

Camelot Entertainment Group, Inc.
Form 10QSB
November 22, 2004

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

**FORM 10-QSB
(Mark One)**

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2004

OR

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

For the transition period from to

Commission file number 000-3078

**CAMELOT ENTERTAINMENT GROUP, INC.
(FKA DSTAGE.COM, INC.)**

(Exact name of registrant as specified in its charter)

Delaware

52-2195605

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

100 E. San Marcos Blvd. # 400
San Marcos, California 92069

(Address of principal executive offices (zip code))

(760) 510-5930

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the last 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 x No o

As of September 30, 2004, the Registrant had outstanding 61,783,638 shares of Common Stock, \$0.001 par value.

Page - 1

CAMELOT ENTERTAINMENT GROUP, INC. (FKA DSTAGE.COM, INC.)
INDEX TO FORM 10-QSB

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)
Balance Sheet as of September 30, 2004

Statements of Operation for the three and nine months ended September 30, 2004 and 2003

Statements of Changes in Stockholders' Equity for the three and nine months ended September 30, 2004 and 2003

Statements of Cash Flows for the three and nine months ended September 30, 2004 and 2003

Notes to Financial Statements

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Item 4. Controls and Procedures

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Item 2. Changes in Securities and Use of Proceeds

Item 3. Defaults Upon Senior Securities

Item 4. Submissions of Matters to a Vote of Security Holders

Item 5. Other Information

Item 6. Exhibits and Reports on Form 8-K

Signatures

Page - 2

THIS REPORT ON FORM 10-QSB CONTAINS FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT OF 1933, AS AMENDED, AND WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, WHICH ARE SUBJECT TO THE "SAFE HARBOR" CREATED BY THOSE SECTIONS. THESE FORWARD-LOOKING STATEMENTS INCLUDE BUT ARE NOT LIMITED TO STATEMENTS CONCERNING OUR BUSINESS OUTLOOK OR FUTURE ECONOMIC PERFORMANCE; ANTICIPATED PROFITABILITY, REVENUES, EXPENSES OR OTHER FINANCIAL ITEMS; AND STATEMENTS CONCERNING ASSUMPTIONS MADE OR EXCEPTIONS AS TO ANY FUTURE EVENTS, CONDITIONS, PERFORMANCE OR OTHER MATTERS WHICH ARE "FORWARD-LOOKING STATEMENTS" AS THAT TERM IS DEFINED UNDER THE FEDERAL SECURITIES LAWS. ALL STATEMENTS, OTHER THAN HISTORICAL FINANCIAL INFORMATION, MAY BE MARKET TO BE FORWARD-LOOKING STATEMENTS. THE WORDS "BELIEVES", "PLANS", "ANTICIPATES", "EXPECTS", AND SIMILAR EXPRESSIONS HEREIN ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. FORWARD-LOOKING STATEMENTS ARE SUBJECT TO RISKS, UNCERTAINTIES, AND OTHER FACTORS, WHICH WOULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE STATED IN SUCH STATEMENTS. FORWARD-LOOKING STATEMENTS INCLUDE, BUT ARE NOT LIMITED TO, THOSE DISCUSSED IN "FACTORS THAT MAY AFFECT FUTURE RESULTS," AND ELSEWHERE IN THIS REPORT, AND THE RISKS DISCUSSED IN THE COMPANY'S OTHER SEC FILINGS.

Page - 3

CAMELOT ENTERTAINMENT GROUP, INC.
(fka Dstage.com, Inc.)
BALANCE SHEET
(A Development Stage Company)

	September 30, 2004 (Unaudited)
ASSETS	
CURRENT ASSETS:	
Cash	\$ 1,194
OTHER ASSETS:	
Investments	
Licensing Agreements and Technologies	
Patents	
Total assets	\$ 1,194
LIABILITIES	
CURRENT	
Accounts payable and accrued liabilities	\$ 160,948
Due to affiliate	28,790
Due to officers	175,000
Total current liabilities	364,738
STOCKHOLDERS' EQUITY	
Preferred stock, \$.001 par value, 50,000,000 shares authorized, none issued and outstanding	0
Common stock, \$.001 par value, 150,000,000 shares authorized, 61,783,638 issued and outstanding	61,784
Additional paid-in capital	6,312,987
Subscriptions under financing agreement	(207,535)
(Deficit) accumulated during the development stage	(6,530,780)
Total stockholders' equity	(363,544)
Total liabilities and stockholders' equity	\$ 1,194

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Page - 4

CAMELOT ENTERTAINMENT GROUP, INC.
(fka Dstage.com, Inc.)
(A Development Stage Company)

