

Utalk Communications Inc.  
Form 10KSB  
April 15, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

\_\_\_\_\_  
FORM 10-KSB  
\_\_\_\_\_

(Mark One)

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

For the fiscal year ended December 31, 2007

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 333-148266

Utalk Communications Inc.  
(Name of small business issuer in its charter)

Nevada  
(State or other jurisdiction of incorporation or organization)

98-0530295  
(I.R.S. Employer Identification No.)

Seaford Fifth Avenue Plaza  
800 5th Avenue, Suite 4100, Seattle, WA  
(Address of principal executive offices)

98104  
(Zip Code)

Issuer's telephone number (206) 224-4108

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Nil	Nil

Securities registered pursuant to Section 12(g) of the Act:

Common Shares, par value \$0.001  
(Title of class)

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 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.

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

State issuer's revenues for its most recent fiscal year. \$NIL

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

4,000,000 shares of common stock issued and outstanding as of April 14, 2008.

Transitional Small Business Disclosure Format (Check one): Yes  No

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

## PART I

### Item 1. Description of Business.

This annual report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may”, “will”, “should”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential” or the negative of these terms or other comparable terminology. These statements are only predictions and may involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled “Risk Factors”, that may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our financial statements are stated in United States dollars and are prepared in accordance with generally accepted accounting principles in the United States of America.

In this annual report, unless otherwise specified, all dollar amounts are expressed in United States dollars.

As used in this annual report, the terms “we”, “us”, “our”, and “Utalk” means Utalk Communications, Inc. unless otherwise indicated.

#### Business Development

We were incorporated in the State of Nevada on January 30, 2007 and have limited history.

The address of our principal executive office is Seaford Fifth Avenue Plaza, 800 5th Avenue, Suite 4100, Seattle, WA, 98104. Our telephone number is 206-224-4108.

#### Our Current Business

We were incorporated in the State of Nevada on January 30, 2007, and are a development stage company. From our inception to date, we have not generated any revenues, and our operations have been limited to organizational, start-up, and capital formation activities. We currently have no employees other than our sole officer, who is also our sole director.

We intend to engage in the development and marketing of call-back services using a call-back platform. Generally, our anticipated call-back service will enable a customer to call a designated telephone number and disconnect. The system will automatically identify the caller as a customer, call the user back and provide the customer with a dial-tone to place an outbound call. In doing so, our service will enable our customers to realize cost savings when there is a substantial differential between the cost of placing and receiving calls.

As an example of how our call-back services may be utilized, some cellular providers allow their customers to receive many minutes for free (some offer unlimited free incoming minutes) but allow only a limited number of outgoing minutes for free and charge a substantial amount for minutes exceeding the number of free minutes. If such customer

also subscribes to our service, they will be able to initiate a call from our system to their phone which will appear as an incoming call rather than an outbound one, potentially providing the customer with cost savings.

A sample call flow would occur as follows: A customer dials a telephone number that is owned by us which automatically forwards the call to our call-back switch. The customer hangs up after three rings. Our system does not answer the call (so that the customer is not charged for a call by their phone company) but rather detects the customer's phone number. The system automatically checks our customer database and identifies whether the phone number belongs to a customer. If the answer is no, then the system takes no action. If the caller is a customer and has sufficient funds on balance with us, our system will place a call to the customer (we intend that such call will be through a Voice over IP company) and prompts the customer to enter the number they would like to call. The customer enters the destination number and our system will send the call to the VoIP carrier's network. Our system will then track the duration and cost of the call and deduct the appropriate funds from the customer account. If the balance reaches zero, customers will receive a voice prompt notifying them that their funds are running low and the call will be terminated.

The callback system is a software program that resides on a computer server that is connected to the public Internet. It will be connected with a VoIP provider across the Internet (if our system is not located in the same facility as the VoIP service provider) or directly to their equipment (if we are located in the same facility). The VoIP company will provide us with phone numbers that customers can call to initiate a call back. They will also provide us with the ability to place calls in North America and internationally.

