

CAPITAL MARKETS TECHNOLOGIES, INC.

Form 10-Q

August 19, 2008

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

FORM 10-Q

(Mark One)

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

FOR THE QUARTER ENDED JUNE 30, 2008

**.. TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE
 ACT**

COMMISSION FILE NUMBER: 0-27382

CAPITAL MARKETS TECHNOLOGIES, INC.

(Name of small business issuer as specified in its charter)

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FLORIDA (State or other jurisdiction of incorporation or organization)	65-0907899 (I.R.S. Employer Identification No.)
340 E. Randolph Street, Suite 2701, Chicago, IL USA (Address of principal executive offices)	60610 (Zip Code)
Issuer's Telephone Number: (312) 533-0230	

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☐
Non-Accelerated filer ☐	Small Business Issuer ☒

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

DOCUMENTS INCORPORATED BY REFERENCE: none

Transitional Small Business Disclosure Format YES ☐ NO ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at August 10, 2008
Common stock, \$0.001 par value	22,798,186

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CAPITAL MARKETS TECHNOLOGIES, INC.

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PART I FINANCIAL INFORMATION

The Financial Statements of the Registrant required to be filed with this 10-Q Quarterly Report were prepared by management and commence on the following page, together with Related Notes. In the opinion of management, the Financial Statements fairly present the financial condition of the Company.

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CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARIES

(Development Stage Company)

CONSOLIDATED BALANCE SHEETS

As of June 30, 2008 and December 31, 2007

	Jun. 30, 2008 (unaudited)	Dec. 31, 2007 (audited)
ASSETS		
CURRENT ASSETS		
Cash	\$ 115,508	\$ 292,968
Prepaid Expenses	18,077	
Accounts Receivable	15,356	9,005
Total Current Assets	148,941	
OFFICE EQUIPMENT net of depreciation	17,732	20,265
OTHER ASSETS		
Note Receivable	129,887	
Investment in The Sepa Consultancy Limited	1,993,350	
Investment in Strike IT	811,216	202,180
	\$ 3,101,126	\$ 524,418
LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIENCY)		
CURRENT LIABILITIES		
Accounts payable	\$ 684,733	\$ 806,222
Total Current Liabilities	684,733	806,222
Minority Interest	(107,587)	(38,037)
STOCKHOLDERS EQUITY (DEFICIENCY)		
Preferred stock		
10,000,000 shares authorized at \$.001 par value; 2,286,000 outstanding	2,286	
Capital in excess of par value	158,364	
Common stock		
250,000,000 shares authorized at \$.001 par value; 22,798,186 shares issued and outstanding	22,798	18,533
Capital in excess of par value	16,901,858	13,097,102
Accumulated deficit during development stage	(14,551,569)	(13,347,202)
Comprehensive income (loss)	(9,757)	(12,200)
Total Stockholders Equity (Deficiency)	2,523,980	(243,767)

\$ 3,101,126 \$ 524,418

The accompanying notes are an integral part of these financial statements.

Table of Contents**CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARIES****(Development Stage Company)****STATEMENTS OF OPERATIONS****For the three months ended June 30, 2008 and 2007****(unaudited)**

	June 30, 2008	June 30, 2007
REVENUES	\$	\$
EXPENSES		
Professional fees	44,378	10,750
Consulting fees	155,213	30,000
Advertising and Promotion	453,662	65,257
Administrative	36,324	19,476
Wages and Benefits	14,191	
Depreciation	83,503	
	787,271	125,483
NET OPERATING LOSS FROM OPERATIONS	(787,271)	(125,483)
OTHER INCOME (LOSSES)		
Interest income (expense)	4,162	(230)
NET LOSS BEFORE MINORITY INTEREST	(783,109)	(125,713)
Less Minority Interest & comprehensive loss	42,778	
NET LOSS	\$ (740,331)	\$ (125,713)
NET LOSS PER COMMON SHARE		
Basic	\$ (0.03)	\$ (0.00)
Diluted	\$ (0.02)	\$ (0.00)
AVERAGE OUTSTANDING SHARES - stated in 1,000 s		
Basic	22,798	34,335
Diluted	28,513	34,335

The accompanying notes are an integral part of these financial statements.

