

**COMPANY INFORMATION AND DISCLOSURE STATEMENT**  
**June 8, 2009**



**METATRON INC.**

(Exact name of issuer as specified in its charter.)

**DELAWARE**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**27-0298575**  
(I.R.S. Employer  
Identification No.)

**4364 Bonita Rd #248**  
**Bonita, CA 91902**  
(Address of principal executive offices)

**(619) 550-4668**  
(Company's telephone number, including area code)

**Mr. Randy Lewis**  
**Chief Financial Adviser**  
**(619) 550-4668**  
**[rlewis@metatroninc.com](mailto:rlewis@metatroninc.com)**  
(Company contact)



# COMPANY INFORMATION AND DISCLOSURE STATEMENT

June 8, 2009

## **Part A. General Company Information**

**Item I. Exact name of the issuer and its predecessor:**

Metatron Inc. – effective April 24, 2009  
XRG Inc. – January 16, 2002 to April 24, 2009  
USA Polymers Inc. – November 17, 2000 to January 16, 2002

**Item II. Address of the issuer’s principal executive offices:**

4364 Bonita Rd #248  
Bonita, CA 91902  
Telephone and Fax (619) 550-4668  
Website: www.metatroninc.com

Mark Cohen, Investor Relations  
Telephone (619) 550-4668  
Email mcohen@metatroninc.com

**Item III. State and date of incorporation:**

Metatron Inc. was incorporated in the state of Delaware on November 20, 2000 as USA Polymers Inc.

## **Part B. Share Structure**

**Item IV. Exact titles and classes of securities outstanding:**

1. Common Stock  
Trading Symbol: MRNJ  
CUSIP# 59140T 103
2. Preferred Stock  
Series “A” Convertible Preferred Stock

**Item V. Par or stated value and description of the security:**

- A. Par value of Common Stock - \$0.001  
Par value of Preferred Stock - \$0.001  
Stated Value of Series ‘A’ Preferred Stock - \$100
- B. Description of Common and Preferred Stock

1. **Common Stock, par value \$0.001.** Holders of common stock have equal rights to receive dividends when, as and if declared by the Board of Directors, out of funds legally available therefor. Holders of common stock have one vote for each share held of record and do not have cumulative voting rights. Holders of common stock are entitled, upon liquidation of the Company, to share ratably in the net assets available for distribution, subject to the rights, if any, of holders of any preferred stock then outstanding. Shares of common stock are not redeemable and have no

preemptive or similar rights. All outstanding shares of common stock are fully paid and nonassessable.

2. **Preferred Stock, par value \$0.001.** The Board of Directors is authorized to establish series, and to fix, in the manner and to the full extent provided and permitted by law, the rights, preferences and limitations of each series of the Preferred Stock, and the relative rights, preferences and limitations between or among the series.
3. **Series “A” Convertible Preferred Stock, stated value \$100.**

Amount and Stated Value. The number of shares constituting such Series A Preferred Stock shall be one (1). The stated value of each share of Series A Preferred Stock is One Hundred Dollars (\$100) per share.

Dividends. The holders of Series A Preferred Stock shall be entitled to participate with the holders of the Corporation’s Common Stock, out of any funds legally available therefor, its pro rata portion of such dividends, distributions or other transfers of property or issuances of securities made to the holders of Common Stock in respect of such ownership, in such amount as if the Series A Preferred Stock had already been converted into one (1) share of Common Stock prior to the declaration of such dividend, distribution or transfer of property to the holders of Common Stock.

Preference in Liquidation. In the event of a liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the Series A Preferred Stock then outstanding shall be entitled to receive out of the assets of the Corporation available for distribution to the Corporation's stockholders, whether such assets are stated capital or surplus of any nature, an amount on such date equal to the Stated Value multiplied by the shares of Series A Preferred Stock owned of record by such holder as of such date, less the amount of any distributions previously made to the holder in respect of such shares of Series A Preferred Stock

Voting Rights. Each share of Series A Preferred Stock shall be entitled to vote on any and all matters properly presented to the stockholders of the Corporation, and the number of votes which such share of Series A Preferred Stock is entitled to cast shall be calculated as the total number of shares of Common Stock then entitled to vote on such matter plus ten percent (10%) of such number (the “Voting Right”). In the event there shall ever be more than one (1) share of Series A Preferred Stock authorized, issued and outstanding, then the Voting Right shall be the maximum number of votes which all holders of Series A Preferred Stock shall be entitled to cast, and each holder of Series A Preferred Stock shall be entitled to cast such percentage of the Voting Right as the number of shares of Series A Preferred Stock owned by such holder bears to the total number of shares of Series A Preferred Stock issued and outstanding as of the record date for any such vote. Shares of Common Stock and Series A Preferred Stock shall vote as a single class on all matters presented to the

stockholders for action, and not as a separate class, except as and to the extent required by applicable law.

4. There are no provisions in our charter or bylaws that would delay, defer or prevent a change in control of our company.

**Item VI. Number of shares or total amount of securities outstanding for each class of securities authorized:**

**Common Stock**

As of June 8, 2009, we have 100,000,000 shares authorized and 20,505,729 shares issued and outstanding of which 252,859 are freely tradable.

As of June 8, 2009, we have 59 beneficial shareholders and 202 shareholders of record.

**Preferred Stock**

As of June 8, 2009, we have 5,000,000 shares authorized, and one (1) share issued and outstanding.

**Series "A" Preferred Stock**

As of June 8, 2009, we have one (1) shares authorized, and one (1) share of Series "A" Convertible Preferred Stock, issued and outstanding.

**Part C. Business Information**

**Item VII. Name and address of the transfer agent:**

Pacific Stock Transfer Company  
500 E. Warm Springs Road, Suite 240  
Las Vegas, NV 89119  
Web: [www.pacificstocktransfer.com](http://www.pacificstocktransfer.com)

Beth Looker, Client Services  
Email: [beth@pacificstocktransfer.com](mailto:beth@pacificstocktransfer.com)  
Telephone: 702-361-3033 Ext. 106  
Fax: 702-433-1979

Pacific Stock Transfer Company is registered under the Exchange Act, and reports to the Securities and Exchange Commission.

**Item VIII. The nature of the issuer's business.**

**A. Business Development**

1. We are a Delaware corporation.
2. We were incorporated on November 17, 2000 as USA Polymers Inc. We changed our name to XRG Inc. and began operations as a holding company that owned subsidiary interstate trucking companies on July 23, 2001. On March 24, 2009 we entered into a joint venture agreement with Rcomm Inc. under which we have pursued our current business strategy.

3. Our fiscal year ends on December 31.
4. We have never declared bankruptcy.
5. On June 3, 2009 we entered into a Share Purchase Agreement and Plan of Reorganization with Rcomm Inc. (“Rcomm”) and its sole shareholder, Ralph Joseph Riehl (hereinafter called “*Joe Riehl*”). We acquired 100% of Rcomm’s issued and outstanding common stock in exchange for the issuance of twenty million (20,000,000) shares of our common stock to Mr. Riehl in this transaction.
6. We are not currently in default on any note, loan, lease or indebtedness or financing arrangement.
7. On March 24, 2009 South Bay Financial Solutions Inc., (“South Bay”) a Nevada corporation acquired 50.01% of our issued and outstanding common stock from Belmont Partners LLC in a private transaction.
8. We issued the sum of twenty million (20,000,000) shares or ninety eight percent (98%) of our total issued and outstanding common stock to our President, Mr. Joe Riehl, in connection with the acquisition of Rcomm Inc. as described in Item VIIIA5 above
9. On April 24, 2009 we amended our Articles of Incorporation to change our name to Metatron, Inc., increased our authorized common stock to one hundred million (100,000,000) shares and reverse split our issued and outstanding common stock by a forty to one (40-1) ratio.
10. We were delisted from the OTC-Bulletin Board during early 2006 for failure to timely file periodic financial reports. We filed Form 15 with the U.S. Securities and Exchange Commission on April 23, 2009 under which we voluntarily terminated our registration under Section 12(g) of the Exchange Act of 1934.
11. Management is not aware of any current, past or threatened legal proceedings or administrative actions either by or against the Company that could have a material effect on our business, financial condition, or operations and any current past or pending trading suspensions by a securities regulator.