The callback system will also have a database of all of our customers and their particular information such as name, email, address, phone numbers, account balance and call history. The system will also have telephony software that is able to receive calls, initiate calls, play prompts (messages) and connect to outside parties during a call.

We have not yet developed our call-back system. As discussed below, our initial focus will be to engage in the development of our call-back system. This is described below in our "Products and Services" section. Management intends to outsource the development of this product offshore to reduce costs. However, the intellectual property rights over our software will be retained by the Company. We expect that this will be completed within approximately eight months following the termination of this offering, after which we intend to begin marketing our services. All our services will be based on a pre-paid model where a customer must pre-pay for services. We will be marketing our services primarily through a network of regional resellers and distributors in Canada. We also plan to hire a sales/support assistant in approximately eleven months from development of our service to help our executive officer provide support to our end-users and resellers.

#### Industry Background

There are instances when a phone call placed in one direction is considerably cheaper than a phone call placed in the opposite direction. For example, if a person in one region places a call to someone in a different region, the cost may be several times lower than if the call originated from the opposite location. This difference provides an opportunity to offer what is referred to as a call-back service. Call-back services have been used in the international long distance market to bypass expensive long distance charges in certain countries (such as the Philippines, Lebanon, United Arab Emirates, and numerous others). A more recent development is the use of call-back services in conjunction with cellular phone plans. This allows customers to take advantage of the proliferation of unlimited incoming cellular plans in certain countries, such as Canada, and use call-back systems to initiate free or low cost outgoing calls. We plan to focus on the provision of call-back services for cellular phones. We anticipate that our initial focus will be directed to the Canadian market.

#### Call-back services:

A call-back system enables a user to call in a number and hang up. The system will then call the person and provide him (or her) with a dial-tone to place a call.

Some cellular companies offer plans where the customer receives an unlimited or a large quantity of incoming minutes for free, while only is able to make a limited number of free outgoing minutes. After customers exhaust the free outgoing minutes, they are charged a high rate per minute, depending on the carrier and whether a call is placed locally or long distance in the USA and Canada. A call-back system allows the customer to initiate a call-back from our system. This makes it an incoming call for the customer and therefore, free.

#### The Market

##### Cellular market:

The cellular market is immensely large worldwide with 2.5 billion cellular connections as of September 2006 (GSM Association and Ovum – a market research company as quoted by IDG News Service on September 7, 2006). Cellular

connections do not represent the number of cellular users, since many subscribers have more than one cellular connection. In addition, these figures include prepaid accounts that may no longer be active. EtForecast, another market research company, provides similar figures at just over 2 billion subscribers in 2005 (<http://www.etforecasts.com/>). EtForecast figures refer to cellular subscribers rather than cellular connections.

It is impossible to verify the number of subscriptions to specific plans as cellular companies do not disclose this information and provide only total numbers of subscribers. "Unlimited" (or a very large number of) incoming minute plans are popular with plans being offered by nearly every major cellular service provider. We intend to pursue the Canadian cellular market through a series of regional distributors and resellers. We do not plan on allocating any resources at this point to penetrate the U.S. market and will instead focus exclusively on the Canadian market.

## Our Products and Services

We have reviewed available call-back solutions currently in the market in order to determine how best to develop, deploy and offer our services, and have narrowed our options to two solutions:

- The first is to purchase licenses for a commercial call-back package such as that offered by VoipSwitch ([www.VoipSwitch.com](http://www.VoipSwitch.com)).
- The second is to use an open source product such as Asterisk2billing ([www.asterisk2billing.org](http://www.asterisk2billing.org)). The software includes call-back functionality. However, it will require a significant level of customization (See below under Product Development) and does not include a multi-level reseller module.

We decided that the second option presents the best and most cost effect opportunity for the Company to develop our service for the following reasons:

- We will have license-free software to deploy on as many servers as we need, whereas choosing the first option will force us to buy software licenses for every server we deploy.
  - We have the ability to customize the second product and continuously introduce new products.
- Asterisk2billing runs over the Linux operating system while VoipSwitch runs over the Microsoft Windows operating system. Our management believes that Windows systems are more expensive and require more powerful, and therefore more expensive, servers as compare to the Linux operating system. As of April 4, 2007, a single CPU license for Microsoft Server 2003 (Datacenter Server Edition) costs \$2,999. Linux operating systems are free.