Table of Contents**CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARIES****(Development Stage Company)****CONSOLIDATED STATEMENTS OF OPERATIONS****For the Six months ended June 30, 2008 and 2007****(unaudited)**

	Jun 30, 2008	Jun 30, 2007
REVENUES	\$	\$
EXPENSES		
Professional fees	59,625	27,750
Consulting fees	200,313	30,000
Advertising and Promotion	718,938	65,257
Administrative	104,034	23,406
Commissions	57,500	
Wages and Benefits	50,456	
Software Development	82,237	
Depreciation	2,533	
	1,275,636	146,413
NET OPERATING LOSS FROM OPERATIONS	(1,275,636)	(146,413)
OTHER INCOME (LOSSES)		
Interest income	4,162	(603)
NET LOSS BEFORE MINORITY INTEREST	\$ (1,271,474)	\$ (147,016)
Less Minority Interest and Comprehensive Loss	67,107	
NET LOSS	\$ (1,204,367)	\$ (147,016)
NET LOSS PER COMMON SHARE		
Basic	\$ (0.05)	\$ (0.00)
Diluted	\$ (0.04)	\$ (0.00)
AVERAGE OUTSTANDING SHARES - stated in 1,000 s		
Basic	22,798	34,335

The accompanying notes are an integral part of these financial statements.

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CAPITAL MARKETS TECHNOLOGIES, INC.

STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY

(Development Stage Company)

Period June 29, 1995 (date of inception) to June 30, 2008

(unaudited)

	Common Stock Shares	Common Stock Amount \$	Capital in Excess of Par Value \$	Accumulated Deficit \$
Balance June 29, 1995				
Issuance of common stock for services	6,000	6	4,994	
Net loss for period ended December 31, 1995				(5,000)
Net loss for year ended December 31, 1996				
Net loss for year ended December 31, 1997				
Net loss for year ended December 31, 1998				(900)
Issuance of common stock for cash	72,163	72	308,928	
Issuance of common stock for services	133		288,000	
Options granted for services			6,466,293	
Contributions to capital - expenses			174,000	
Net loss for year ended December 31, 1999				(6,819,904)
Issuance of common stock for services	100		200,000	
Amortize deferred compensation discount on note payable - related party			1,980,939	
Net loss for year ended December 31, 2000				(3,323,139)
Issuance of common stock for cash	2,174	2	1,937,386	
Issuance of common stock for expenses	173		132,000	
Issuance of common stock for cash	374	1	279,999	
Net loss for year ended December 31, 2001				(2,074,543)
Net loss for year ended December 31, 2002				(106,444)
Net loss for year ended December 31, 2003				(57,597)
Net loss for year ended December 31, 2004				(2,838)
Net loss for year ended December 31, 2005				(2,838)
Issuance of common stock for services	30,000,000	30,000		
Issuance of common stock for debt	2,160,000	2,160	19,440	
Net loss for year ended December 31, 2006				(34,727)
Issuance of common stock for debt	4,516,500	4,517	40,649	
Common Stock cancelled	(20,000,000)	(20,000)	20,000	
Issuance of Common Stock for cash	1,776,036	1,776	1,244,474	
Net loss for year ended December 31, 2007				(919,272)
Issuance of Common Stock for cash	2,539,533	2,539	2,381,961	
Conversion of preferred stock into common stock	300,000	300	29,700	
Issuance of Common Stock for acquisition-Strike IT	450,000	450	403,770	
Issuance of Common Stock for acquisition-SEPA	975,000	975	989,325	
Net loss for period ended June 30, 2008				(1,204,367)

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Balance June 30, 2008	22,798,186	\$ 22,798	\$ 16,901,858	\$ (14,551,569)
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The accompanying notes are an integral part of these financial statements.

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CAPITAL MARKETS TECHNOLOGIES, INC.

STATEMENT OF CHANGES IN STOCKHOLDERS' PREFERRED STOCK EQUITY

(Development Stage Company)

Period June 29, 1995 (date of inception) to June 30, 2008

(unaudited)

	Preferred Stock Shares	Amount	Capital in Excess of Par Value
Balance June 29, 1995		\$	\$
Issuance of preferred stock for services	120,000	120	29,880
Conversion of preferred into common stock	(120,000)	(120)	(29,880)
Issuance of preferred stock for services	636,000	636	158,364
Issuance of preferred stock to officers and board	1,650,000	1,650	
Balance June 30, 2008	2,286,000	\$ 2,286	\$ 158,364

Table of Contents**CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARIES****(Development Stage Company)****CONSOLIDATED STATEMENT OF CASH FLOWS****For the six months ended June 30, 2008 and 2007****(unaudited)**

	Jun. 30 2008	Jun. 30 2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (1,204,367)	\$ (147,016)
Adjustments to reconcile net loss to net cash provided by operating activities		
Preferred stock issued for services	190,650	
Depreciation of office equipment	2,533	
Changes in current assets and liabilities	(145,916)	3,233
Net Cash Used in Operations	(1,157,100)	(143,783)
CASH FLOWS FROM INVESTING ACTIVITIES		
Advance of Note Receivable	(129,887)	
Investment in The Sepa Consultancy Limited	(1,003,050)	
Investment in Strike IT	(204,816)	
Net Cash Used in Investing Activities	(1,337,753)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Conversion of debt to common shares		20,940
Proceeds from sale of common stock	2,384,500	520,100
Net Cash From Financing	2,384,500	541,040
Comprehensive loss/translation adjustment and minority interest	(67,107)	
Net Increase (decrease) in Cash	(177,460)	397,257
Cash at Beginning of Period	292,968	
Cash at End of Period	\$ 115,508	\$ 397,257