STATEMENTS OF OPERATIONS
(Unaudited)

	For the 3 months ended		For the 9 months ended		Cumulative from October 12, 1999 (Inception) to
	Sept 30,2004	Sept 30,2003	Sept 30,2004	Sept 30,2003	Sept 30,2004
Revenue:					
Professional services	\$ 0		\$ 0		\$ 58,568
Expenses:					
Cost of services					95,700
Sales and marketing					53,959
Research and development					252,550
General and administrative	119,806	194,280	471,338	342,260	3,298,462
Impairment of assets					2,402,338
Impairment of investments in other companies					710,868
Total expenses	119,806	194,280	471,338	342,260	6,813,877
Income (loss) from operations	(119,806)	(194,280)	(471,338)	(342,260)	(6,755,309)
Interest (expense)		(288)		(8,467)	(9,294)
Other income (expense), net					(21,677)
Gain on extinguishment of debt					255,500
Net (loss)	\$ (119,806)	\$ (194,568)	\$ (471,338)	\$ (350,727)	\$ (6,530,780)
Net (loss) per share:					
Basic & diluted	-	\$ (0.01)	(.01)	\$ (0.02)	
WEIGHTED AVERAGE SHARES OUTSTANDING:					
Basic & diluted	61,783,638	29,542,371	48,004,095	17,107,749	

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CAMELOT ENTERTAINMENT GROUP, INC.

(fka Dstage.com, Inc.)

(A Development Stage Company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(Unaudited)

	Common Stock		Treasury Stock		Additional Paid-In Capital	(Deficit)	Subscription under financing agreement	Deferred Compensation	Total
	Shares	Amount	Shares	Amount		Accumulated During Development Stage			
Balance, October 12, 1999		0							\$ 0
Issuance of shares for cash at \$.02 per share	1,000,000	1,000			19,000				20,000
Issuance of shares for services at \$.02 per share	2,600,000	2,600			49,400				52,000
Issuance of shares for expense reimbursement at \$.02 per share	834,569	835			15,856				16,691
Net (loss)						(66,796)			0
Balance, December 31, 1999	4,434,569	4,435	0	0	84,256	(66,796)	0	0	21,895
Issuance of shares for conversion of notes payable at \$.02 per share	1,000,000	1,000			19,000				20,000
Issuance of shares for services at \$.02 per share	750,000	750			14,250				15,000
Issuance of shares for cash at \$1.00 per share	10,835	11			10,824				10,835
Issuance of shares for	15,000	15			14,985				15,000

Edgar Filing: Camelot Entertainment Group, Inc. - Form 10QSB

conversion of notes payable at \$1.00 per share									0
Issuance of shares for expense reimbursement at \$1.00 per share	4,630	4			4,626				4,630
Issuance of shares for services at \$1.00 per share	107,000	107			106,893				107,000
Investment in other companies by issuance of shares at \$1.00 per share	710,000	710			709,290				710,000
Issuance of shares for prepaid services at \$1.00 per share	195,000	195			194,805				195,000
Issuance of shares for deferred compensation to officers, directors and contolling parties at \$1.00 per share	89,000	89			88,911			(89,000)	(89,000)
Deferred compensation expensed								21,920	21,920
Net (loss)						(954,329)			(954,329)
Balance, December 31, 2000	7,316,034	7,316	0	0	1,247,840	(1,021,125)	0	(67,080)	166,951
Issuance of shares for expense reimbursement	1,248	1			5,616				5,617
Issuance of shares for prepaid	337,208	337			400,407				400,744

Edgar Filing: Camelot Entertainment Group, Inc. - Form 10QSB

services									
Property & equipment lease by issuance of shares	1,000,000	1,000			1,149,000				1,150,000
Licensed technology by issuance of shares	2,270,000	2,270			35,730				38,000
Issuance of shares for deferred compensation to officers, directors and related parties	1,122,944	1,123			1,297,229			(1,298,352)	1,298,352
Issuance of shares for developed technology expensed	16,667	17			19,150				19,167
Forgiveness of debt by shareholder					31,489				31,489
Related party services paid for by shareholder					25,500				25,500
Deferred compensation expensed								315,423	315,423
Net (loss)						(1,875,683)			(1,875,683)
Balance at December 31, 2001	12,064,101	12,064	0	0	4,211,961	(2,896,808)	0	(1,050,009)	277,208
Issuance of shares for deferred compensation to officers, directors and related parties									0
Issuance of shares for services	1,207,500	1,208			150,367			(151,575)	0