## What is Asterisk2Billing?

Asterisk2Billing is an open source project (available for download and use for free) with a web site at [www.asterisk2billing.org](http://www.asterisk2billing.org). Asterisk2billing is a fully featured calling card platform running on an Asterisk server (Asterisk is an open source free telephone software available at [www.asterisk.org](http://www.asterisk.org)) providing a complete solution for both prepaid (a customer must pre-pay for service which means that they must have a positive balance in their account to place a call) and post-paid (a customer typically pays for services at the end of the month) calling card services. Its main disadvantage is that it does not have a multiple reseller module.

We will be making substantial modifications and additions to the software to meet our needs as described in our Platform Development section below.

## Utalk's Call-Back Packages:

We anticipate that our pricing packages will be either flat-fee, usage-based, or a combination of the two:

- Flat-fee packages: A user is charged a flat monthly fee for the service. We anticipate offering several local and national packages.
  - Usage-based package: A user is charged by the minute based upon a specified rate.
- Hybrid Packages: Hybrid packages combine the above two options. A customer may have a local or national package which makes his calls to these areas free. However, he is charged by the minute based upon a specified rate for calls outside the free calling area of his plan.

All packages will be pre-paid, meaning that a customer must pre-pay for all of the services used on our web site. All payments will be converted received on our web site by Paypal (our payment processor) into US funds at the prevailing rate which will in turn be deposited in our US bank account.

Utalk's Call-Back Platform Development:

We must customize the Asterisk2billing software in order to meet our needs. Our software development will be primarily conducted by outside contractors supervised closely by our sole officer and director. The development of our product will commence as soon as the minimum funding has been secured. Our development tasks and the approximate durations of these tasks are described below:

- Selection of Software Development Contractor: Mr. Hleiss will lead the selection of one or more contractors in order to install and modify the software to fit our needs. Mr. Hleiss will develop a request for quotations that will be sent to several contractors. The selection will be based on price, experience and track record. We expect the selection process to take 1 month following the offering.
- Specifications and high-level design: We expect that we will complete specifications for the product and finish high-level design 2 months after the selection of a software contractor. This will include the development of specifications for new software elements (referred to as modules) to be developed and those to be modified. This will be an interactive process between our management and the software contractor.
- Development Infrastructure deployment: This will include the purchase of two servers. One server will be used for development while the other one is used for the deployment of the product. The installation of the operating system, Asterisk software and the Asterisk2 billing software is believed to take two weeks. This task will be performed by the software contractor.

Reseller Portals: We will be designing a reseller portal (a portal is a web site where resellers can track their sales, customers and balances) which does not currently exist in Asterisk2Billing. We will be supporting up to 3 levels of resellers. Our software will also support affiliates. Affiliates are those who simply refer customers to our service. These can be individuals, web sites or companies who do not want to directly sell the service.

Rather, affiliates simply refer customers to a reseller and the affiliate earns a commission from reseller. Resellers can build their own affiliate program and use our software to track sales and to compensate affiliates accordingly.

Administrative Portal: The system shall have an administrative portal. While there exists currently an administrative portal in Asterisk2billing, it does not have any tools to manage resellers. Therefore, we will modify the administrative portal in order add support for reseller administration. We expect that this task will take one month to complete.

Customer Portal or web page: We will be modifying the existing customer portal to make it more aesthetically appealing to our customers and to increase its utility and functionality. We will also enable the customer to add funds to their account from the customer portal using credit card or through Paypal. We have chosen Paypal (<http://www.paypal.com>) to act as our credit card merchant. Paypal is a financial company that accepts and clears all customer credit card payments on behalf of participating merchants, such as our Company.

There are no short or long term contracts or obligations associated with the use of PayPal. Each reseller wishing to accept credit card or Paypal payment must establish a Paypal merchant account. We expect that the customer portal will take 30 days to finish.

