

RICH STAR DEVELOPMENT, CORP
Form 10-Q
August 01, 2013

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 June 30, 2013

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

For the transition period from _____ to _____

Commission File No. 333-166454

Rich Star Development Corporation
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or organization)

42-1769584
(I.R.S. Employer Identification No.)

10300 Charleston Blvd., Las Vegas, NV
(Address of principal executive offices)

89135
(Zip Code)

(702) 722-0865
(Registrant's telephone number, including area code)

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 past 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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

☐ Yes ☐ No (Not required)

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.

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Large accelerated filer ☐
Non-accelerated filer ☐

Accelerated filer ☐
Smaller reporting company ☒

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

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: 3,500,000 shares of common stock as of July 31, 2013

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RICH STAR DEVELOPMENT CORPORATION
FOR THE SIX MONTHS ENDED
JUNE 30, 2013

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PART I

Item 1

Financial Statements

RICH STAR DEVELOPMENT CORPORATION
(A DEVELOPMENT STAGE COMPANY)
BALANCE SHEETS

	June 30, 2013 Unaudited	December 31, 2012
Assets		
Current assets		
Cash	\$ -	\$ -
Total current assets	-	-
Total assets	\$ -	\$ -
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable	\$ 4,345	\$ 422
Notes payable	46,812	35,338
Total current liabilities	51,157	35,760
Stockholders' deficit		
Common stock, \$0.001 par value, 75,000,000 shares authorized; 3,500,000 shares issued and outstanding	3,500	3,500
Additional paid in capital	101,945	100,296
Deficit accumulated during the development stage	(156,602)	(139,556)
Total stockholders' deficit	(51,157)	(35,760)
Total liabilities and stockholders' deficit	\$ -	\$ -

See accompanying notes to financial statements

RICH STAR DEVELOPMENT CORPORATION
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF OPERATIONS
UNAUDITED

	Three Months Ended		Six Months Ended		From May 29, 2009 (Inception) to June 30, 2013
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012	
Operating expenses					
General and administrative expenses	\$5,312	\$ 6,472	\$15,397	\$ 16,039	\$ 152,657
Total operating expenses	5,312	6,472	15,397	16,039	152,657
Loss from operations	(5,312)	(6,472)	(15,397)	(16,039)	(152,657)
Interest expense	(912)	-	(1,649)	-	(3,945)
Net loss	\$(6,224)	\$ (6,472)	\$(17,046)	\$ (16,039)	\$ (156,602)
Net loss per common share - basic and fully diluted	\$(0.00)	\$ (0.00)	\$(0.00)	\$ (0.00)	
Weighted average number of common shares outstanding during the period - basic and fully diluted	3,500,000	3,500,000	3,500,000	3,500,000	

See accompanying notes to financial statements

RICH STAR DEVELOPMENT CORPORATION
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
UNAUDITED

	Common Stock		Additional	Deficit	Total
	Shares	Amount	Paid in	Accumulated	Stockholders'
			Capital	During the	Equity
				Development	(Deficit)
				Stage	
Issuance of common stock for services at \$0.001 per share	1,500,000	\$ 1,500	\$ -	\$ -	\$ 1,500
Issuance of common stock for cash at \$0.05 per share	2,000,000	2,000	98,000	-	100,000
Net loss	-	-	-	(51,529)	(51,529)
Balance, December 31, 2009	3,500,000	3,500	98,000	(51,529)	49,971
Net loss	-	-	-	(34,882)	(34,882)
Balance, December 31, 2010	3,500,000	3,500	98,000	(86,411)	15,089
Net loss	-	-	-	(27,090)	(27,090)
Balance, December 31, 2011	3,500,000	3,500	98,000	(113,501)	(12,001)
Imputed interest	-	-	2,296	-	2,296
Net loss	-	-	-	(26,055)	(26,055)
Balance, December 31, 2012	3,500,000	3,500	100,296	(139,556)	(35,760)
Imputed interest	-	-	1,649	-	1,649
Net loss	-	-	-	(17,046)	(17,046)
Balance, June 30, 2013	3,500,000	\$ 3,500	\$ 101,945	\$ (156,602)	\$ (51,157)

