Skkynet Cloud Systems, Inc.
Form S-1/A
September 14, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 4

to

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

SKKYNET CLOUD SYSTEMS, INC.

(Exact Name of Small Business Issuer in its Charter)

NEVADA	**7372**	**45-3757848**
(State of Incorporation)	(Primary Standard Classification Code)	(IRS Employer ID No.)

20 Bay Street – Suite 1100

Toronto, Ontario

Canada M5J 2N8

(855) 755-9638

(Address and Telephone Number of Registrant's Principal

Executive Offices and Principal Place of Business)

Resident Agency National, Incorporated

377 S. Nevada Street

Carson City, Nevada 89703-4290

(Name, Address and Telephone Number of Agent for Service)

Copies of communications to:

Fox Law Offices, P.A.

561 NE Zebrina Senda

Jensen Beach, Florida

(772) 225-6435

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. S

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the following box and list the Securities Act registration Statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer,” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer o
Non-accelerated filer o (do not check if a smaller reporting company)	Smaller reporting company x

CALCULATION OF REGISTRATION FEE

Title of Each Class Of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Aggregate Offering Price per share (2)	Proposed Maximum Aggregate Offering Price	Amount of Registration fee
Common Stock, par value $.001 (3)	9,334,000	$ 0.10	$933,400.00	$ 106.97

(1) In the event of a stock split, stock dividend, or similar transaction involving the common stock, the number of shares registered shall automatically be increased to cover the additional shares of common stock issuable pursuant to Rule 416 under the Securities Act. The amount of shares to be registered represents the Company’s good faith estimate of the number of shares to be offered by certain selling security holders of the Company’s common stock.

(2) The offering price has been estimated solely for the purpose of computing the amount of the registration fee in accordance with Rule 457(o). Our common stock is not currently trading on any national exchange. Therefore, in accordance with Rule 457, the offering price of $0.10 was determined by the price shares of common stock that we sold in a Regulation S offering that closed in March 2012. The price of $0.10 is a fixed price at which the selling security holders may sell their shares until our common stock is quoted on the OTC Bulletin Board at which time the shares may be sold at prevailing market prices or privately negotiated prices.

(3) Represents shares of common stock currently outstanding to be sold by the selling security holders.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said section 8(a), may determine.

The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities by the selling security holder, and no offer to buy these securities is being solicited in any state by the selling security holder where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS SUBJECT TO COMPLETION, DATED SEPTEMBER --, 2012

SKKYNET CLOUD SYSTEMS, INC.

9,334,000 shares of Common Stock

This prospectus covers the offer and sale of up to 9,334,000 shares of our common stock from time to time by the selling security holders named in this prospectus. The shares of common stock covered by this prospectus are shares that are held, beneficially and of record, by the selling security holders. We are not offering any shares of common stock. The selling security holders will receive all of the net proceeds from sales of the common stock covered by this prospectus.

Our common stock is presently not traded on any national market or securities exchange or in the over-the-counter market. The sales price to the public of the shares of our common stock offered by the selling security holders under this prospectus is fixed at $0.10 per share until such time as our common stock is quoted on the Over-The-Counter (OTC) Bulletin Board. Although we intend to request a registered broker-dealer to apply to the Financial Industry Regulatory Authority to have our common stock eligible for quotation on the OTC Bulletin Board, public trading of our common stock may never occur or, even if it occurs, trading may not be sustained. If our common stock is quoted on the OTC Bulletin Board, then the sale price to the public will vary according to prevailing market prices or privately negotiated prices by the selling security holders. To the best of our knowledge, none of the selling security holders are broker-dealers, underwriters or affiliates thereof.

We are an emerging growth company (sometimes referred to hereinafter as an “EGC”) under the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). See “BUSINESS - Our Status as an Emerging Growth Company.”

As of September 10 , 2012, we had 49,334,000 shares of common stock issued and outstanding.