We intend to deploy a trial system in approximately eight months and will subsequently conduct a trial period lasting one month. We expect that it will take 1-2 months to remedy any issue arising out of this trial.

Utalk's Call-Back Platform Deployment:

The production system will consist of a high-end server. We will also have a lower end server to serve as a backup in case of failure in the primary server.

The system will be located in a data center. A data center is a facility used to house mission critical computer systems and associated components. The data center will include environmental controls (air conditioning, fire suppression, etc.), redundant/backup power supplies, redundant data communications connections and high security.

In order for our system to be able to place and receive calls, it is necessary to connect to phone service providers. We will avoid the larger carriers since they generally impose large monthly fees and minimum revenue commitments. There are many VoIP companies on the market that supply VoIP phone connectivity at a low cost with low commitment levels. Some also provide space, for a fee, in which to house our servers. This will allow us to directly connect to their equipment which will increase reliability and quality of the calls and reduce the Internet traffic cost. We have not entered into any agreements or contracts with any such VoIP companies.

Our selection of the VoIP company will depend on:

- Price
- Quality of both national and international connectivity
- Location of the data center where the VoIP company is located.

## Sales and distribution

We anticipate offering our services through distributors and resellers. We do not currently have any agreements or contracts with any distributors or resellers.

### Resellers

We expect to be able to support three levels of resellers. We refer to them as Levels I, II and III resellers.

Level I resellers are typically substantial organizations with strong distribution networks (for example a calling card company or a company involved in the resale of long distance services). Level I resellers can opt to have their own brand name (in which case, they may set their own prices) or sell under one of Utalk's brand names. They will have the ability to add, suspend and manage Level II and III resellers.

Level II resellers typically recruit and manage multiple Level III resellers. They will also have the ability to add, suspend and manage Level III resellers.

Level III resellers are the individuals, stores and web sites that sell directly to the end user. They have the ability to create end user accounts as well as add credit to them.

### Exclusive Regional Resellers

We may grant Level I resellers regional exclusivity. In such a case, we will set revenue targets for the reseller as a requirement to maintaining its exclusivity. This target will depend on the market size of the territory. If the reseller fails to meet the revenue target, we will retain the right to revoke the exclusivity. The exclusive reseller will be responsible for recruiting other resellers within the territory. The grant of exclusivity will be based on, in addition to other factors, the following:

- Strength of organization in the region.
- Track record in this industry
- Commitment to spend advertising dollars
- The size of the region and its market potential.

The territory of the exclusive reseller will depend on the size of the market and the sale volume produced by said reseller.

We believe our strategy of focusing on offering the Company's services through resellers rather than directly to the end user will allow us to capture a larger market share at a significantly lower cost. If this strategy ultimately proves to be successful, we will have ready access to the potentially large customer bases serviced by resellers.

The advantage for the reseller is immediate access to lucrative services without the need to invest in building and maintaining such systems as well as continuously updating their service offering. It will also enable them to focus on core competencies and up-selling services to their customer base.

### Revenue model

Our revenue will be earned from direct and wholesale sales. Direct sales will be revenue from brands that we own. These brands are marketed to the end users directly by Utalk or through a network of resellers. Wholesale sales are revenues earned by enabling other service providers to utilize the Company's call-back services.

Direct sales:

In this case, the Company will collect revenue from the end users through credit card payment using Paypal. When paying through Paypal, we will reserve a portion of the money for the resellers and affiliates and keep the rest. Our system will automatically calculate the revenue sharing between Utalk and the different levels of resellers. Any such revenue sharing arrangement will be determined based upon prevailing market conditions and will be re-evaluated on a regular basis.

Wholesale:

In this model, a Level I reseller will brand our solution under their name. They will wholesale services at a rate agreed upon with the Company, and then resell them at prices of their choosing. The wholesaler must pre-pay for services and their clients will not be able to place calls if the wholesaler balance with us is negative. The wholesaler is set as a reseller Level I in our system and will be able to have two levels of resellers working for them in addition to affiliates.