**B. Business of Issuer**

Metatron, Inc. provides technology and e-commerce consulting solutions that help businesses market, sell and distribute their products and services. The company offers targeted solutions including social networking with mobile application integration and web-based distribution and fulfillment.

Our projected future strategy will include acquiring profitable and undervalued companies with complementary and synergistic business models in the social networking, mobile application development, online dating, credit card processing, search engine advertising and optimization, advertising, database management and web development fields.

An experienced internet entrepreneur, Mr. Riehl has agreed to join Metatron to execute his vision of consolidating the ecommerce market by acquiring complimentary businesses with cutting edge products and services related to mobile software, social networking and online advertising.

1. Our Primary SIC Code is 7389, secondary SIC code is 5990.
2. Metatron Inc. conducts the operations described above.
3. We are not now, nor have we ever been considered a shell company.
4. We have no corporate parent or affiliates. Rcomm Inc., a Delaware corporation, is our wholly owned subsidiary. We have included its financial statements for the 2007 and 2008 fiscal years and for the three month period ending March 31, 2009 in the exhibits attached to this disclosure statement.
5. Governmental regulations regarding the internet may be enacted which could impede our business. To date, governmental regulations have not materially restricted the use of the Internet by most companies. However, laws and regulations relating to the Internet may change. New laws and regulations, or new interpretations of existing laws and regulations, could impact us directly, by regulating our operations or imposing additional taxes on the services we provide, which could adversely impact our results and operations. These regulations could restrict our ability to provide our services or increase our costs of doing business. In addition, new laws could impact us indirectly by preventing our clients from delivering products and services over the Internet or slowing the growth of the Internet. New laws relating to sales and other taxes, user privacy, pricing controls, consumer protection and international commerce may limit the growth of the Internet as a commercial vehicle. In addition, unfavorable judicial interpretation of existing laws, and the adoption of new laws, regarding liability for libel and defamation and copyright, trademark and patent infringement may extend liability to Web site owners. If these new laws decrease the acceptance of e-commerce and other aspects of the Internet, our clients may be harmed and, as a consequence, our revenue growth and growth in demand for our services would be limited and our business, results of operations and financial condition would be adversely affected.
6. We have not engaged in any research and development since our inception, and at this time do not anticipate initiating any such operations during the 2009 fiscal year.
7. We are not subject to extensive environmental compliance laws and as such we anticipate that related costs will be minimal during the current fiscal year.
8. We currently have three employees, all of which are considered full time.

**Item IX. The nature of products or services offered.**

- A. We operated as a holding company which operated trucking companies from July 23, 2001 until March 24, 2009 when we executed a joint venture agreement with Rcomm Inc. to operate as an Internet consultant prior to the acquisition of Rcomm on June 3, 2009.

Today we operate as an internet professional services firm that provides consulting services in the areas of web development, mobile software, online marketing, "Pay-per-Click" (PPC) management, SEO services and corporate strategy to internet-based businesses.

We provide fully integrated internet professional services to our clients to enable them to create, develop and enhance their interactive capabilities. We develop Internet services and strategies that add value to our clients' businesses. The services we provide include strategic planning, Web site content development, graphic design and computer programming. The following is a description of the scope of our services:

**Strategic Services.** After a thorough analysis, we help clients develop internet strategies for their businesses in the context of their overall corporate and marketing goals. Whether for an existing project in need of a new vision, or a new idea looking to be solidified into a viable venture, we have the creative expertise to help determine the best course of action.

Our strategic services include:

- Concept creation, service selection, and campaign strategy
- Detailed reports and market insights
- Strategic direction based on market research
- Strategic competition campaign analysis

We also help our clients use the internet as an effective means of dealing with their customers. We specialize in robust, turnkey website development that reflects the entire B2B or B2C relationship, including:

- Introducing relevant, customized information, products and services.
- Demonstrating the benefits of client products and services.
- Permitting customers to efficiently effect transactions with our clients.

**Creative Services.** We assist our clients in designing websites that are user-friendly and that effectively present its clients' products and services. Management has been involved with the internet, and e-commerce in particular, since its infancy and puts this depth of experience to work for its client base. We work very closely with our clients to not only create an image that fits their business and captures the visitor's attention, but also makes sure that client sites address vital criteria such as:

- Projecting a professional image
- Offering informative content
- Including user-friendly navigation
- Incorporating fast-loading graphics
- Allowing for self-management (if desired)

Regarding e-commerce solutions, our e-commerce stores (both storefronts and backend) and online catalogs allow clients to display products or services and collect payment details from their website. Whether integrating an existing business with the power of the web or starting from scratch, the company uses the latest technology and feature-rich programming which allows clients to fully manage their store or catalog without special software or advanced computer skills.

Some important features that clients can have control over are:

- Add, edit & delete products
- Create product categories & sub-categories
- Control item quantities & stock
- Hold sales & display featured items
- Cross sell by displaying related products

In summation, we advise clients on how they can bring their product and/or service online and develop the tools and strategy necessary to maximize the probability of success.

- B. Our services are distributed on the internet through advertising and through word of mouth promotion by our existing clients.
- C. We have not publicly announced any new product or service.
- D. We face intense competition, which could harm our business, and we expect competition to intensify in the future. Our market is relatively new, intensely competitive, highly fragmented and subject to rapid technological change. We expect competition to intensify and increase over time because:

- there are few barriers to entering the Internet professional services market;
- our industry is consolidating;
- many of our competitors are forming cooperative relationships; and
- almost all of our competitors have longer operating histories, greater name recognition, larger established client bases, longer client relationships and significantly greater financial, technical, personnel and marketing resources than we do. Our competitors may be able to undertake more extensive marketing campaigns, adopt more aggressive pricing policies and make more attractive offers to potential clients, employees and strategic partners.



Further, our competitors may perform Internet services that are equal or superior to our services or that achieve greater market acceptance than our services. We have no patented or other proprietary technology that would limit competitors from duplicating our services. We must rely on the skills of our personnel and the quality of our client service.

Increased competition is likely to result in price reductions, reduced gross margins additional marketing expenses and loss of market share, any of which would have a material adverse effect on our business, results of operations and financial condition. We cannot assure you that we will be able to compete successfully against existing or future competitors.

If we fail to remain competitive, then our revenues may decline, which could adversely affect our future operating results and our ability to grow our business.

- E. We do not utilize raw materials in our business. Our principal suppliers are Verizon for internet bandwidth and AT&T for mobile phone service. We also utilize Macintosh computers manufactured by Apple Inc.
- F. Our business is subject to certain risks and concentrations including dependence on third party internet service providers, exposure to risks associated with online commerce security and credit card fraud. Significant changes in this industry or changes in customer buying behavior or advertiser spending behavior, including those changes that may result from the current economic downturn, could adversely affect our operating results.
- G. We are not a party to any patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts at this time.
- H. Government approval is not required for the provision of any of our services.

**Item X. The nature of the issuer's facilities.**

We currently rent an office from our President on a month to month basis in Bonita, a suburb of San Diego, California, at the cost of \$500 per month.