The accompanying notes are an integral part of these financial statements

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CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008

(unaudited)

1. ORGANIZATION

The Company was incorporated under the laws of the State of Florida on June 29, 1995 with the name RLN Realty Associates, Inc. with authorized common shares of 7,500 with a par value of \$1.00. The Company had several name changes and authorized common share changes and on September 14, 2006 changed its name to Fintech Group, Inc. and changed its authorized common shares to 250,000,000 at a par value of \$.001 and added authorized preferred shares of 10,000,000 at par value of \$.001. On February 7, 2007, the name was changed to Capital Markets Technologies, Inc.

The terms of the preferred shares were determined by the Board of Directors in April 2007. The shares were designated as Series A Convertible Preferred Stock at 1 for 2.5 Common shares. Each preferred share issued has 2.5 votes on all matters presented to be voted by the holders of common stock. The shares are convertible at the option of the Holder at any time from and after the Original Issue Date.

The principal business activity of the corporation was the development of an e-commerce web site and an e-commerce virtual department store. During 2001 the activity was discontinued and its remaining assets and related liabilities were transferred and the Company has remained inactive since that date.

The Company is a development stage company.

After 2001 the Company has been engaged in seeking viable business opportunities in the financial services sector.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Methods

The Company recognizes income and expenses based on the accrual method of accounting.

Dividend Policy

The Company has not adopted a policy regarding payment of dividends.

Income Taxes

The Company utilizes the liability method of accounting for income taxes. Under the liability method deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws that will be in effect, when the differences are expected to reverse. An allowance against deferred tax assets is recognized, when it is more likely than not, that such tax benefits will not be realized.

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CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008

(unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On June 30, 2008, the Company had a net operating loss for carry forward of approximately \$14,081,553.

Any income tax benefit has not been determined as there has been a substantial change in stockholders. The net operating loss will expire in 2029.

Financial Instruments

The carrying amounts of financial instruments are considered by management to be their estimated fair values due to their short term maturities.

Basic and Diluted Net Income (Loss) Per Share

Basic net income (loss) per share amounts are computed based on the weighted average number of shares actually outstanding. Diluted net income (loss) per share amounts are computed using the weighted average number of common shares and common equivalent shares outstanding as if shares had been issued on the exercise of any preferred share rights unless the exercise becomes antidilutive and then only the basic per share amounts are shown in the report.

Concentration of Credit Risk

There are no financial instruments that potentially subject the Company to significant concentration of credit risks.

Revenue Recognition

Revenue will be recognized on the sale and delivery of a product or the completion of services provided.

Advertising and Market Development

The company expenses advertising and market development costs as incurred.

Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing these financial statements.

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CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008

(unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other Recent Accounting Pronouncements

The Company does not expect that the adoption of other recent accounting pronouncements will have a material impact on its financial statements.

3. ACCOUNTS PAYABLE

The Statute of Limitations has run out on \$557,323 of the accounts payable.

4. NOTE RECEIVABLE

The Company's subsidiary, iBase Solutions Limited, has entered into a credit facility agreement with Simplex Consulting Limited(a potential acquisition target of Capital Markets Technologies, Inc.) The Company has agreed to provide a loan due on demand with interest calculated a 4% per annum calculated on a daily basis. Upon completion of the acquisition of Simplex Consulting this receivable will eliminate upon consolidation.

5. OFFICE EQUIPMENT

Office equipment is being depreciated on a straight line basis over a 5 year period. The original cost of the office equipment, acquired during 2007, was \$25,332 and \$7,600 dollars has been depreciated to date for a net book value of \$17,732.

6. SUBSIDIARIES

On September 28, 2007 the Company acquired 55% of iBase Solutions Limited, a private company incorporated in England. The Company paid \$227 for the common shares. The minority shareholders are individuals residing in England.

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CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008

(unaudited)

6. SUBSIDIARIES (continued)

iBase's principal product is software which provides a pay-as-you-go service which automates interest and dividend claims between financial institutions and their counter parties. Principal target markets are key financial centers. The Company will pursue global custodian banks and their asset management and hedge fund clients. The service is asp-enabled and sits on top of a swift service bureau belonging to a prospective acquisition target of Capital Markets Technologies, Inc.