Marketing strategy

We plan on using "Cost per Click" ("CPC") web based advertising to gain traffic to our website. Under this program, we will design our own ads, target locations (ie. countries or regions) and keywords. A "keyword" is another term for "search term". When someone is searching for information on the internet, they will usually visit a search engine such as Yahoo or Google and type in some words describing what they are looking for. The search engine then returns results based upon the words submitted. Search engines such as Google have their own CPC advertising programs. We will be focusing on Google (Adwords) for primary campaigns. Google is the most popular search engine and we believe it will provide us with the greatest potential amount of traffic exposure.

With CPC advertising, we only pay for actual clicks on the ad, which will then be directed through to our website. CPC-based advertising allows businesses to pay only for the leads they receive. According to [www.businessnation.com](http://www.businessnation.com), over 80% of people start their search through a search engine when they need to find specific information online. In addition, [businessnation.com](http://businessnation.com) reports that consumers are 5 times more likely to purchase from search listings, 7 times more likely to view search listings and 20 times more likely to click on search listings, when compared to banner.

We believe this is the most cost effective and targeted audience advertising we can obtain with our limited resources. This method will enable us to control our advertising costs with respect to our target market through control over the search terms, titles and description for each listing. Furthermore, we can control the amount to pay for each listing and the maximum amount we wish to spend on a daily basis. It also allows us to pause or alter the advertising. The keywords will focus on search results, which we believe will be most related to our product.

We also plan on selling our product through an Affiliate Marketing Program ("APM"). An APM is a form of profit sharing program that is widely accepted and utilized in internet commerce. We will implement our website based APM program, which will effectively track and account for affiliate activity. Under the APM, we pay other website owners commission for referring customers who make a purchase. Participating website owners provide links, such as banners, to our products on their own websites. We are planning to payout commissions of 10-20% of the product purchase price as an incentive to sell our products for each referred customer who uses our services.

Our APM management tools will also be available to our resellers who may choose to develop their own APM program. Our advertising will be largely targeted to recruiting resellers and service providers to adopt and resell our service.

In addition to Google advertising, we intend to advertise on websites such as Linkshare.com, Commissiongroup.com, Affiliateprograms.com, and in periodicals such as Revenue Today magazine (www.revenuetoday.com) - all of which are targeted to affiliate marketing prospects and products. Affiliates will signup directly on our website, or through one of the affiliate marketing sites listed above. We believe the benefits of affiliate marketing far outweigh the commission costs, given our current position as a startup with no revenue. Affiliate marketers provide increased exposure to our product, incur the cost of generating traffic and save us the cost of hiring a sales and marketing force, until we have the resources to do so.

7

---

Our business model anticipates the creation of a network of established multi-level reseller partners in our target market areas to reach our potential end users. We believe we offer reseller partners certain advantages, including:

- Fast Time to Market - By taking advantage of our existing infrastructure and software solution, a distributor's service can be up and running within days.
- Operational Freedom - By outsourcing application management to us, resellers can focus on critical resources, revenue generation and business development functions.
- Customization - Our resellers are able to customize our solution to suit the needs of their end user client base.
  - 24/7 Access - Resellers or end users have access to applications via the Internet on a 24/7 basis.
  - Private Label Solution - Our branded solutions offer distributors and agents the ability to build their own branded services in their territory. Our services are designed to be privately labeled and can be customized to meet the reseller's "look and feel" in addition to business processes.

#### Branding:

Utalk expects to introduce multiple service brands into the market with different price points. While this may dilute the value of the Utalk brand, it is a common practice by calling-cards companies. It may be necessary to create a specific brand for a marketing agency who wants to be exclusively marketing this brand.

#### Intellectual Property

We do not have any patents or patent-pending applications. We currently have no plans to seek patent protection, although we do not exclude that this may become a possibility in the future. We will maintain ownership of the software developed and do not intend to release the source code to anyone. Resellers will have rights to use the software to sell our services but will not own the software or have any ownership rights to it. They will also not be allowed to modify the software in any fashion.