## **Part D. Management Structure and Financial Information**

### **Item XI. Name of chief executive officer, directors and control persons:**

#### **A. Officers and Directors.**

1. Joe Riehl is our President and Sole Director.
2. 4364 Bonita Rd #248, Bonita, CA 91902
3. Mr. Riehl founded Rcomm Inc. in 1999 and has been continuously employed by Rcomm since that time.

Joe Riehl attended the University of California at San Diego from 1988 to 1992 pursuing a double major in Computer Science and Economics. He was recruited late in his senior year to join Electric Pencil Inc., a graphic design and advertising company whose clients included Paramount Studios, Warner Bros, and Sony studios, as a new media specialist. Within one year he was appointed to the position of Vice President of Operations for their Hollywood and LA offices which had over sixty combined employees. Projects he managed during this time include the marketing and design of many movie ads and artists albums including Disney movies, Aliens 3, Gun's n Roses "Use your Illusion 1 and 2", and other top-selling favorites. The yearly revenue for Electric pencil during Joe's tenure rose from under \$1 million to over \$10 million within two years.

Together with advertising expert Mike Sunyich, Mr. Riehl then formed RS International Inc. a web-design and on-line marketing company whose clients included Disney, MP3.com, Buzzlink.com, Car and Driver, and FashionMall.com. During this time Joe managed online marketing campaigns and traffic development programs that focused on maximizing revenue. For the first time in advertising history the Internet offered a way to precisely track ad spending vs ad revenue and RSI capitalized on this for their clients. RSI was also one of the first companies to market cell-phones on-line with an exclusive contract from AT&T, and one of the first to offer search engine optimization.

Mr. Riehl then focused on the opportunities in the Search Engine advertising market in 1999 by creating Rcomm Inc. with the intention to offer clients a systematic way to track ad spending and the ability to ramp up marketing budgets with predictable results. Since that time, Rcomm has acted as a consulting firm for a wide-variety of companies seeking to develop and capitalize on their on-line presence.

During this time, Mr. Riehl also produced a television series pilot for the Sci-fi channel called The Chronicles which became that channel's top-rated show for three seasons. He also consulted and marketed music artists and seminar leaders selling their audio and videos online. One of his projects, Emote was the number one downloaded alternative band on mp3.com.

Seeing the future of on-line commerce being highly dependant on information management, Mr. Riehl was instrumental in the development of PBM Inc with on-line database and e-commerce expert

Denis Sluka. During this time, Mr. Riehl managed the development of PBM web-sites and managed the on-line sales and credit-card processing for numerous companies. During his engagement, PBM generated \$3 million in revenue during their second year and seven figures for the next seven years and with a 45% profit margin.

4. Mr. Riehl is not a member of any other board of directors and has no other affiliations.
5. Annual Compensation: (2008) \$12,000
6. Mr. Riehl beneficially owns twenty million (20,000,000) shares of our common stock.

**B. Legal and Disciplinary History.**

1. Mr. Riehl has not been convicted in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses) during the last five years;
2. Mr. Riehl has not been the subject of an entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;
3. Mr. Riehl has not been the subject of a finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
4. Mr. Riehl has not been the subject of the entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

**C. Disclosure of Family Relationships.** There are no family relationships among and between the issuer's directors, officers, persons nominated or chosen by the issuer to become directors or officers, or beneficial owners of more than five percent (5%) of the any class of the issuer's equity securities.

**D. Disclosure of Related Party Transactions.** There have been no transactions during the issuer's last two full fiscal years and the current fiscal year or any currently proposed transaction, involving the issuer, in which (i) the amount involved exceeds the lesser of \$120,000 or one percent of the average of the issuer's total assets at year-end for its last three fiscal years and (ii) any related person had or will have a direct or indirect material interest.

**E. Disclosure of Conflicts of Interest.** There are no conflicts of interests among and between the issuer's directors, officers, persons nominated or chosen by the issuer to become directors or officers, or beneficial owners of more than five percent (5%) of the any class of the issuer's equity securities.

**Item XII. Financial Information on the issuer’s most recent fiscal period**

An unaudited balance sheet and unaudited statements of income, cashflow and changes in stockholder’s equity for the three month period ending March 31, 2009 for the Company is attached hereto as Exhibit 6. These financial statements are incorporated by reference into this disclosure statement.

An unaudited balance sheet and unaudited statements of income, cashflow and changes in stockholder’s equity for the three month period ending March 31, 2009 for the Company’s wholly owned subsidiary Rcomm Inc. is attached hereto as Exhibit 7. These financial statements are incorporated by reference into this disclosure statement.

**Item XIII. Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence:**

An unaudited balance sheet and unaudited statements of income, cashflow and changes in stockholder’s equity for the 2008 and 2007 fiscal years for the Company is attached hereto as Exhibit 8. These financial statements are incorporated by reference into this disclosure statement.

An unaudited balance sheet and unaudited statements of income, cashflow and changes in stockholder’s equity for the 2008 and 2007 fiscal years for the Company’s wholly owned subsidiary, Rcomm Inc. is attached hereto as Exhibit 9. These financial statements are incorporated by reference into this disclosure statement.

**Item XIV. Beneficial Owners:**

The following table sets forth, as of June 8, 2009, information about the beneficial ownership of our capital stock with respect to each person known by the Company to own beneficially more than 5% of the outstanding capital stock, each director and officer, and all directors and officers as a group.

<b>Name</b>	<b>Number of Shares</b>	<b>% of Ownership</b>
<b>Joe Riehl</b> President and Sole Director 4364 Bonita Rd #248 Bonita, CA 91902	<b>20,000,000</b>	<b>98%</b>
<b>All Director and Officers as a Group</b>	<b>20,000,000</b>	<b>98%</b>
<b>TDC Ventures LLC</b> A Nevada Limited Liability Company (Beneficially owned by Todd Birch) 2535 W. 237th. St., Suite 109 Torrance, CA 90505	(1)	(1)

(1) TDC Ventures LLC owns one share of Series “A” Preferred Stock, and accordingly is able to control any vote of the shareholders. See Part B, Section V herein.

**Item XV. The name, telephone number and email address of each of the outside providers that advise the issuer on matters relating to the operations, business development or disclosure:**

**1. Investment Banker – None**

**2. Promoters – None**

**3. Legal Counsel**

Joseph M. Lucosky, Esq.  
Anslow & Jaclin LLP  
195 Route 9 South, Manalapan, NJ 07726  
Phone: (732) 409-1212  
Email: jlucosky@anslowlaw.com

**4. Accountant or Auditor – None.**

The financial statements provided herein have been prepared in accordance with GAAP by management.

**5. Public Relations Consultant – None.**

**6. Investor Relations Consultant**

Mr. Mark Cohen  
Cohen Consulting  
15-57 216th Street  
Bayside, NY 11360  
Phone: (718) 428-7651  
Fax: (718) 224-2008  
E-mail: pnaclgrup@aol.com

**7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.**

Steve Crane, (former Interim President)  
1650 S. Pacific Coast Hwy., Suite 308  
Redondo Beach, CA 90277  
Telephone (310) 683-0402  
Email: steve@southbayfinance.net

**Item XVI. Management's Discussion and Analysis or Plan of Operation:**

- A. **Plan of Operation.** This information is not required to be provided.
- B. **Management's Discussion and Analysis of Financial Condition and Results of Operations.**

**NOTE: In an effort to assist the reader in better understanding our present business operations we have elected to provide the following Proforma information on the combined entity comprised of Metatron Inc, and its wholly owned subsidiary, Rcomm Inc. This disclosure does not include information on any discontinued operations.**

**1. Information for each of the last two fiscal years.**

**Overview**

Metatron, Inc. was incorporated on November 17, 2000 under the laws of the State of Delaware as USA Polymers Inc. On July 26, 2001 we filed a certificate of amendment to change our name to XRG Inc, and began operations as a holding company that owned subsidiary interstate trucking companies.