In January 2008, Capital Markets Technologies Inc. acquired 100% of the shares of a private company, CMT Europe Limited, incorporated in England for \$254 (£125). The purpose of the company is to function as a holding company for all UK acquisitions.

On December 17, 2007 the Company entered into a Letter of Intent with Strike IT Services Limited, a private company incorporated and registered in England and Wales, to purchase 100% of their

outstanding common shares. Strike IT will become a 100% wholly owned subsidiary of the Company. The terms are as follows: \$202,180 (£100,000) payable immediately, the balance of \$202,180 (£100,000) pounds to be paid on closing of the transaction. The Company, in addition, will issue the principal shareholders of Strike IT 450,000 common shares. The Company has satisfied the first payment of \$202,180 (£100,000) on December 20, 2007 and has also issued the 450,000 common shares on March 12, 2008. The final payment of \$204,186 (£100,000) was paid on March 18, 2008 and upon completion of Strike IT audits this transaction will be finalized. The financial statements have not been presented with the consolidation as it has not been finalized. Refer to the pro formas included in the notes to the financial statements.

Strike IT Services is an IT consultancy and recruitment company which has a number of corporate customers for whom it provides resources around SAP (SAP is the world's largest business software company) and the treasury operations. The company has offices which it leases in Weybridge, Surrey on a month to month tenancy. They currently employ 5 full-time employees.

During May 2008 the Company entered into a Letter of Intent with The SEPA Consultancy Limited, a private company incorporated and registered in England and Wales to purchase 100% of their outstanding common shares. SEPA will become a 100% wholly owned subsidiary of the Company. The terms are as follows: \$1,003,050 (£500,000) and the issuance of the Company's stock to a value equal to £500,000 (975,000 shares) immediately. The Company has satisfied the first payment of \$1,003,050 (£500,000) during May and June of 2008 as well as issued 975,000 common shares on May 28, 2008. The terms call for further payments as follows:

First anniversary: the sum of £500,000 in cash and the issue of common stock of the Company to a value equal to £500,000 based upon the market price of the Company at the date of payment and the £Sterling/£US dollar exchange rate prevailing at such time

Second anniversary: the sum of £500,000 in cash and the issue of common stock of the Company to a value equal to £500,000 based upon the market price of the Company at the date of payment and the £Sterling/£US dollar exchange rate prevailing at such time
Refer to the pro formas included in the notes to the financial statements.

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CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008

(unaudited)

6. SUBSIDIARIES (continued)

The SEPA Consultancy Ltd. is a specialist consultancy company to support the payments industry in realizing the Single Euro Payments Area and in complying with the related legislation The Payment Services Directive. The SEPA Consultancy has been founded by prominent figures in the Payments and Cash Management industry, and its services are targeted primarily at payment service providers, be they banks, non-bank financial companies, or clearing systems. The SEPA Consultancy combines in-depth industry expertise with proven programmed management techniques, the latter derived from successful approaches towards the adoption of the Euro in the first place. Our services are based on Best-Practice approaches for SEPA and PSD Programs as compiled by the company's experts. SEPA has leased offices in London, England. They currently employ 6 full-time employees and use outside consultants as required.

During November 2007 the Company entered into a Letter of Intent with Simplex Solutions Inc. to purchase its wholly owned subsidiary Simplex Consulting Limited (Simplex), a company incorporated in England and Wales. The Company intends to purchase 100% of their outstanding common shares in exchange for 5,000,000 shares of the Company issued from Treasury. Refer to the pro formas included in the notes to the financial statements.

Simplex is a UK-based consulting firm specializing in wholesale payments and post-trade processing technologies and services in the banking and securities markets. The Company is aiming to finalize the transaction this year, although no assurances can be made that such transaction will be finalized. Simplex is one of only three SWIFT Service Partners in the UK, Ireland and Nordic territories and runs a SWIFT Service Bureau providing outsourced connectivity to the SWIFT Network and other value-added services. Simplex's customer base includes a number of the world's leading financial institutions as well as asset managers, hedge funds and large corporations.

Simplex Consulting Ltd. is one of Europe's leading financial technology consultancies focusing on business change, systems implementation and STP within the Banking, Securities and corporate treasury marketplaces. Simplex was established in 1997 to provide a high quality systems implementation service focusing on the middleware and evolving STP and exception based processing requirements of financial institutions. Simplex is an accredited SWIFT Service Partner, and operates a SWIFT Service Bureau, offering an outsourced SWIFTNet connectivity service, and a range of value added outsourced applications.

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CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008

(unaudited)

7. CAPITAL STOCK

On May 28, 2008 the Company issued 975,000 common shares to the principals of The SEPA Consultancy Limited for the acquisition of their company.