INVESTING IN OUR SECURITIES IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK AND SHOULD BE CONSIDERED ONLY BY PERSONS WHO CAN AFFORD THE LOSS OF THEIR ENTIRE

INVESTMENT. PLEASE REFER TO “RISK FACTORS” BEGINNING ON PAGE 4.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Our offices are located at 20 Bay Street — Suite 1100, Toronto, Ontario, Canada M5J 2N8. Our telephone number is (855) 755-9638. Our web site, to be created, will be www.skkynet.com.

We have not authorized anyone, and the selling security holders have not authorized anyone, to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. We and the selling security holders take no responsibility for, and can provide no assurance as to the reliability of, any information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

TABLE OF CONTENTS

About This Prospectus

In this prospectus, unless the context otherwise requires, we refer to (i) Skkynet Cloud Systems, Inc. as "Skkynet," "we," "us," "our" or the "Company" and (ii) to Cogent Real-Time Systems, Inc. as "Cogent" or our "subsidiary." We also use a varie of acronyms that are related to the industry in which we operate that are defined in the prospectus as they are introduced for the first time.

You should rely only on the information contained in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. For further information, please see the section of this prospectus entitled "Where You Can Find More Information." The selling security holders are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should not assume that the information appearing in this prospectus is accurate as of any date other than the date on the front cover of this prospectus, regardless of the time of delivery of this prospectus or any sale of a security. Our business, financial condition, results of operations and prospects may have changed since those dates.

ii

PROSPECTUS SUMMARY

This summary highlights important features of this offering and the information included in this prospectus. This summary does not contain all of the information that you should consider before investing in our securities. You should read this prospectus carefully as it contains important information you should consider when making your investment decision. See “Risk Factors.”

Skkynet Cloud Systems, Inc.

We are a newly formed company focused on (i) the application of certain data acquisition and data control processes we currently exploit and deploy primarily in coordinating and supervising manufacturing and financial services programs used in a network to the Cloud, (ii) the continued growth and development of our existing business defined as focusing on providing connectivity and data acquisition to a wide variety of industrial and office hardware and software products, and then making that data available over a network using industry-standard protocols, and (iii) the subsequent development, financing, marketing, licensing, and operation of both lines of business.

All our existing business is conducted through our wholly-owned subsidiary Cogent Real-Time Systems, Inc. (“Cogent”), a corporation formed under the laws of the Province of Ontario. We acquired 100% ownership of Cogent through an exchange of restricted shares of our common stock for all of the issued and outstanding shares of Cogent in March, 2012. See “Business-Acquisition of Cogent.”

Ownership of Skkynet

We currently have 49,334,000 shares of our common stock issued and outstanding. Thirty million (30,000,000) shares of our common stock, representing sixty percent (60.80%) of all of our issued and outstanding shares, are owned respectively, by Sakura Software Inc. (21,702,000 shares representing 43.98% of the shares of common stock) and Benford Consultancy Inc. (8,298,000 shares representing 16.82% of the shares of common stock). Mr. Andrew S. Thomas, President of Cogent, our operating subsidiary, owns all of the issued and outstanding shares of Sakura Software, and Mr. Paul Benford, Business Manager of Cogent, owns all of the issued and outstanding shares of Benford Consultancy. Messrs. Thomas and Benford also serve respectively, as our CEO and Chairman of our Board of Directors, and the Chief Operating Officer and a member of our board of directors. There is no voting agreement or any other understanding in place between Messrs. Thomas and Benford with respect to the voting of their shares of the Company.

In addition, Sakura Software and Benford Consultancy are the holders of 5000 shares of the Company's Series A Preferred stock under which (i) they are entitled to elect a majority of our Board of Directors until December 31, 2016 and (ii) they vote together with the holders of shares of common stock on all matters presented to the stockholders at the rate of 100 votes for each share of Series A Preferred. See "Risk Factors" and "Security Ownership of Certain Beneficial Owners and Management."