On March 22, 2009 we entered into an agreement with Belmont Partners LLC ("Belmont") by which Belmont acquired fifty three percent (53%) of our common stock. On March 24, 2009 we entered into an agreement with Belmont and South Bay Financial Solutions Inc., ("South Bay"), pursuant to which South Bay acquired 50.01% of our total issued and outstanding common stock.

On March 24, 2009 we entered into a joint venture agreement with Rcomm Inc. under which we have operated our current business.

On April 24, 209 we amended our Articles of Incorporation to change our name to Metatron Inc., increased our authorized common stock to one hundred million (100,000,000) and reverse split our issued and outstanding common stock by a forty to one (40-1) ratio.

On June 3, 2009 we acquired Rcomm Inc. in exchange for the issuance of twenty million (20,000,000) shares of common stock to Rcomm's sole shareholder.

Joe Riehl, our controlling stockholder, was appointed as our President and sole director on June 3, 2009. We currently have three full time employees and operate as an internet consultant.

**The following factors should be considered carefully in evaluating us and our business. Additional risks and uncertainties not presently known to us may also effect our business operations. If any of the following risks actually occur, our business, financial condition or operating results could be materially adversely affected.**

## **Risks That Relate to Our Business**

We have a very limited operating history, limited revenues and only minimal assets. We have a very limited operating history and limited revenues to date. We have no significant assets or financial resources. We have had losses and they are likely to continue in the near future. No assurance can be given that we will be able to develop our business organically or through mergers or acquisitions.

### **We need to obtain financing in order to continue our operations.**

On a prospective basis, we will require both short-term financing for operations and long-term capital to fund our expected growth. We have no existing bank lines of credit and have not established any definitive sources for additional financing. Based on our current operating plan, we have enough cash to meet our anticipated cash requirements for approximately 12 months. We will likely require additional funds if we want to fully implement our business plan and take advantage of evolving market conditions. Additional financing may not be available to us, or if available, then it may not be available upon terms and conditions acceptable to us. If adequate funds are not available, then we may be required to delay, reduce or eliminate product development or marketing programs. Our inability to take advantage of opportunities in the industry because of capital constraints may have a material adverse effect on our business and our prospects.

### **We face intense competition, which could harm our business.**

We face intense competition, which could harm our business, and we expect competition to intensify in the future. Our market is relatively new, intensely competitive, highly fragmented and subject to rapid technological change. We expect competition to intensify and increase over time because:

- there are few barriers to entering the Internet professional services market;
- our industry is consolidating;
- many of our competitors are forming cooperative relationships; and
- almost all of our competitors have longer operating histories, greater name recognition, larger established client bases, longer client relationships and significantly greater financial, technical, personnel and marketing resources than we do. Our competitors may be able to undertake more extensive marketing campaigns, adopt more aggressive pricing policies and make more attractive offers to potential clients, employees and strategic partners.

Further, our competitors may perform Internet services that are equal or superior to our services or that achieve greater market acceptance than our services. We have no patented or other proprietary technology that

would limit competitors from duplicating our services. We must rely on the skills of our personnel and the quality of our client service.

Increased competition is likely to result in price reductions, reduced gross margins additional marketing expenses and loss of market share, any of which would have a material adverse effect on our business, results of operations and financial condition. We cannot assure you that we will be able to compete successfully against existing or future competitors.

If we fail to remain competitive, then our revenues may decline, which could adversely affect our future operating results and our ability to grow our business.

**Our efforts to raise awareness of our corporate identity may not be successful, which may limit our ability to expand our client base and attract acquisition candidates and employees.**

We believe that building our corporate identity is critical for attracting and expanding our client base and attracting employees. If we do not continue to build our corporate identity, we may not be able to affect our strategy. We also believe that reputation and name recognition will grow in importance as the number of companies competing in the market for Internet professional services increases. Our success will be predicated on providing high quality, reliable and cost-effective services. If clients do not deem our services as meeting their needs, or if we fail to market our services effectively, we will be unsuccessful in maintaining and strengthening our corporate identity.

**If we do not keep pace with technological changes, our services may become less competitive and our business could suffer.**

Our market is characterized by rapidly changing technologies, frequent new product and service introductions, and evolving industry standards. If we cannot keep pace with these changes our services could become less competitive and our business could suffer. To achieve our goals, we need to provide services that keep pace with continuing changes in industry standards, information technology and client preferences. We may be unable to develop and introduce new services or enhancements to existing services in a timely manner or in response to changing market conditions or client requirements. This would materially and adversely affect our business, results of operations and financial condition.

**The market for our services and our revenue growth depend on our current and potential clients accepting and employing the Internet.**

Since we expect to derive most of our revenues from providing Internet professional services, our future success is dependent on increased use of the Internet as a marketplace. If the Internet develops as a viable marketplace more slowly than expected, our business, results of



operations and financial condition could materially suffer. Most of our current or potential clients have limited experience with Internet marketing and may determine that the Internet is not an effective method for expanding their businesses. We cannot assure you that the market for Internet professional services will continue to grow or become sustainable.

**Governmental regulations regarding the Internet may be enacted which could impede our business.**

To date, governmental regulations have not materially restricted the use of the Internet by most companies. However, laws and regulations relating to the Internet may change. New laws and regulations, or new interpretations of existing laws and regulations, could impact us directly, by regulating our operations or imposing additional taxes on the services we provide, which could adversely impact our results and operations. These regulations could restrict our ability to provide our services or increase our costs of doing business.

In addition, new laws could impact us indirectly by preventing our clients from delivering products and services over the Internet or slowing the growth of the Internet. New laws relating to sales and other taxes, user privacy, pricing controls, consumer protection and international commerce may limit the growth of the Internet as a commercial vehicle. In addition, unfavorable judicial interpretation of existing laws, and the adoption of new laws, regarding liability for libel and defamation and copyright, trademark and patent infringement may extend liability to Web site owners. If these new laws decrease the acceptance of e-commerce and other aspects of the Internet, our clients may be harmed and, as a consequence, our revenue growth and growth in demand for our services would be limited and our business, results of operations and financial condition would be adversely affected.

**We may be subject to liability if our services or solutions for our clients infringe upon the intellectual property rights of others.**

It is possible that in performing services for our clients, we may inadvertently infringe upon the intellectual property rights of others. In such event, the owner of the intellectual property may commence litigation seeking damages and an injunction against both us and our client, and the client may bring a claim against us. Any infringement litigation would be costly, regardless of whether we ultimately prevail. Even if we prevail, we will incur significant expenses and our reputation would be hurt, which would affect our ability to generate business and the terms on which we would be engaged, if at all.

**We are dependent upon our management and we need to engage additional skilled personnel.**

Our success depends in large part on the skills and efforts of our only officer, our president and chief executive officer, Joe Riehl. The loss of

the services of Mr. Riehl could have a material adverse effect on the development and success of our business. Mr. Riehl has an employment agreement with us that requires him to devote such of his working time to our business as we and Mr. Riehl determine is necessary for the performance of his duties under his employment agreement. We have not obtained key man insurance on the life of Mr. Riehl. Our future success will depend in part upon our ability to attract and retain additional qualified management and technical personnel. Competition for such personnel is intense and we will compete for qualified personnel with numerous other employers, almost all of which have significantly greater financial and other resources than we. We may experience increased costs in order to retain and attract skilled employees. Our failure to attract additional personnel or to retain the services of key personnel and independent contractors could have a material adverse effect on our ability to operate profitably.