On April 25, 2008 the Company issued 1,650,000 preferred shares to the Board of Directors and Officers of the Company as Compensation for services at a value of \$1,650. The Chairman of the Board received 1,200,000 preferred shares that if converted into common shares would result in holdings of 3,000,000 common shares or 12.4% of the current outstanding shares.

During May 2008 the Company issued 636,000 preferred shares to various individuals and companies for consulting services valued at \$159,000.

During the second quarter of 2008 the Company issued 639,525 units in a private placement for \$659,500. Each unit consists of one share of common stock, par value \$.001 per share, and one Common Stock Purchase Warrant. The Common Stock Purchase Warrants may be redeemed for one additional share of common stock at a price of \$1.50 per share, beginning two years from date of purchase. The warrants have been determined to have no value at the issuance date.

On March 12, 2008 the Company issued 450,000 common shares to the principals of Strike IT for the acquisition of their company.

During March 2008 the company issued 120,000 preferred shares for consulting services valued at \$30,000 which were subsequently converted into 300,000 common shares.

During the first quarter of 2008 the Company issued 1,900,008 units in a private placement for \$1,725,000. Each unit consists of one share of common stock, par value \$.001 per share, and one Common Stock Purchase Warrant. The Common Stock Purchase Warrants may be redeemed for one additional share of common stock at a price of \$1.50 per share, beginning two years from date of purchase. The warrants have been determined to have no value at the issuance date.

During 2007 the Company issued 4,516,500 common shares as full payment on a note payable.

During 2007 the Company issued 1,776,036 units in a private placement for \$1,246,250. Each unit consists of one share of common stock, par value \$.001 per share, and one Common Stock Purchase Warrant. The

Common Stock Purchase Warrants may be redeemed for one additional share of common stock at a price of \$1.50 per share, beginning two years from date of purchase. The warrants have been determined to have no value at the issuance date.

8. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

An officer controls a company that owns the property which the Company leases its office space from. The terms of the lease are \$6,500 per month and the lease is month to month with no deposit paid.

The Company has incurred promotional expenses of \$83,555 (2007-\$155,475) with an affiliate company.

The Company appointed a new board of director on June 9, 2008. This board member has been paid consulting fees, relocation expenses and living allowances of \$140,455.

Table of Contents**CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****June 30, 2008****(unaudited)****9. SUBSEQUENT EVENTS (continued)**

As Capital Markets Technologies, Inc. is anticipating the closing of the acquisition of Strike IT during 2008, the following unaudited proforma balance sheets are provided. The statement includes the following assumptions:

The goodwill arising from the purchase of Strike IT is assumed to not be impaired nor has it been amortized

The acquisition was finalized on January 1, 2008

	Capital Markets Technologies, Inc. Jun. 30, 2008	Strike IT Services Ltd. Jun. 30, 2008	Adjustments		Ref	Consolidated Jun. 30, 2007
			Debit	Credit		
ASSETS						
Prepaid Expenses	18,077					18,077
Accounts Receivable	15,356	1,546,875				1,562,231
Note Receivable - Simplex	129,887					129,887
Note Receivable - CMT Europe		69,671		69,671	1	
Office equipment-net of depreciation	17,732	25,553				43,285
Goodwill			407,617		2	407,617
Investment in SEPA	1,993,350					1,993,350
Investment in Strike IT	811,216			811,216	2	
TOTAL ASSETS	\$ 2,985,618	\$ 1,642,099				\$ 4,154,447
LIABILITIES & STOCKHOLDERS DEFICIENCY						
Bank Overdraft (Cash)	\$ (115,508)	\$ 502,567				387,059
Accounts Payable	615,062	735,933				1,350,995
Note Payable - Strike IT	69,671		69,671		2	
Minority Interest	(107,587)					(107,587)
Stockholders' equity & comprehensive Income (loss)	2,523,980	403,599	403,599		2	2,523,980

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\$	2,985,618	\$ 1,642,099	\$ 4,154,447
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	Debit	Credit
Adjustments explained:		
1. Eliminate intercompany balance		
Note Payable Strike IT	69,671	
Note Receivable Strike IT		69,671
2. Consolidation entry		
Goodwill calculated as follows:		
Total Cash and Common shares paid to Shareholders of Strike IT	\$ 811,216	
Net assets of Strike IT		403,599
Good will on Purchase	\$ 407,617	

Table of Contents**CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****June 30, 2008****(unaudited)****9. SUBSEQUENT EVENTS (continued)**

As Capital Markets Technologies, Inc. is anticipating the closing of the acquisition of The SEPA Consultancy Limited (SEPA) during 2008, the following unaudited proforma balance sheets are provided. The statement includes the following assumptions:

The goodwill arising from the purchase of SEPA is assumed to not be impaired nor has it been amortized

The acquisition was finalized on January 1, 2008

	Capital Markets Technologies, Inc. Jun. 30, 2008	The SEPA Consultancy Ltd. Jun. 30, 2008	Adjustments		Ref	Consolidated Jun. 30, 2007
			Debit	Credit		
ASSETS						
Prepaid Expenses	18,077					18,077
Accounts Receivable	15,356	305,061				320,417
Note Receivable - Simplex	129,887					129,887
Office equipment-net of depreciation	17,732	20,302				38,034
Goodwill			3,783,172		3	3,783,172
Investment in SEPA	1,993,350		995,300		1	
			995,300	3,983,950	2 & 3	
Investment in Strike IT	811,216					811,216
TOTAL ASSETS	\$ 2,985,618	\$ 325,363				\$ 5,100,803
LIABILITIES & STOCKHOLDERS DEFICIENCY						
Bank Overdraft (Cash)	\$ (115,508)	\$ (251,196)		995,300	2	628,596
Accounts Payable	615,062	375,781				990,843
Note Payable - Strike IT	69,671					69,671
Minority Interest	(107,587)					(107,587)
Stockholders' equity & comprehensive Income (loss)	2,523,980	200,778	200,778	995,300	1 & 3	3,519,280
	\$ 2,985,618	\$ 325,363				\$ 5,100,803

	Debit	Credit
Adjustments explained:		
1. Record issuance of shares for SEPA acquisition		
Investment in SEPA	995,300	
Share Capital		995,300
2. Record final cash payment to SEPA for acquisition		
Investment in SEPA	995,300	
Cash		995,300
3. Goodwill calculated as follows:		
Total Cash and Common shares paid to Shareholders of SEPA	\$ 3,983,950	
Net assets of SEPA	(200,778)	
Goodwill on Purchase	\$ 3,783,172	

Table of Contents**CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****June 30, 2008****(unaudited)****9. SUBSEQUENT EVENTS (continued)**

As Capital Markets Technologies, Inc. is anticipating the closing of the acquisition of Simplex Consulting Limited (Simplex) during 2008, the following unaudited proforma balance sheets are provided. The statement includes the following assumptions:

The goodwill arising from the purchase of Simplex is assumed to not be impaired nor has it been amortized

The acquisition was finalized on January 1, 2008

	Capital Markets Technologies, Inc. Jun. 30, 2008	Simplex Consulting Ltd. Jun. 30, 2008	Adjustments		Ref	Consolidated Jun. 30, 2007
			Debit	Credit		
ASSETS						
Cash	\$ 115,508	\$ 73,037				188,545
Prepaid Expenses	18,077					18,077
Accounts Receivable	15,356	2,166,336				2,181,692
Note Receivable - Simplex	129,887			129,887	1	
Office equipment-net of depreciation	17,732	39,850				57,582
Goodwill			6,409,655		3	6,409,655
Investment in SEPA	1,993,350					1,993,350
Investment in Simplex			5,000,000	5,000,000	2 & 3	
Investment in Strike IT	811,216					811,216
TOTAL ASSETS	\$ 3,101,126	\$ 2,279,223				\$ 11,660,117
LIABILITIES & STOCKHOLDERS DEFICIENCY						
Accounts Payable	615,062	3,558,992				4,174,053
Note Payable - Strike IT	69,671					69,671
Minority Interest	(107,587)					(107,587)
Stockholders' equity & comprehensive Income (loss)					2	
	2,523,980	(1,409,655)		5,000,000 1,409,655	3	7,523,980
	\$ 3,101,126	\$ 325,363				\$ 11,660,117

	Debit	Credit
Adjustments explained:		
1. Record issuance of shares for Simplex acquisition		
Investment in Simplex	5,000,000	
Share Capital		5,000,000
2. Goodwill calculated as follows:		
Total Common Shares issued	\$ 5,000,000	
Net deficit of Simplex	1,409,655	
Goodwill on Purchase	\$ 6,409,655	

Table of Contents**CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****June 30, 2008****(unaudited)****9. SUBSEQUENT EVENTS (continued)**

When completion of all 3 acquisitions close (Strike IT Limited, The SEPA Consultancy Limited and Simplex Consulting Limited) the following unaudited summarized pro-forma balance sheet is provided.