See accompanying notes to financial statements

RICH STAR DEVELOPMENT CORPORATION
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF CASH FLOWS
UNAUDITED

	Six Months Ended		From May 29, 2009 (Inception) to June 30, 2013
	June 30, 2013	June 30, 2012	
Cash flows from operating activities:			
Net loss	\$(17,046)	\$ (16,039)	\$ (156,602)
Adjustments to reconcile net loss to net cash used in operating activities			
Imputed interest	1,649	-	3,945
Issuance of common stock for non-employee services	-	-	1,500
Changes in operating assets and liabilities:			
Accounts payable	3,923	(4,315)	4,345
Net cash used in operating activities	(11,474)	(20,354)	(146,812)
Cash flows from financing activities:			
Proceeds from notes payable	11,474	20,270	111,812
Repayments on notes payable	-	-	(65,000)
Proceeds from issuance of common stock	-	-	100,000
Net cash provided by financing activities	11,474	20,270	146,812
Net decrease in cash	-	(84)	-
Cash - beginning of period	-	115	-
Cash - end of period	\$-	\$ 31	\$ -
Supplemental disclosure of cash flow information:			
Interest paid	\$-	\$ -	\$ -
Income tax paid	\$-	\$ -	\$ -

See accompanying notes to financial statements

RICH STAR DEVELOPMENT CORPORATION
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2013
UNAUDITED

1. DESCRIPTION OF BUSINESS

Rich Star Development Corporation ("the Company") was incorporated in the State of Nevada on May 29, 2009.

The Company is a wholesale distribution company that plans to import and source locally products in the food service business including food, paper products, janitorial products, restaurant utensils and equipment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules and regulations of the United States Securities and Exchange Commission for interim financial information.

These unaudited interim financial statements should be read in conjunction with the Company's Annual Report on Form 10-K which contains audited financial statements and notes covering the year ended December 31, 2012.

Certain information or footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted, pursuant to the rules and regulations of the Securities and Exchange Commission for interim financial reporting. Accordingly, they do not include all the information and footnotes necessary for a comprehensive presentation of financial position, results of operations, or cash flows. It is management's opinion, however, that all material adjustments (consisting of normal recurring adjustments) have been made which are necessary for a fair financial statement presentation. The interim results for the six months ended June 30, 2013 are not necessarily indicative of results for the full fiscal year.

Development Stage Company - The Company's financial statements are presented as those of a development stage enterprise. Activities during the development stage primarily include obtaining debt and/or equity related financing, negotiating distribution agreements and marketing the territory for product distribution outlets. As a development stage enterprise, the Company discloses the deficit accumulated during the development stage and the cumulative statements of operations, stockholders' deficit and cash flows from inception to the current balance sheet date.

Year-End - The Company has selected December 31 as its year end.

Use of Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Such estimates and assumptions have an impact on the fair value of share-based payments, estimates and the valuation allowance for deferred tax assets due to continuing and expected future operating losses.

RICH STAR DEVELOPMENT CORPORATION

(A DEVELOPMENT STAGE COMPANY)

NOTES TO FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013

UNAUDITED

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from estimates.

Cash - The Company considers all highly liquid instruments purchased with a maturity of three months or less at date of acquisition to be cash equivalents. There were no cash equivalents at June 30, 2013 or December 31, 2012, respectively.

The Company maintains cash balances at an institution that is insured by the Federal Deposit Insurance Corporation. As of June 30, 2013 and December 31, 2012 no amounts were in excess of the federally insured program.

Revenue Recognition - The Company currently has not generated revenues. Any future revenues earned, primarily through the sale of products, will be recognized utilizing the following general revenue recognition criteria: 1) pervasive evidence of an arrangement exists; 2) delivery has occurred; 3) the price to the buyer is fixed or determinable; and 4) collectability is reasonably assured.