**If we make any acquisitions, they may disrupt or have a negative impact on our business.**

If we make acquisitions, we could have difficulty integrating the acquired companies' personnel and operations with our own. In addition, the key personnel of the acquired business may not be willing to work for us. We cannot predict the effect expansion may have on our core business. Regardless of whether we are successful in making an acquisition, the negotiations could disrupt our ongoing business, distract our management and employees and increase our expenses.

In addition to the risks described above, acquisitions are accompanied by a number of inherent risks, including, without limitation, the following:

- the difficulty of integrating acquired products, services or operations;
- the potential disruption of the ongoing businesses and distraction of our management and the management of acquired companies;
- difficulties in complying with regulations in other countries that relate to our businesses;
- difficulties in maintaining uniform standards, controls, procedures and policies;
- the potential impairment of relationships with employees and customers as a result of any integration of new management personnel;
- the potential inability or failure to achieve additional sales and enhance our customer base through cross-marketing of the products to new and existing customers;
- the effect of any government regulations which relate to the business acquired;
- potential unknown liabilities associated with acquired businesses or product lines, or the need to spend significant amounts to retool, reposition or modify the marketing and sales of acquired products or the defense of any litigation, whether of not successful, resulting from actions of the acquired company prior to our acquisition;

- difficulties in disposing of the excess or idle facilities of an acquired company or business and expenses in maintaining such facilities; and
- potential expenses under the labor, environmental and other laws of other countries.

Our business could be severely impaired if and to the extent that we are unable to succeed in addressing any of these risks or other problems encountered in connection with an acquisition, many of which cannot be presently identified. These risks and problems could disrupt our ongoing business, distract our management and employees, increase our expenses and adversely affect our results of operations.

#### **No dividends.**

We have not paid any dividends on our common stock and do not anticipate paying cash dividends in the foreseeable future. We intend to retain any earnings to finance the growth of our business and we may never pay cash dividends.

#### **Risks Concerning our Securities.**

##### **Our common stock has no trading market.**

While our common stock has become listed for quotation on the Pink OTC Markets only a limited trading market may develop and we do not anticipate having a significant public float. In the absence of an active trading market, you may have difficulty buying and selling or obtaining market quotations for our stock; the market visibility for our stock may be limited, and the lack of visibility for our common stock may have a depressive effect on the market price for our common stock.

##### **Our stock price may be affected by our failure to meet projections and estimates of earnings developed either by us or by independent securities analysts.**

Our operating results may fall below the expectations of securities analysts and investors as well as our own projections. In this event, the market price of our common stock would likely be materially adversely affected.

##### **The sale of common stock from existing shareholders or creditors may have a depressive effect upon the market for our common stock.**

We may have a minimal public float, and any shares of common stock offered by us or other entities may constitute a not insignificant portion of the outstanding shares of our common stock. If stockholders sell a significant number of shares of common stock, the market price of our common stock may decline.

**Because we may be subject to the "penny stock" rules, you may have difficulty in selling our common stock.**

If a public market develops for our common stock, and if our stock price is less than \$5.00 per share, our stock may be subject to the SEC's penny stock rules, which impose additional sales practice requirements and restrictions on broker-dealers that sell our stock to persons other than established customers and institutional accredited investors. The application of these rules may affect the ability of broker-dealers to sell our common stock and may affect your ability to sell any common stock you may own.

**According to the SEC, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. Such patterns include:**

- Control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer;
- Manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases;
- "Boiler room" practices involving high pressure sales tactics and unrealistic price projections by inexperienced sales persons;
- Excessive and undisclosed bid-ask differentials and markups by selling broker-dealers; and
- The wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the inevitable collapse of those prices with consequent investor losses.

**As an issuer of "penny stock" the protection provided by the federal securities laws relating to forward looking statements does not apply to us.**

Although the federal securities law provide a safe harbor for forward-looking statements made by a public company that files reports under the federal securities laws, this safe harbor is not available to issuers of penny stocks. As a result, if we are a penny stock we will not have the benefit of this safe harbor protection in the event of any based upon a claim that the material provided by us, including this annual report, contained a material misstatement of fact or was misleading in any material respect because of our failure to include any statements necessary to make the statements not misleading.

**Because we are not subject to compliance with rules requiring the adoption of certain corporate governance measures, our stockholders have limited protections against interested director transactions, conflicts of interest and similar matters.**

The Sarbanes-Oxley Act of 2002, as well as rule changes proposed and enacted by the SEC, the New York and American Stock Exchanges and the NASDAQ Stock Market as a result of Sarbanes-Oxley, require the

implementation of various measures relating to corporate governance. These measures are designed to enhance the integrity of corporate management and the securities markets and apply to securities which are listed on those exchanges or the NASDAQ Stock Market. Because we are not presently required to comply with many of the corporate governance provisions and because we chose to avoid incurring the substantial additional costs associated with such compliance any sooner than necessary, we have not yet adopted all of these measures. As of the date of this Form 10-K, we are not in compliance with requirements relating to the distribution of annual and interim reports, the holding of stockholders meetings and solicitation of proxies for such meeting and requirements for stockholder approval for certain corporate actions. Until we comply with such corporate governance measures, regardless of whether such compliance is required, the absence of such standards of corporate governance may leave our stockholders without protections against interested director transactions, conflicts of interest and similar matters and investors may be reluctant to provide us with funds necessary to expand our operations.

**Our officers and directors have limited liability and have indemnity rights which may discourage stockholders from bringing an action against them.**

Our Certificate of Incorporation provides that we will indemnify our officers and directors against losses sustained or liabilities incurred which arise from any transaction in that officer's or director's respective managerial capacity unless that officer or director violates a duty of loyalty, did not act in good faith, engaged in intentional misconduct or knowingly violated the law, approved an improper dividend, or derived an improper benefit from the transaction. Our Certificate of Incorporation also provides for the indemnification by us of our officers and directors against any losses or liabilities incurred as a result of the manner in which the officers and directors operate our business or conduct our internal affairs, provided that in connection with these activities they act in good faith and in a manner which they reasonably believe to be in, or not opposed to, our best interests of and their conduct does not constitute gross negligence, misconduct or breach of fiduciary obligations. The existence of these provisions may discourage holders of our Common Stock from bringing an action against management because we may be responsible for paying all costs associated therewith, which could negatively impact the value of our Common Stock.

**Failure to achieve and maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business and operating results. In addition, current and potential stockholders could lose confidence in our financial reporting, which could have a material adverse effect on our stock price.**

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. If we cannot provide

reliable financial reports or prevent fraud, our operating results could be harmed. We are required to document and test our internal control procedures in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act, which requires annual management assessments of the effectiveness of our internal controls over financial reporting for the year ending December 31, 2008 and a report by our independent registered public accounting firm addressing these assessments for the year ending December 31, 2009. During the course of our testing, we may identify deficiencies which 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 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. Failure to achieve and maintain an effective internal control environment could also cause investors to lose confidence in our reported financial information, which could have a material adverse effect on our stock price.

**Transfers of our securities may be restricted by virtue of state securities "blue sky" laws which prohibit trading absent compliance with individual state laws. These restrictions may make it difficult or impossible to sell shares in those states.**

Transfers of our common stock may be restricted under the securities or securities regulations laws promulgated by various states and foreign jurisdictions, commonly referred to as "blue sky" laws. Absent compliance with such individual state laws, our common stock may not be traded in such jurisdictions. Because the securities registered hereunder have not been registered for resale under the blue sky laws of any state, the holders of such shares and persons who desire to purchase them should be aware that there may be significant state blue sky law restrictions upon the ability of investors to sell the securities and of purchasers to purchase the securities. These restrictions may prohibit the secondary trading of our common stock. Investors should consider the secondary market for our securities to be a limited one.