	Capital Markets Technologies, Inc. And Subsidiaries Jun. 30, 2008
ASSETS	
Prepaid Expenses	\$ 18,077
Accounts Receivable	4,033,628
Office equipment-net of depreciation	103,437
Goodwill	10,600,444
TOTAL ASSETS	\$ 14,755,586
LIABILITIES & STOCKHOLDERS DEFICIENCY	
Bank Overdraft	1,058,126
Accounts Payable	5,285,767
Minority Interest	(107,587)
Stockholders equity & comprehensive Income (loss)	8,519,280
	\$ 14,755,586

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

Management's Discussion and Analysis contains various forward looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, regarding future events or the future financial performance of the Company that involve risks and uncertainties. Certain statements included in this Form 10-Q, including, without limitation, statements related to anticipated cash flow sources and uses, and words including but not limited to anticipates, believes, plans, expects, future and similar statements or expressions, identify forward looking statements. Any forward-looking statements herein are subject to certain risks and uncertainties in the Company's business, including but not limited to, reliance on key customers and competition in its markets, market demand, product performance, technological developments, maintenance of relationships with key suppliers, difficulties of hiring or retaining key personnel and any changes in current accounting rules, all of which may be beyond the control of the Company. The Company adopted at management's discretion, the most conservative recognition of revenue based on the most stringent guidelines of the SEC in terms of recognition of software licenses and recurring revenue. Management will elect additional changes to revenue recognition to comply with the most conservative SEC recognition on a forward going accrual basis as the model is replicated with other similar markets (i.e. SBDC). The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth therein.

Forward-looking statements involve risks, uncertainties and other factors, which may cause our actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Factors and risks that could affect our results and achievements and cause them to materially differ from those contained in the forward-looking statements include those identified in the section titled Risk Factors in the Company's Annual Report on Form 10-KSB for the year ended December 31, 2007, as well as other factors that we are currently unable to identify or quantify, but that may exist in the future.

In addition, the foregoing factors may affect generally our business, results of operations and financial position. Forward-looking statements speak only as of the date the statement was made. We do not undertake and specifically decline any obligation to update any forward-looking statements.

OVERVIEW

Capital Markets Technologies, Inc. (formerly known as Fintech Group, Inc.; Gentech Pharma, Inc.; Netmaximizer.com, Inc.) (CMT) was incorporated in the State of Florida on June 29, 1995 under the name RLN Realty Associates, Inc. During 2002, we closed our business operations due to lack of funding.

NET REVENUES

We have had no revenues since 2002 when we closed our business operations.

PROFESSIONAL FEES

Professional fees were incurred for the purpose of preparation and audit of the Company's financial statements and legal fees from potential acquisitions of subsidiaries

ADMINISTRATION

During the quarter ended June 30, 2008 our administrative expenses were as a result of transfer agent fees, telephone, rent and costs associated with filing financial statements for SEC filing purposes.

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NET LOSS

Our net loss for the quarter ended June 30, 2008 was \$1,204,367 as a result of our extensive advertising and promotion which includes the company's travel costs associated with our potential acquisitions in the United Kingdom.

NET LOSS PER SHARE

Net loss per share was \$(0.05) basic and fully diluted was \$(0.04) for the six months ended June 30, 2008.

LIQUIDITY AND CAPITAL RESOURCES

During 2006, we changed our name to Fintech Group, Inc. and subsequently in February of 2007 to Capital Markets Technologies, Inc. to reflect our current focus. We are a financial technology solutions company providing innovative solutions to global financial institutions and major corporations. The company currently is operating in Chicago, and with its proposed acquisition of Simplex Consulting will operate out of London, England as well. We were founded initially to capitalize on the estimated US\$30 billion financial technology market opportunity which management believes exists within Europe between 2007-2010. Our management has an aggressive acquisitions strategy focusing on companies which are well positioned to take advantage of the paradigm shift occurring in the financial technology markets under the European Union regulatory directives: MiFID (Markets in Financial Instruments Directive) and SEPA (Single Euro Payments Area).

Other Considerations

There are numerous factors that affect the business and the results of its operations. Sources of these factors include general economic and business conditions, federal and state regulation of business activities, the level of demand for product services, the level and intensity of competition and the ability to develop new services based on new or evolving technology and the market's acceptance of those new services, the Company's ability to timely and effectively manage periodic product transitions, the services, customer and geographic sales mix of any particular period, and our ability to continue to improve our infrastructure including personnel and systems to keep pace with the Company's anticipated rapid growth.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We do not hold any derivative instruments and do not engage in any hedging activities.

Item 4. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures. Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this report were effective such that the information required to be disclosed by us in reports filed under the Securities Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding disclosure. A controls system cannot provide absolute assurance, however, that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, with a company have been detected.

Management's Report on Internal Control over Financial Reporting. Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Our internal control over financial reporting is a process designed to provide reasonable assurance⁴ regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving their control objectives. Furthermore, smaller reporting companies face additional limitations. Smaller reporting companies employ fewer individuals and find it difficult to properly segregate duties. Often, one or two individuals control every aspect of the Company's operation and are in a position to override any system of internal control. Additionally, smaller reporting companies tend to utilize general accounting software packages that lack a rigorous set of software controls.