#### Competition

While there are many companies that focus on the international market for call-back services, we intend to focus solely on the delivery of call-back services in Canada. We are aware of only three companies that are focused on cellular phone subscribers in Canada. Notwithstanding, other such companies may in fact exist and it is very likely that they do. One company which we are aware of is Globalive Communications Corp. (<http://www.globalive.com>), a private company based in Toronto, Canada and offer services through Yak Communications (Canada) Corp. (<http://www.yak.com/>). Its call-back product is named YakCallback. However, they charge by the minute and do not offer flat fee monthly rates. Another such company is IMC Telecom (<http://www.imctelecom.com/>) which offers service in cities in Canada such as Montreal, Ottawa, Toronto, Calgary and Vancouver. The third company, a private company based in Vancouver, Canada, is Packetera Communications Inc. which is in the beta stage of their call-back service. Packetera advertises its service under the "itokk" brand name (<http://www.itokk.com/>).

We believe that we have the following competitive advantages:

- We expect to enable other service providers to deliver the same service over our platform but with that service provider's own branding
-

We will be one of the first companies to focus on the Canadian cellular market We are currently aware of two competitors on the market. The first is Yak.com and they charge over 3.5 cents per minute. We expect to match this rate for usage based plans but will also offer flat monthly plans (\$10 for local calling, \$15 for national calling and \$20 for free calling in Canada and USA). The other competitor, Evoiphone charges \$10 for unlimited calling, but limits its service to a few markets.

- We will have reduced operational costs since we anticipate that such costs can be spread over multiple resellers and other service providers.
- Our resellers and service providers will be able to focus on marketing and sales, without the need to expend resources on support and operational issues.

## Government Regulation

The telecommunications sector in Canada is regulated by the Canadian Radio-television and Telecommunications Commission (CRTC). However, we are not aware of any ruling, prohibition, or restriction on the use of callback services in Canada.

## Privacy Regulations

Since we will be collecting confidential information about our customers including personal information (name, address, and telephone numbers), payment information (credit card, bank details, etc.) and phone calling history, we will be enacting measures to ensure the privacy of the customer data. Such measures will include strong encryption of the data and strong access control to the data where only authorized persons are able to do so. We do not intend to share our customer data with anyone except if mandated by a government regulation (e.g., Patriot Act).

As of 2006, Canadian business and private sector organizations are subject to federal or provincial privacy protection legislation governing both customer and, with some exceptions, employee information.

Effective as of January 1, 2001, the Canadian federal government enacted the Personal Information Protection and Electronic Documents Act (PIPEDA). PIPEDA applies to federally-regulated private sector organizations (i.e., organizations in the transportation, communications, broadcasting, federal banking and offshore sectors, as well as in Canada's three territories), and to other private sector organizations in provinces that have not enacted "substantially similar" legislation. It applies to personal information and health information that is collected, used or disclosed in the course of commercial activity that takes place across the Canadian border, between provinces, and within a Canadian province that has not enacted "substantially similar" legislation.

To date, Alberta and British Columbia have joined Québec in enacting their own private sector privacy legislation. Each of the Québec, British Columbia and Alberta statutes has been recognized as "substantially similar" by the Canadian federal government. (<http://www.osler.com/resources.aspx?id=8686>).

## Employees

We have no employees other than our sole officer and director, Mazen Hleiss. As such, Mr. Hleiss has been responsible for all business planning, and operational duties, and will continue to perform these duties throughout the early stages of our growth. During this time, Mr. Hleiss will supervise the development and deployment of our software. However, much of the software development will be outsourced to a private contractor. Mazen will spend a minimum of 20 hours per week on the business of the Company.

We anticipate that within the next eleventh months after the development of our product, we will need to hire a sales and support assistant who will be responsible for answering customer and reseller inquiries and providing basic support.

## Research and Development

We did not spend any specific funds on research and development activities during the year ended September 30, 2007, other than expenses that were generally incurred in the development of our business.