Share-based Compensation Expense - The Company recognizes all forms of share-based payments, including stock option grants, warrants, and restricted stock grants, at their fair value on the grant date, which are based on the estimated number of awards that are ultimately expected to vest.

Share-based payments, excluding restricted stock, are valued using a Black-Scholes option pricing model. Share-based payment awards issued to non-employees for services rendered are recorded at either the fair value of the services rendered or the fair value of the share-based payment, whichever is more readily determinable. The grants are amortized on a straight-line basis over the requisite service periods, which is generally the vesting period.

When computing fair value of share-based compensation, the Company considers the following variables:

- The expected option term is computed using the “simplified” method.
- The expected volatility is based on the historical volatility of its common stock using the daily quoted closing trading prices.
- The risk-free interest rate assumption is based on the U.S. Treasury yield for a period consistent with the expected term of the option in effect at the time of the grant.

RICH STAR DEVELOPMENT CORPORATION

(A DEVELOPMENT STAGE COMPANY)

NOTES TO FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013

UNAUDITED

- The Company has not paid any dividends on common stock since its inception and does not anticipate paying dividends on our common stock in the foreseeable future.

- The forfeiture rate is based on the historical forfeiture rate for its unvested stock options.

Income Taxes - Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are determined based on temporary differences between the bases of certain assets and liabilities for income tax and financial reporting purposes. The deferred tax assets and liabilities are classified according to the financial statement classification of the assets and liabilities generating the differences.

The Company maintains a valuation allowance with respect to deferred tax assets. The Company establishes a valuation allowance based upon the potential likelihood of realizing the deferred tax asset and taking into consideration the Company's financial position and results of operations for the current period. Future realization of the deferred tax benefit depends on the existence of sufficient taxable income within the carry forward period under the Federal tax laws.

Changes in circumstances, such as the Company generating taxable income, could cause a change in judgment about the realizability of the related deferred tax asset. Any change in the valuation allowance will be included in income in the year of the change in estimate.

Earnings (Loss) per Share - Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during each period. Diluted earnings (loss) per share is computed by dividing net income (loss), adjusted for changes in income or loss that resulted from the assumed conversion of convertible shares, by the weighted average number of shares of common stock, common stock equivalents and potentially dilutive securities outstanding during the period.

The computation of basic and diluted loss per share for the periods presented is equivalent since the Company had continuing losses. The Company had no common stock equivalents as of June 30, 2013 or December 31, 2012.

Financial Instruments - Financial instruments consist of accounts payable and notes payable. The recorded values of these instruments approximate fair values due to the short maturities of such instruments and the stated or imputed interest rates are commensurate with prevailing market rates for similar obligations.

New Accounting Pronouncements - There are no recent accounting pronouncements that are expected to have a material effect on the Company's interim unaudited financial statements.

RICH STAR DEVELOPMENT CORPORATION
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2013
UNAUDITED

3. GOING CONCERN

As reflected in the accompanying financial statements, the Company had a net loss of \$17,046, net cash used in operations of \$11,474 during the six months ended June 30, 2013 and a working capital deficit and stockholders' deficit of \$51,157 at June 30, 2013. The Company had no revenues and incurred losses since inception resulting in a deficit accumulated during the development stage of \$156,602.

The Company anticipates that it will continue to generate losses from operations in the near future raising substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue its operations is dependent on Management's plans, which include the raising of capital through debt and/or equity markets until such time that funds provided by operations are sufficient to fund working capital requirements.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

4. NOTE PAYABLE

As of June 30, 2013 and December 31, 2012, notes payable consisted of the following:

	Principal
Balance, December 31, 2012	\$ 35,338
Advances	11,474
Repayments	-
Balance, June 30, 2013	\$ 46,812

All advances are non-interest bearing, unsecured, and due on demand. Imputed interest of \$1,649 and \$0 was recorded to donated capital at 8% for the six months ended June 30, 2013 and 2012, respectively. See Note 6 for additional advances subsequent to June 30, 2013.