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Our management, with the participation of the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's internal control over financial reporting as of June 30, 2008. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control - Integrated Framework. Based on this evaluation, our management, with the participation of the Chief Executive Officer and Chief Financial Officer, concluded that, as of June 30, 2008, our internal control over financial reporting was effective.

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(b) Changes in Internal Control over Financial Reporting. There was no change in our internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports, filed pursuant to the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules, regulations and related forms, and that such information is accumulated and communicated to our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

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PART II OTHER INFORMATION

Item 1. Legal Proceedings.

There are no material currently pending legal proceedings to which the Company is a party and, to the Company's knowledge, no proceedings are contemplated against the Company.

Item 1A. Risk Factors.

We have reviewed the risk factors previously disclosed in our Annual Report on Form 10-KSB for the year ended December 31, 2007, which was filed with the Securities and Exchange Commission on April 15, 2008 (the "Fiscal 2007 10-KSB"). We believe there are no changes that constitute material changes from the risk factors previously disclosed in the Fiscal 2007 10-KSB.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On May 28, 2008 the Company issued 975,000 common shares to the principals of The SEPA Consultancy Limited for the acquisition of their company.

On April 25, 2008 the Company issued 1,650,000 preferred shares to the Board of Directors and Officers of the Company as Compensation for services at a value of \$1,650. The Chairman of the Board received 1,200,000 preferred shares that if converted into common shares would result in holdings of 3,000,000 common shares or 12.4% of the current outstanding shares.

During May 2008 the Company issued 636,000 preferred shares to various individuals and companies for consulting services valued at \$159,000.

During the second quarter of 2008 the Company issued 639,525 units in a private placement for \$659,500. Each unit consists of one share of common stock, par value \$.001 per share, and one Common Stock Purchase Warrant. The Common Stock Purchase Warrants may be redeemed for one additional share of common stock at a price of \$1.50 per share, beginning two years from date of purchase. The warrants have been determined to have no value at the issuance date.

In March 2008 the Company issued 450,000 common shares to the principals of Strike IT for the acquisition of the Company.

In March 2008 the Company issued 120,000 preferred shares for consulting services valued at \$30,000 which were subsequently converted into 300,000 common shares.

During the first quarter of 2008 the Company issued 1,900,008 units in a private placement for \$1,725,000. Each unit consists of one share of common stock and one Common Stock Purchase Warrant. The Common Stock Purchase Warrants are detachable and may be redeemed for one additional share of common stock at a price of \$1.50 per share, beginning two years from date of purchase. No warrants have been exercised to date.

The offer and sale of such shares of our common stock were effected in reliance on the exemptions for sales of securities not involving a public offering, as set forth in Rule 506 promulgated under the Securities Act and in Section 4(2) of the Securities Act, based on the following: (a) the investors confirmed to us that they were accredited investors, as defined in Rule 501 of Regulation D promulgated under the Securities Act and had such background, education and experience in financial and business matters as to be able to evaluate the merits and risks of an investment in the securities; (b) there was no public offering or general solicitation with respect to the offering; (c) the investors were provided with certain disclosure materials and all other information requested with respect to our company; (d) the investors acknowledged that all securities being purchased were restricted securities for purposes of the Securities Act, and agreed to transfer such securities only in a transaction registered under the Securities Act or exempt from registration under the Securities Act; and (e) a legend was placed on the certificated representing each such security stating that it was restricted and could only be transferred if subsequent registered under the Securities Act or transferred in a transaction exempt from registration under the Securities Act.

Item 3. Defaults Upon Senior Securities.

There were no defaults upon senior securities during the period covered by this report.

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

There were no matters submitted to the vote of securities holders during the period ended June 30, 2008.

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Item 5. Other Information.

There is no information with respect to which information is not otherwise called for by this form.

Item 6. Exhibits.

Exhibit No.	Description
31.1	Certification of the Company's Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008.
31.2	Certification of the Company's Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008.
32.1	Certification of the Company's Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.
32.2	Certification of the Company's Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CAPITAL MARKETS TECHNOLOGIES, INC.

(Registrant)

August 19, 2008

By: /s/ Hagop J. Bouroudjian
Hagop J. Bouroudjian
CEO

August 19, 2008

/s/ Edward Arana
Edward Arana
Chief Financial Officer

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CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARIES

INDEX TO EXHIBITS

Exhibit	Description
31.1	Certification of the Chairman, and Chief Executive Officer pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
31.2	Certification of the President and Chief Accounting Officer pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
32.1	Certification of Chairman and Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of President and Chief Accounting Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.