## RISK FACTORS

Much of the information included in this quarterly report includes or is based upon estimates, projections or other "forward-looking statements." Such forward-looking statements include any projections or estimates made by us and our

management in connection with our business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. We undertake no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other “forward-looking statements” involve various risks and uncertainties as outlined below. We caution readers of this quarterly report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other “forward-looking statements”. In evaluating us, our business and any investment in our business, readers should carefully consider the following factors.

## Risks Associated With Our Business

We are a development stage company and may never be able to effectuate our business plan or achieve any revenues or profitability; at this stage of our business, even with our good faith efforts, potential investors have a high probability of losing their entire investment.

We were established on January 30, 2007 and have no operating history. We are in the development stage and are subject to all of the risks inherent in the establishment of a new business enterprise. We have had no revenue to date. Our operations to date have been focused on organizational, start-up, preliminary market research, and fund raising activities. As a development stage company, the Company is a highly speculative venture involving significant financial risk. It is uncertain as to when we will become profitable, if ever.

There is nothing at this time on which to base an assumption that our business operations will prove to be successful or that we will ever be able to operate profitably. We may not be able to successfully effectuate our business plan. There can be no assurance that we will ever achieve any revenues or profitability. The revenue and income potential of our proposed business and operations is unproven as the lack of operating history makes it difficult to evaluate the future prospects of our business. Accordingly, our prospects must be considered in light of the risks, expenses and difficulties frequently encountered in establishing a new business.

We expect losses in the future and as a result, we may not be able to continue operations. Unless we are able to generate revenues and make a profit, our stockholders may lose their entire investment in us.

We expect to incur losses over the next twelve months because we do not yet have any revenues to offset the expenses associated with the development and the marketing of our of our call-back service. We cannot guarantee that we will ever be successful in generating revenues in the future. We recognize that if we are unable to generate revenues, we will not be able to earn profits or continue operations and as a result our stockholders may lose their entire investment in us. There is no history upon which to base any assumption as to the likelihood that we will prove successful, and we can provide investors with no assurance that we will generate any operating revenues or ever achieve profitable operations.

If our business strategy is not successful, we may not be able to continue operations as a going concern and our stockholders may lose their entire investment in us.

As discussed in the Notes to Financial Statements included in this registration statement, we incurred a net loss of \$10,988 for the period January 30, 2007 (inception) to September 30, 2007. This factor raises substantial doubt that we will be able to continue operations as a going concern, and our independent auditors included an explanatory paragraph regarding this uncertainty in their report on our financial statements for this period. Our ability to continue as a going concern is dependent upon our generating cash flow sufficient to fund operations and reduce operating expenses. If we cannot continue as a going concern, our stockholders may lose their entire investment in us.

We will not be able to generate revenue unless and until we successfully develop our call-back system.

The Company expects to incur operating losses over the next twelve months because we have no plan to generate revenue unless and until we are successful in developing our call-back system. We anticipate relying upon third parties to develop such call-back system. We cannot guarantee that we will ever be successful in developing the call-back system or in generating revenues in the future. We recognize that if we are unable to generate revenues, we will not be able to earn profits or continue operations. We can provide investors with no assurance that we will generate any operating revenues or ever achieve profitable operations.

We are heavily dependent upon Mr. Mazen Hleiss, our sole officer and director. The loss of Mr. Hleiss, or the inability to contract with qualified third parties, whose knowledge, leadership and technical expertise upon which we rely, would harm our ability to execute our business plan.

We are dependent on the continued contributions of Mazen Hleiss, our sole officer, whose knowledge, leadership and experience would be difficult to replace. We do not maintain any key person insurance on our officer. If we were to lose his services, our ability to execute our business plan would be harmed, and we may be forced to cease operations until such time as we can hire suitable replacements. As we anticipate relying upon third-parties to develop our call-back system, if we are unable to contract with such qualified third-parties we will not be able to develop our system. As such, we will not be able to generate revenues or continue operations.

Since our sole officer and director works for other companies, his other activities could slow down our operations and we may not be able to successfully effectuate our business plan.