### **How We Generate Revenue**

We generate revenue by providing consulting services in the areas of web development, mobile software, on-line marketing, PPC management, SEO services and corporate strategy to Internet-based businesses. Due to our President's depth of experience, we are able to generate improved returns on investments in advertising for our clients and base our fee structure on the increased cashflow that our efforts generate for our clientele.

When our clients realize an increase in sales due to implementing our ideas we receive a percentage of the increased profits. Our contracts are

designed to be long-term and performance based to optimize client value.

### **Our Business Objectives**

- Create or acquire complimentary Internet-based companies to leverage economies of scale;
- Develop and promote iPhone and mobile device software;
- Implement subscription based models and advertising revenue optimization opportunities;
- Build new applications on social networking platforms and mobile platforms, and
- Capitalize on new opportunities that emerge in our rapidly evolving industry

### **Results of Operations for the Year Ended December 31, 2008 Compared to the Year Ended December 31, 2007**

#### **Revenues**

Revenue decreased from \$170,236 for the year ended December 31, 2007 to \$83,322 for the year ended December 31, 2008, a decrease of 52%.

These revenues are primarily generated from consulting services. The decrease in revenue was caused by our focus on the development of mobile phone software and business development activities as opposed to sales functions.

#### **Cost of Revenue**

As a consultant we were not subject to direct costs or costs of sale.

#### **Operating Expenses**

Operating Expenses for the year ended December 31, 2008 decreased to \$83,530 from \$169,541 for the year ended December 31, 2007, representing a decrease of 51%.

The decrease in Operating Expenses is primarily attributable to our focus on software development and business development activities.

Compensation Expense for the year ended December 31, 2008 decreased to \$12,000 from \$120,000 for the year ended December 31, 2007, representing a decrease of 90%. The decrease in Compensation Expense was due to our reduced sales activities.

General and Administrative Expenses for the year ended December 31, 2008 increased to \$71,530 from \$49,451 for the year ended December 31, 2007, representing an increase of 31%. The increase in General and Administrative Expense is due to focus on the development of mobile phone software and business development activities.

**Net Income (Loss)**

Net loss increased to (\$208) for the year ended December 31, 2008 from a net profit of \$386 for the year ended December 31, 2007.

The decrease in net income was primarily due to our reduced sales activities.

**Liquidity and Capital Resources**

The Company is currently financing its operations primarily through cash generated by revenues derived from consulting operations.

As of December 31, 2008, the Company had \$444 in cash. Historically, the Company's principal working capital needs have been met through continuing operations. As the Company grows and expands its operations, the need for working capital will increase. The Company expects to finance its internal growth with cash provided from operations, borrowings, debt or equity offerings, or some combination thereof.

The Company's net loss for the year ended December 31, 2008 was \$208. During the year we received a total of \$83,322 in revenue and had total operating expenses of \$83,530. Net cash used by operating activities was (\$1897) during year ended December 31, 2008 as compared to cash provided by operating activities of \$2,341 for the year ended December 31, 2007. Cash used by operating activities mainly consisted of net losses of \$208, current receivables of \$1621 and current payables of \$68.

The Company has an operating loss at this time and intends to borrow funds from its President in the short term in order to fund its operations going forward.

**Critical Accounting Pronouncements**

Our significant accounting policies are summarized in Note 1 of our financial statements.

We have adopted the following accounting standards. While all of these significant accounting policies impact our financial condition, our views of these policies are 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 consolidated results of operations, financial position or liquidity for the periods presented in this report:

We account for income taxes under the Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("Statement 109"). Under Statement 109, deferred tax assets and



liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

We value property and equipment at cost and depreciate these assets using the straight-line method over their expected useful life. We use a three year life for software and five year life for computer equipment.

We recognize revenue on arrangements in accordance with Securities and Exchange Commission Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" and No. 104, "Revenue Recognition". In all cases, revenue is recognized only when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is performed and collectability is reasonably assured.

### **Recent Accounting Pronouncements**

In December 2007, the Financial Accounting Standards Board (FASB) issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51". This statement improves the relevance, comparability, and transparency of the financial information that a reporting entity provides in its consolidated financial statements by establishing accounting and reporting standards that require; the ownership interests in subsidiaries held by parties other than the parent and the amount of consolidated net income attributable to the parent and to the noncontrolling interest be clearly identified and presented on the face of the consolidated statement of income, changes in a parent's ownership interest while the parent retains its controlling financial interest in its subsidiary be accounted for consistently, when a subsidiary is deconsolidated, any retained noncontrolling equity investment in the former subsidiary be initially measured at fair value, entities provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS No. 160 affects those entities that have an outstanding noncontrolling interest in one or more subsidiaries or that deconsolidate a subsidiary. SFAS No. 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Early adoption is prohibited. The adoption of this statement is not expected to have a material effect on the Company's financial statements.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations" ("SFAS No. 141R"), which replaces FASB Statement No. 141. SFAS No. 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. The Statement also establishes disclosure requirements that

will enable users to evaluate the nature and financial effects of the business combination. SFAS No. 141R applies prospectively to business combinations in fiscal years beginning after December 15, 2008. Early adoption is not permitted. Accordingly, any business combination the Company consummated prior to January 1, 2009 were recorded and disclosed in accordance with SFAS No. 141. The Company expects SFAS No. 141R to have an impact on its consolidated financial position and results of operations. However, the nature and magnitude of the impact will depend upon the terms and size of the acquisitions the Company consummates on or after January 1, 2009. Two illustrative examples of the impact of the adoption of SFAS No. 141R follow. Prior to the adoption of SFAS No. 141R, direct costs incurred in connection with a business combination, such as finder's, advisory, accounting, legal, valuation and other professional fees, were capitalized as part of the cost of the acquired business; under SFAS No. 141R these costs will be expensed as incurred. In addition, prior to the adoption of SFAS No. 141R, decreases to deferred tax asset valuation allowances associated with a business combination usually resulted in a decrease to goodwill; under SFAS No. 141R, these adjustments are accounted for as a component of income tax expense.

In February 2008, the FASB issued FSP FAS 157-2, "Effective Date of FASB Statement No. 157" ("FSP FAS 157-2"), which delays the effective date of SFAS No. 157 to fiscal years beginning after November 15, 2008 for all nonfinancial assets and nonfinancial liabilities except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The Company does not expect the adoption of FSP FAS 157-2 to have a material impact on its consolidated financial position, results of operations or cash flows.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133" (SFAS 161). This statement is intended to improve transparency in financial reporting by requiring enhanced disclosures of an entity's derivative instruments and hedging activities and their effects on the entity's financial position, financial performance, and cash flows. SFAS 161 applies to all derivative instruments within the scope of SFAS 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133) as well as related hedged items, bifurcated derivatives, and nonderivative instruments that are designated and qualify as hedging instruments. Entities with instruments subject to SFAS 161 must provide more robust qualitative disclosures and expanded quantitative disclosures. SFAS 161 is effective prospectively for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application permitted. We are currently evaluating the disclosure implications of this statement.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133" (SFAS 161). This statement is intended to improve

transparency in financial reporting by requiring enhanced disclosures of an entity's derivative instruments and hedging activities and their effects on the entity's financial position, financial performance, and cash flows. SFAS 161 applies to all derivative instruments within the scope of SFAS 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133) as well as related hedged items, bifurcated derivatives, and nonderivative instruments that are designated and qualify as hedging instruments. Entities with instruments subject to SFAS 161 must provide more robust qualitative disclosures and expanded quantitative disclosures. SFAS 161 is effective prospectively for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application permitted. We are currently evaluating the disclosure implications of this statement.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles." SFAS No. 162 identifies the sources of accounting principles and provides entities with a framework for selecting the principles used in preparation of financial statements that are presented in conformity with GAAP. The current GAAP hierarchy has been criticized because it is directed to the auditor rather than the entity, it is complex, and it ranks FASB Statements of Financial Accounting Concepts, which are subject to the same level of due process as FASB Statements of Financial Accounting Standards, below industry practices that are widely recognized as generally accepted but that are not subject to due process. The Board believes the GAAP hierarchy should be directed to entities because it is the entity (not its auditors) that is responsible for selecting accounting principles for financial statements that are presented in conformity with GAAP. The adoption of FASB 162 is not expected to have a material impact on the Company's financial position.

