existing processes and take a significant amount of time to complete. Also, during the course of our testing, we may identify other deficiencies that we may not be able to remediate in time to meet the deadline imposed by the Sarbanes-Oxley Act for compliance with the requirements of Section 404. In addition, if we fail to achieve and maintain the adequacy of our internal controls, as such standards are modified, supplemented or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act. Moreover, effective internal controls, particularly those related to revenue recognition, are necessary for us to produce reliable financial reports and are important to help prevent financial fraud. If we cannot provide reliable financial reports or prevent fraud, our business and operating results could be harmed, investors could lose confidence in our reported financial information, and the trading price of our common stock, if a market ever develops, could drop significantly.

**Table of Contents**

**SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS**

*This Prospectus contains forward-looking statements and information relating to our business that are based on our beliefs as well as assumptions made by us or based upon information currently available to us. When used in this Prospectus, the words anticipate, believe, estimate, expect, intend, may, plan, project, should and similar expressions are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements relating to our performance in Business and Management's Discussion and Analysis of Financial Condition and Results of Operations. These statements reflect our current views and assumptions with respect to future events and are subject to risks and uncertainties. Actual and future results and trends could differ materially from those set forth in such statements due to various factors. Such factors include, among others: general economic and business conditions; industry capacity; industry trends; competition; changes in business strategy or development plans; project performance; availability, terms, and deployment of capital; and availability of qualified personnel. These forward-looking statements speak only as of the date of this Prospectus. Subject at all times to relevant securities law disclosure requirements, we expressly disclaim any obligation or undertaking to disseminate any update or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.*

**TAX CONSIDERATIONS**

We are not providing any tax advice as to the acquisition, holding or disposition of the securities offered herein. In making an investment decision, investors are strongly encouraged to consult their own tax advisor to determine the U.S. federal, state and any applicable foreign tax consequences relating to their investment in our securities.

**USE OF PROCEEDS**

We will not receive any proceeds from the sale of the common stock offered through this prospectus by the selling shareholders.

**DETERMINATION OF OFFERING PRICE**

The selling shareholders will sell our shares offered at \$0.05 per share until our shares are quoted on the OTC Bulletin Board, and thereafter at prevailing market prices or privately negotiated prices. We determined this offering price, based upon the price of the last sale of our common stock to investors. There is no assurance of when, if ever, our stock will be listed on an exchange.

**DILUTION**

The common stock to be sold by the selling shareholders in this Offering is common stock that is currently issued and outstanding. Accordingly, there will be no dilution to our existing shareholders.

**Table of Contents**

**SHARES ELIGIBLE FOR RESALE**

The shares of our common stock sold by the selling shareholder in this offering will generally be freely transferable without restriction or further registration under the Securities Act, except that any shares of our common stock held by an affiliate of ours may not be resold publicly except in compliance with the registration requirements of the Securities Act or under an exemption under Rule 144 or otherwise. Rule 144 generally provides that a person who is an affiliate of ours, or has been an affiliate of ours at any time during the three months preceding a sale, who has beneficially owned restricted shares of common stock for at least six months would be entitled to sell their securities provided that they sell only a number of securities that does not exceed the greater of either of the following:

1.0% of the number of shares of our common stock then outstanding; and

if the shares of common stock are listed on a national securities exchange, the average weekly trading volume of the shares during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Sales under Rule 144 are also limited by manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 144 also provides that a person who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has for at least six months beneficially owned shares of our common stock that are restricted securities, will be entitled to freely sell such shares of our common stock subject only to the availability of current public information regarding us. A person who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has beneficially owned for at least one year shares of our common stock that are restricted securities, will be entitled to freely sell such shares of our common stock under Rule 144 without regard to the current public information requirements of Rule 144.

**Table of Contents****SELLING SHAREHOLDERS**

The table below sets forth certain information regarding the beneficial ownership of the common stock by the selling shareholders and as adjusted to give effect to the sale of the shares offered in this prospectus. The holders listed below all acquired or were granted the shares in the ordinary course of business. They were issued either as part of our financings or for services provided to the Company either financially or otherwise.

Name <sup>(1)</sup>	Shares Owned	Shares to be Sold in this Offering	Ownership after Offering	
			Number of Shares to Be Beneficially Owned after the Offering	Percentage of Shares to Be Beneficially Owned after the Offering
Rommel Navida 0857 MRB 8 PH Pilot Drive Brgy. Commonwealth, Quezon City Philippines	20,000	20,000	0	
Samuel Centeno 3 Road 5 Manggahan St. Tanong, Marikina City Philippines	20,000	20,000	0	
Eimerson Santos 6 Anonas St. Brgy. San Juan Taytay, Rizal Philippines	20,000	20,000	0	
Ferdinand Gatapia 75 Rosario St. Brgy. San Juan, Taytay, Rizal Philippines	20,000	20,000	0	
Rosabel Carreos 124 Cinco De Junio St. Pasay City Philippines	20,000	20,000	0	
Mariequeta Domingo 39 Col. S. Cruz St. Balite Rodriguez Rizal Philippines	20,000	20,000	0	
Candelaria Carreon 745 F. Gatmaitan St. Tondo, Manila Philippines	20,000	20,000	0	
Gloria Carreon 745 F. Gatmaitan St. Tondo, Manila Philippines	20,000	20,000	0	
Dolores Negrite 2482 A. Crisolita St. San Andres Bukid, Manila Philippines	20,000	20,000	0	
Gerald Aligada 606 G, Manalo St. Pateros, Metro Manila Philippines	20,000	20,000	0	
Maria Teresa Garcia 126 Brgy. Lucap Alaminos, Pangasinan	20,000	20,000	0	



**Table of Contents**

Name <sup>(1)</sup>	Shares Owned	Shares to be Sold in this Offering	Ownership after Offering	
			Number of Shares to Be Beneficially Owned after the Offering	Percentage of Shares to Be Beneficially Owned after the Offering
Winelyn Binas Saint Jupiter St. Wilfareville Cmpd. Bgy Addistion, Mandaluyong City Philippines	20,000			