Mazen Hleiss, our sole officer does not work exclusively for us and does not devote all of his time to our operations. Therefore, it is possible that a conflict of interest with regard to his time may arise based upon his employment with other companies. His other activities may prevent him from devoting his full-time to our operations which could slow our operations and consequently may reduce our financial results. It is expected that Mr. Hleiss will only be available to the Company on a part-time basis and may devote approximately twenty hours per week to our operations on an ongoing basis. Mr. Hleiss has other part-time employment obligations which do not preclude him from devoting up to 20 hours per week to Company business. If our sole officer and director does not devote sufficient time towards our business, we may never be able to effectuate our business plan.

We expect to rely heavily on resellers and distributors of our call-back system in order to generate revenues. If we fail to contract with resellers and distributors, we may not be able to generate sufficient revenues to continue operations. As a result, our stockholders may lose their entire investment in us.

Our Company expects to rely heavily on a network of resellers and distributors of our call-back system and services as a primary source of revenues. We have no contracts or agreements with any resellers or distributors to resell our call-back services. We cannot provide any assurances that we will be able to successfully contract with any such resellers and distributors. If we fail to do so, we may not be able to generate sufficient revenues to continue operations. Accordingly, our stockholders may lose their entire investment in us.

If we are unable to obtain additional funding in the future, our business operations will be harmed. Even if we do obtain additional financing, our then existing shareholders may suffer substantial dilution.

We expect that the net proceeds of the offering to which this prospectus relates, even if only the minimum number of shares are sold, will be sufficient to fund the operating expenses associated with the development of our call-back system and our proposed marketing and distribution program for the next twelve months. If our expenses over the next twelve months exceed our budgeted expenses, we may need to raise additional funds to pay for such additional expenses. Such additional funds may come from the sale of equity and/or debt securities and/or loans. It is possible that additional capital will be required to effectively support our operations and to otherwise implement the Company's overall business strategy. The inability to raise the required capital will restrict our ability to grow and may reduce our ability to continue to conduct business operations. If we are unable to obtain necessary financing, we will likely be required to curtail our development plans which could cause the Company to become dormant. We currently do not have any arrangements or agreements to raise additional capital. Any additional equity financing may involve substantial dilution to our then existing shareholders.

We may not be able to compete with current and potential competitors, some of whom have greater resources and experience than we do.

The call-back services market in which we operate is subject to rapid technological changes. We may not have the resources to compete with our existing competitors or with any new competitors. Our competitors have significantly greater personnel, financial, managerial, and technical resources than we do. This competition from other companies with greater resources and reputations may result in our failure to maintain or expand our business as we may never be able to develop customers for our products and services.

Our lack of business diversification could have a negative impact on our financial performance if we do not generate revenue from our products or such revenues decrease.

We expect that our business will consist solely of the development of a call-back system and sale of call-back services. We currently have no other planned lines of business or other sources of revenue. Our lack of business diversification could cause us to be unable to generate revenues since we do not have any other lines of business or alternative revenue sources other than the sale of our all-back platform and service.

If we fail to develop and maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud; as a result, current and potential shareholders could lose confidence in our financial reports, which could harm our business and the trading price of our common stock.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. Section 404 of the Sarbanes-Oxley Act of 2002 requires us to evaluate and report on our internal controls over financial reporting and have our independent registered public accounting firm annually attest to our evaluation, as well as issue their own opinion on our internal controls over financial reporting, beginning with our Annual Report on

Form 10-KSB for the fiscal year ended December 31, 2008. We plan to prepare for compliance with Section 404 by strengthening, assessing and testing our system of internal controls to provide the basis for our report. The process of strengthening our internal controls and complying with Section 404 is expensive and time consuming, and requires significant management attention. We cannot be certain that the measures we will undertake will ensure that we will maintain adequate controls over our financial processes and reporting in the future. Furthermore, if we are able to rapidly grow our business, the internal controls that we will need will become more complex, and significantly more resources will be required to ensure our internal controls remain effective. Failure to implement required controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations. If we or our auditors discover a material weakness in our internal controls, the di