In May 2008, the FASB issued SFAS No. 163, "Accounting for Financial Guarantee Insurance Contracts-an interpretation of FASB Statement No. 60." Diversity exists in practice in accounting for financial guarantee insurance contracts by insurance enterprises under FASB Statement No. 60, Accounting and Reporting by Insurance Enterprises. This results in inconsistencies in the recognition and measurement of claim liabilities. This Statement requires that an insurance enterprise recognize a claim liability prior to an event of default (insured event) when there is evidence that credit deterioration has occurred in an insured financial obligation. This Statement requires expanded disclosures about financial guarantee insurance contracts. The accounting and disclosure requirements of the Statement will improve the quality of information provided to users of financial statements. SFAS 163 is effective for financial statements issued for fiscal years beginning after December 15, 2008 and interim periods within those years. The adoption of FASB 163 is not expected to have a material impact on the Company's financial position.

## **2. Information for the three month period ending March 31, 2009**

### **Overview**

Metatron, Inc. was incorporated on November 17, 2000 under the laws of the State of Delaware as USA Polymers Inc. On July 26, 2001 we filed a certificate of amendment to change our name to XRG Inc, and began operations as a holding company that owned subsidiary interstate trucking companies.

On March 22, 2009 we entered into an agreement with Belmont Partners LLC (“Belmont”) by which Belmont acquired fifty three percent (53%) of our common stock. On March 24, 2009 we entered into an agreement with Belmont and South Bay Financial Solutions Inc., (“South Bay”), pursuant to which South Bay acquired 50.01% of our total issued and outstanding common stock.

On March 24, 2009 we entered into a joint venture agreement with Rcomm Inc. under which we have operated our current business.

On April 24, 2009 we amended our Articles of Incorporation to change our name to Metatron Inc., increased our authorized common stock to one hundred million (100,000,000) and reverse split our issued and outstanding common stock by a forty to one (40-1) ratio.

On June 3, 2009 we acquired Rcomm Inc. in exchange for the issuance of twenty million (20,000,000) shares of common stock to Rcomm’s sole shareholder.

Joe Riehl, our controlling stockholder, was appointed as our President and sole director on June 3, 2009. We currently have three full time employees and operate as an internet consultant.

### **Risks That Relate to Our Business**

Please refer to the Risk Factors on Page 15.

### **How We Generate Revenue**

We generate revenue by providing consulting services in the areas of web development, mobile software, on-line marketing, PPC management, SEO services and corporate strategy to Internet-based businesses. Due to our President’s depth of experience, we are able to generate improved returns on investments in advertising for our clients and base our fee structure on the increased cashflow that our efforts generate for our clientele.

When our clients realize an increase in sales due to implementing our ideas we receive a percentage of the increased profits. Our contracts are designed to be long-term and performance based to optimize client value.

## **Our Business Objectives**

- Create or acquire complimentary Internet-based companies to leverage economies of scale;
- Develop and promote iPhone and mobile device software;
- Implement subscription based models and advertising revenue optimization opportunities;
- Build new applications on social networking platforms and mobile platforms, and
- Capitalize on new opportunities that emerge in our rapidly evolving industry

## **Results of Operations for the Three Month period ended March 31, 2009 as compared to the three month period ending March 31, 2008.**

### **Revenues**

Revenue was \$11,305 for the three month period ended March 31, 2009 as compared to \$21,326 for the three month period ended March 31, 2008, a decrease of 47%.

These revenues are primarily generated from consulting services. The decrease in revenue was caused by our focus on the development of mobile phone software and business development activities as opposed to sales functions.

### **Cost of Revenue**

As a consultant we were not subject to direct costs or costs of sale.

### **Operating Expenses**

Operating Expenses for the three month period ended March 31, 2009 decreased to \$11,890 from \$20,883 for the three month period ended March 31, 2008, representing a decrease of 43%.

The decrease in Operating Expenses is primarily attributable to our focus on software development and business development activities.

Compensation Expense for the three month period ended March 31, 2009 decreased to \$0 from \$1,000 for the three month period ended March 31, 2008. The decrease in Compensation Expense was due to our reduced sales activities.

General and Administrative Expenses for the three month period ended March 31, 2009 decreased to \$11,890 from \$19,883 for the three month period ended March 31, 2008, representing an decrease of 40%. The increase in General and Administrative Expense is due to our focus on the development of mobile phone software and business development activities.

### **Net Income (Loss)**

Net loss increased to (\$585) for the three month period ended March 31, 2009 from a net profit of \$354 for the three month period ended March

31, 2009. The decrease in net income was primarily due to our reduced sales activities.

### **Liquidity and Capital Resources**

The Company is currently financing its operations primarily through cash generated by revenues derived from consulting operations.

As of March 31, 2009, the Company had \$0 in cash. Historically, the Company's principal working capital needs have been met through continuing operations. As the Company grows and expands its operations, the need for working capital will increase. The Company expects to finance its internal growth with cash provided from operations, borrowings, debt or equity offerings, or some combination thereof.

The Company's net loss for the three month period ended March 31, 2009 was (\$585). During the three month period ended March 31, 2009 we received a total of \$11,305 in revenue and had total operating expenses of \$11,890.

Net cash used by operating activities was (\$585) during three month period ended March 31, 2009 as compared to cash used by operating activities of (\$52) for the period ended March 31, 2008. Cash used by operating activities mainly consisted of net losses of \$52.

The Company has an operating loss at this time and intends to continue to borrow funds from its President in the short term in order to fund its operations going forward.

### **Critical Accounting Pronouncements**

Our significant accounting policies are summarized in Note 1 of our financial statements.

We have adopted the following accounting standards. While all of these significant accounting policies impact our financial condition, our views of these policies are 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 consolidated results of operations, financial position or liquidity for the periods presented in this report:

We account for income taxes under the Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("Statement 109"). Under Statement 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets

and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

We value property and equipment at cost and depreciate these assets using the straight-line method over their expected useful life. We use a three year life for software and five year life for computer equipment.

We recognize revenue on arrangements in accordance with Securities and Exchange Commission Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" and No. 104, "Revenue Recognition". In all cases, revenue is recognized only when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is performed and collectability is reasonably assured.