RICH STAR DEVELOPMENT CORPORATION

(A DEVELOPMENT STAGE COMPANY)

NOTES TO FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013

UNAUDITED

5. STOCKHOLDERS' EQUITY (DEFICIT)

Stock Issued for Services - In August 2009, the Company issued 1,500,000 shares of common stock to its founders for pre-incorporation services, at \$0.001 per share having a fair value of \$1,500, based upon the fair value of the services rendered. The Company expensed this stock issuance as a component of general and administrative expense.

Stock Issued for Cash - In November 2009, under the terms of a private placement, the Company issued 2,000,000 shares of common stock at \$0.05 per share for total gross proceeds of \$100,000.

6. SUBSEQUENT EVENTS

In July 2013, the note holder referenced in Note 4 advanced an additional \$4,345 for a total due of \$51,157. The advances are non-interest bearing, unsecured and due on demand.

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

The following discussion and analysis of our financial condition and plan of operations should be read in conjunction with our unaudited interim financial statements and related notes appearing elsewhere in this Quarterly Report. Various statements have been made in this Quarterly Report on Form 10-Q that may constitute "forward-looking statements". Forward-looking statements may also be made in our other reports filed with or furnished to the United States Securities and Exchange Commission (the "SEC") and in other documents. In addition, through our management we may make oral forward-looking statements.

Forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from such statements. The words "believe," "expect," "anticipate," "optimistic," "intend," "plan," "aim," "will," "may," "should," "would," "likely" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance, and therefore, you should not put undue reliance upon them. Some of the statements that are forward-looking include: our ability to successfully implement our business plan; our estimates of revenues and of other expenses associated with our operations; and our ability to generate sufficient cash flows and maintain adequate sources of liquidity to finance our ongoing operations and capital expenditures. We undertake no obligation to update or revise any forward-looking statements.

History and Overview

Rich Star Development Corporation ("we," "our," "us," or "the Company") was incorporated in the State of Nevada on May 29, 2009.

Plan of Operations

We are a wholesale distribution company that plans to import and source locally products in the food service.

Our business is in the developmental stage. Our ability to commence operations is entirely dependent upon our ability to raise additional capital. If we cannot raise additional capital, we will not be able to establish a base of operations to generate revenue. We do not have any formal or informal agreements to attain such financing. We cannot assure any investor that, if needed, sufficient financing can be obtained or, if obtained, that it will be on reasonable terms.

Products

We intend to source and distribute food products, paper products, janitorial products, restaurant utensils and equipment.

Sources of Supply

Our future plans include buying products directly from factories, participating in joint ventures and branding products to achieve best possible cost levels and maximize profitability.

Customers

Our initial customers will include the restaurant and hospitality industries as well as small retail grocery stores primarily located in the western United States.

Employees

We do not currently have any employees.

Competition

The food service industry is a highly competitive market. Industry sources estimate that there are more than 15,000 companies engaged in food service distribution in the United States. Our customers may also choose to purchase products directly from retail outlets or negotiate prices directly with our suppliers.

Many of our competitors have significant advantages over our Company in terms of scale, operating histories, number of locations in operation, customer base, capital and other resources. The intense competition constitutes significant risk factors for our operations in the industry.

We are a start-up company that has yet to commence commercial operations. Accordingly, there can be no assurances that we can successfully compete in the food service distribution market.

We intend to offer a complete package of high quality products to our customers at competitive prices. Management believes that these characteristics will provide us with the ability to compete successfully within the industry.

Patents and Trademarks

We do not own, either legally or beneficially, any patents or trademarks.

Subsidiaries

We do not currently have any subsidiaries.

Results of Operations

We are a wholesale distribution company that plans to import and source locally products in the food service. The following discussion of the financial condition and results of operations should be read in conjunction with the unaudited financial statements included herewith. This discussion should not be construed to imply that the results discussed herein will necessarily continue into the future, or that any conclusion reached herein will necessarily be indicative of actual operating results in the future.

For the three months ended June 30, 2013 and 2012:

Our total general and administrative expenses during the three months ended June 30, 2013 and 2012 were \$5,312 and \$6,472, respectively. The largest components of general and administrative expense during these periods were professional fees in the amounts of \$1,850 and \$4,050, respectively. The reduction in professional fees is primarily due to the change in our independent registered public accountants in July 2012.