### **Recent Accounting Pronouncements**

In December 2007, the Financial Accounting Standards Board (FASB) issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51". This statement improves the relevance, comparability, and transparency of the financial information that a reporting entity provides in its consolidated financial statements by establishing accounting and reporting standards that require; the ownership interests in subsidiaries held by parties other than the parent and the amount of consolidated net income attributable to the parent and to the noncontrolling interest be clearly identified and presented on the face of the consolidated statement of income, changes in a parent's ownership interest while the parent retains its controlling financial interest in its subsidiary be accounted for consistently, when a subsidiary is deconsolidated, any retained noncontrolling equity investment in the former subsidiary be initially measured at fair value, entities provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS No. 160 affects those entities that have an outstanding noncontrolling interest in one or more subsidiaries or that deconsolidate a subsidiary. SFAS No. 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Early adoption is prohibited. The adoption of this statement is not expected to have a material effect on the Company's financial statements.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations" ("SFAS No. 141R"), which replaces FASB Statement No. 141. SFAS No. 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. The Statement also establishes disclosure requirements that will enable users to evaluate the nature and financial effects of the business combination. SFAS No. 141R applies prospectively to business combinations in fiscal years beginning after December 15, 2008. Early

adoption is not permitted. Accordingly, any business combination the Company consummated prior to January 1, 2009 were recorded and disclosed in accordance with SFAS No. 141. The Company expects SFAS No. 141R to have an impact on its consolidated financial position and results of operations. However, the nature and magnitude of the impact will depend upon the terms and size of the acquisitions the Company consummates on or after January 1, 2009. Two illustrative examples of the impact of the adoption of SFAS No. 141R follow. Prior to the adoption of SFAS No. 141R, direct costs incurred in connection with a business combination, such as finder's, advisory, accounting, legal, valuation and other professional fees, were capitalized as part of the cost of the acquired business; under SFAS No. 141R these costs will be expensed as incurred. In addition, prior to the adoption of SFAS No. 141R, decreases to deferred tax asset valuation allowances associated with a business combination usually resulted in a decrease to goodwill; under SFAS No. 141R, these adjustments are accounted for as a component of income tax expense.

In February 2008, the FASB issued FSP FAS 157-2, "Effective Date of FASB Statement No. 157" ("FSP FAS 157-2"), which delays the effective date of SFAS No. 157 to fiscal years beginning after November 15, 2008 for all nonfinancial assets and nonfinancial liabilities except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The Company does not expect the adoption of FSP FAS 157-2 to have a material impact on its consolidated financial position, results of operations or cash flows.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133" (SFAS 161). This statement is intended to improve transparency in financial reporting by requiring enhanced disclosures of an entity's derivative instruments and hedging activities and their effects on the entity's financial position, financial performance, and cash flows. SFAS 161 applies to all derivative instruments within the scope of SFAS 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133) as well as related hedged items, bifurcated derivatives, and nonderivative instruments that are designated and qualify as hedging instruments. Entities with instruments subject to SFAS 161 must provide more robust qualitative disclosures and expanded quantitative disclosures. SFAS 161 is effective prospectively for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application permitted. We are currently evaluating the disclosure implications of this statement.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133" (SFAS 161). This statement is intended to improve transparency in financial reporting by requiring enhanced disclosures of an entity's derivative instruments and hedging activities and their effects on the entity's financial position, financial performance, and cash flows.



SFAS 161 applies to all derivative instruments within the scope of SFAS 133, “Accounting for Derivative Instruments and Hedging Activities” (SFAS 133) as well as related hedged items, bifurcated derivatives, and nonderivative instruments that are designated and qualify as hedging instruments. Entities with instruments subject to SFAS 161 must provide more robust qualitative disclosures and expanded quantitative disclosures. SFAS 161 is effective prospectively for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application permitted. We are currently evaluating the disclosure implications of this statement.

In May 2008, the FASB issued SFAS No. 162, “The Hierarchy of Generally Accepted Accounting Principles.” SFAS No. 162 identifies the sources of accounting principles and provides entities with a framework for selecting the principles used in preparation of financial statements that are presented in conformity with GAAP. The current GAAP hierarchy has been criticized because it is directed to the auditor rather than the entity, it is complex, and it ranks FASB Statements of Financial Accounting Concepts, which are subject to the same level of due process as FASB Statements of Financial Accounting Standards, below industry practices that are widely recognized as generally accepted but that are not subject to due process. The Board believes the GAAP hierarchy should be directed to entities because it is the entity (not its auditors) that is responsible for selecting accounting principles for financial statements that are presented in conformity with GAAP. The adoption of FASB 162 is not expected to have a material impact on the Company’s financial position.

In May 2008, the FASB issued SFAS No. 163, “Accounting for Financial Guarantee Insurance Contracts-an interpretation of FASB Statement No. 60.” Diversity exists in practice in accounting for financial guarantee insurance contracts by insurance enterprises under FASB Statement No. 60, Accounting and Reporting by Insurance Enterprises. This results in inconsistencies in the recognition and measurement of claim liabilities. This Statement requires that an insurance enterprise recognize a claim liability prior to an event of default (insured event) when there is evidence that credit deterioration has occurred in an insured financial obligation. This Statement requires expanded disclosures about financial guarantee insurance contracts. The accounting and disclosure requirements of the Statement will improve the quality of information provided to users of financial statements. SFAS 163 is effective for financial statements issued for fiscal years beginning after December 15, 2008 and interim periods within those years. The adoption of FASB 163 is not expected to have a material impact on the Company’s financial position.

- 3. 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).

## **Part E. Issuance History**

### **Item XVII. List of securities offerings and shares issued for services in the past two years:**

On March 24, 2009 we agreed to issue the sum of 975,000 shares of common stock on a fully diluted basis to Belmont Partners LLC as compensation for services provided to the corporation pursuant to the Common Stock Purchase Agreement by and between Belmont, the Company, TDC Ventures LLC and South Bay Financial Solutions Inc. which is attached hereto as “Exhibit 1”. These shares were issued in accordance with exemptions from registration under Section 4(2) of the Securities Act of 1933 (the “Act”) and are considered “Restricted Securities” under Rule 144 of the Act. These shares will be issued during the second quarter of 2009 and will be expensed at par value (\$0.001) per share.

On March 24, 2009, we issued one share of Series “A” \$100 stated value, Convertible Preferred Stock to TDC Ventures LLC for the sum of \$100.00, pursuant to the Common Stock Purchase Agreement by and between Belmont, the Company, TDC Ventures LLC and South Bay Financial Solutions Inc. which is attached hereto as “Exhibit 1”. This share was issued in accordance with exemptions from registration under Section 4(2) of the Act and is considered a “Restricted Security” under Rule 144 of the Act.

On June 3, 2009, we issued the sum of 20,000,000 shares of common stock to Joe Riehl in connection with the acquisition of Rcomm Inc., pursuant to the terms of the Share Exchange Agreement and Plan of Reorganization which is attached hereto as “Exhibit 2”.

All shares issued above contain a legend (1) stating that the shares have not been registered under the Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Act.

## **Part F. Exhibits**

### **Item XVIII. Material Contracts:**

<b><u>Exhibit #</u></b>	<b><u>Description</u></b>	<b><u>Date</u></b>
1	Common Stock Purchase Agreement	3/24/2009
2	Joint Venture Agreement	3/24/2009
3	Share Exchange Agreement and Plan of Reorganization	6/3/2009

**Item XIX. Articles of Incorporation and Bylaws:**

<u>Exhibit #</u>	<u>Description</u>	<u>Date</u>
4	Amendment to Articles of Incorporation	4/24/2009
5	By Laws	11/17/2000

**Unaudited Financial Statements**

6	Unaudited Financial Statements Metatron Inc. for the Fiscal Years Ending 12/31/2008 and 12/31/2007
7	Unaudited Financial Statements Rcomm Inc. for the Fiscal Years Ending 12/31/2008 and 12/31/2007
8	Unaudited Financial Statements Metatron Inc. for the Three Month Period Ending 3/31/2009
9	Unaudited Financial Statements Rcomm Inc. for the Three Month Period Ending 3/31/2009

**Item XX. Purchases of Equity Securities by the Issuer and Affiliated Purchasers:**

None.

**Item XXI. Issuers Certifications:**

**CERTIFICATION**

I, **Ralph Joseph Riehl**, certify that:

1. I have reviewed this disclosure statement of Metatron, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: June 8, 2009

Ralph Joseph Riehl  
President and Sole Director