In addition, we recognized interest expense of \$912 and \$0 based on our outstanding note payable balance for the three months ended June 30, 2013 and 2012, respectively. Imputed interest has been recorded to donated capital at 8% per annum, compounded annually.

As a result of the above, our net loss for the three months ended June 30, 2013 was \$6,224 as compared to a net loss of \$6,472 for the three months ended June 30, 2012.

For the six months ended June 30, 2013 and 2012:

Our total general and administrative expenses for the six months ended June 30, 2013 were \$15,397 as compared to \$16,039 for the comparable 2012 period. The largest components of general and administrative expense during these periods were professional fees in the amounts of \$10,565 and \$13,515, respectively. The reduction in professional fees is primarily due to the change in our independent registered public accountants in July 2012.

Interest expense totaled \$1,649 and \$0 for the six months ended June 30, 2013 and 2012, respectively, based on our outstanding note payable balance. Imputed interest has been recorded to donated capital at 8% per annum, compounded annually.

As a result of the above, our net loss for the six months ended June 30, 2013 was \$17,046 and our net loss for the six months ended June 30, 2012 was \$16,039.

For the period from May 29, 2009 (inception) to June 30, 2013:

We have not generated any revenues from May 29, 2009 (inception) to June 30, 2013. During this development stage, we were primarily focused on corporate organization, our initial public offering and the development of our business plan.

Our total expenses for the period from May 29, 2009 (inception) to June 30, 2013 included \$152,657 for general and administrative expenses and \$3,945 for imputed interest on notes payable resulting in an accumulated deficit of \$156,602 since inception.

Liquidity and Financial Condition

Operating Activities

During the six months ended June 30, 2013, we used cash in the amount of \$11,474 for operating activities. This includes a net loss of \$17,046, imputed interest of \$1,649 and an increase in accounts payable of \$3,923.

By comparison, during the six months ended June 30, 2012, we used cash in the amount of \$20,354 for operating activities. This includes a net loss of \$16,039 and a \$4,315 decrease in accounts payable.

During the period from May 29, 2009 (inception) to June 30, 2013, we used \$146,812 of cash in operating activities. This included a net loss of \$156,602 offset by imputed interest of \$3,945, stock issued for services in the amount of \$1,500 and an increase in accounts payable of \$4,345.

Investing Activities

There were no investing activities for the six months ended June 30, 2013 and 2012, or for the period from May 29, 2009 (inception) to June 30, 2013.

Financing Activities

During the six months ended June 30, 2013, we received proceeds from notes payable in the amount of \$11,474 for total cash provided by financing activities of \$11,474. By contrast, during the six months ended June 30, 2012, we received proceeds from notes payable in the amount of \$20,270 for total cash provided by financing activities of \$20,270.

From May 29, 2009 (inception) to June 30, 2013, we received proceeds from notes payable in the amount of \$111,812, repaid \$65,000 due to the note holder and received proceeds from the issuance of common stock in the amount of \$100,000 for total cash provided by financing activities of \$146,812.

We currently do not have sufficient funds to satisfy the minimum cash requirements to implement our business plan over the next twelve months. Due to our brief history and historical net losses, our operations have not been a source of liquidity. Therefore, our ability to continue as a going concern is dependent on our ability to raise additional capital.

We presently do not have any available credit, financing or other external sources of liquidity. In order to obtain capital, we may need to sell additional shares of common stock or borrow funds from private lenders. However, the low trading price of our common stock and a downturn in the U.S. stock and debt markets is likely to make it more difficult to obtain financing through the issuance of equity or debt securities. As a result, there can be no assurance that we will be successful in obtaining additional funding.

Even if we are able to raise the funds required, it is possible that we could incur unexpected costs and expenses, fail to collect amounts owed to us, or experience unexpected cash requirements that would force us to seek alternative financing. Further, if we issue additional equity or debt securities, stockholders may experience dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of common stock.

Going Concern

As reflected in the accompanying financial statements, we had a net loss of \$17,046, net cash used in operations of \$11,474 during the six months ended June 30, 2013 and a working capital deficit and stockholders' deficit of \$51,157 at June 30, 2013. We had no revenues and incurred losses since inception resulting in a deficit accumulated during the development stage of \$156,602.

We anticipate that we will continue to generate losses from operations in the near future raising substantial doubt about our ability to continue as a going concern. Our ability to continue its operations is dependent on Management's plans, which include the raising of capital through debt and/or equity markets until such time that funds provided by

operations are sufficient to fund working capital requirements.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should we be unable to continue as a going concern.

Summary of Significant Accounting Policies

Our financial statements and related public financial information are based on the application of accounting principles generally accepted in the United States (“GAAP”). GAAP requires the use of estimates; assumptions, judgments and subjective interpretations of accounting principles that have an impact on the assets, liabilities, revenues and expense amounts reported. These estimates can also affect supplemental information contained in our external disclosures including information regarding contingencies, risk and financial condition. We believe our use of estimates and underlying accounting assumptions adhere to GAAP and are consistently and conservatively applied. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ materially from these estimates under different assumptions or conditions. We continue to monitor significant estimates made during the preparation of our financial statements.

Our significant accounting policies are summarized in Note 2 of our unaudited interim financial statements. While all these significant accounting policies impact our financial condition and results of operations, we view certain of these policies as critical. Policies determined to be critical are those policies that have the most significant impact on our financial statements and require management to use a greater degree of judgment and estimates. Actual results may differ from those estimates. Our management believes that given current facts and circumstances, it is unlikely that applying any other reasonable judgments or estimate methodologies would cause effect on our results of operations, financial position or liquidity for the periods presented in this report.

We believe the following critical accounting policies and procedures, among others, affect our more significant judgments and estimates used in the preparation of our unaudited interim financial statements:

Development Stage

Our financial statements are presented as those of a development stage enterprise. Activities during the development stage primarily include obtaining debt and/or equity related financing, negotiating distribution agreements and marketing the territory for product distribution outlets. As a development stage enterprise, we disclose the deficit accumulated during the development stage and the cumulative statements of operations, stockholders’ deficit and cash flows from inception to the current balance sheet date.

Recent Accounting Pronouncements

There are no recent accounting pronouncements that are expected to have a material effect on our interim unaudited financial statements.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as “special purpose entities” (SPEs).

Item 3 Quantitative and Qualitative Disclosures about Market Risk

Not required for a smaller reporting company.

Item 4 Controls and Procedures

Disclosure Controls and Procedures.

Our management has evaluated, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report pursuant to Rule 13a-15(b) and 15d-15 (b) under the Securities Exchange Act of 1934 (the “Exchange Act”). Based on that evaluation, our management, including our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective in ensuring that information required to be disclosed in our Exchange Act reports is (1) recorded, processed, summarized and reported in a timely manner, and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1 Legal Proceedings

None.

Item 1A Risk Factors

Not required for a smaller reporting company.

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3 Defaults upon Senior Securities

None.

Item 4 Mine Safety Disclosures

N/A.

Item 5 Other Information

None.

Item 6 Exhibits, Financial Statement Schedules

Number	Exhibit
31.1	Rule 13a-14(a) Certification of Principal Executive Officer
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of Principal Executive Officer
101.INS*	XBRL Instance Document
101.SCH*	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

•Pursuant to applicable securities laws and regulations, we are deemed to have complied with the reporting obligation relating to the submission of interactive data files in such exhibits and are not subject to liability under

any anti-fraud provisions of the federal securities laws as long as we have made a good faith attempt to comply with the submission requirements and promptly amend the interactive data files after becoming aware that the interactive data files fail to comply with the submission requirements. Users of this data are advised that, pursuant to Rule 406T, these interactive data files are deemed not filed and otherwise are not subject to liability.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Rich Star Development Corporation

Date: July 31, 2013

/s/ Man Yee Kung
Man Yee Kung
Chief Executive Officer