Acquisition of Cogent

In March 2012, we completed the acquisition of all of the issued and outstanding shares of common stock of Cogent from Sakura Software Inc. and Benford Consultancy Inc. in exchange for a total of thirty million (30,000,000) restricted shares of our common stock, as a result of which Cogent became our wholly-owned subsidiary. As part of the exchange transaction we also issued 5,000 Series A Preferred shares to Sakura Software and Benford Consultancy having the characteristics described above under "Ownership of Skkynet." Prior to the acquisition, we did not have any revenues from our own operations. At the acquisition closing, Cogent's business consisted primarily of providing connectivity and data acquisition to a wide variety of industrial and office hardware and software products, and then making that data available over a network using industry-standard protocols. Cogent currently markets its products and services primarily to manufacturers in industrial processes and financial services companies. Cogent had approximately $720,000 in annual revenues from its operations for its fiscal year ended October 31, 2011.

Company Business

Our current and anticipated lines of business are and will be conducted through our subsidiary Cogent. Cogent will continue to operate and expand its on-going business as our subsidiary. In addition, Cogent will create a series of potential new uses for its current products by marrying these products to the area of "Cloud" computing. Among the various opportunities presented by the deployment and expansion of our existing products and services are the following prospective lines of business: Embedded Products**,** Fleet Tracking**,** Energy Usage Monitoring and Control including applications to Wind power, Solar power, Agriculture and Original Equipment Manufacturer ("OEM") Software. The exploitation of these opportunities will depend upon a variety of factors including importantly obtaining funding for each opportunity, availability of marketing and contract relationships, and creation and growth of markets in these sectors. See "Risk Factors" and "BUSINESS."

Financing of Ongoing and New Business Financing

We intend to fund our ongoing and immediate future activities from current revenues; however, in its report dated March 30, 2012, our independent registered public accounting firm issued a "going concern" qualification as a result of our cash flow constraints, an accumulated deficit of $196,612 and a loss from operations at October 31, 2011. Consequently, we will require funds from other sources in order to expand our existing business and to launch opportunities to exploit the software in the prospective lines of business we have identified. To the extent we do not have funds for one or more of these business applications, we will not be able to develop that market sector until funds become available. We intend to finance our business through a combination of use of revenues from ongoing operations of our subsidiary, periodic private sales of our common stock and institutional funding. There can be no assurance we will be successful in raising the funds required in the amounts and at the times needed, or that conditions imposed in connection with any funding may not be restrictive.

Business Revenues and Net Losses

We had total revenues of approximately $720,000 from the on-going operations of Cogent for the fiscal year ended October 31, 2011 and net losses of $411,155, and revenues for the nine months ended July 31, , 2012 of $ 569,772 and a net loss of $12,798 . See "BUSINESS."

Principal Executive Offices

Our principal executive offices are located at 20 Bay Street –Suite 1100, Toronto, Ontario Canada M5J 2N8. Our telephone number is (855) 755-9638. Our web site, to be created, will be www.skkynet.com however, it is not accessible yet. When our web site is created, the information that will appear on our website is not incorporated by reference into this prospectus and should not be relied upon with respect to this offering. We also maintain an existing web site for Cogent, www.cogentdatahub.com and the information on that web site is not incorporated in this prospectus and should not be relied upon with respect to this offering.

The Offering

Shares of common stock being registered	9,334,000 shares of our common stock offered by selling security holders
Total shares of common stock outstanding as of the date of this prospectus	49,334,000

Total proceeds raised by us from the disposition of the common stock by the selling security holders or their transferees	We will not receive any proceeds from the sale of shares by the selling security holders

Risk Factors

SUMMARY FINANCIAL DATA

Summary Financial Information

The following financial information summarizes the more complete historical financial information included elsewhere in this prospectus.

	As of October 31, 2011(Audited)		
Balance Sheet			
Total Assets	$	249,105	
Total Liabilities	$	445,717	
Stockholders' Deficit	$	(196,612	)
		Period from November 1, 2010 to October 31, 2011 (Audited)	
Income Statement			
Revenue	$	718,840	
Total Expenses	$	1,129,995	
Net Loss	$	(411,155	)

2

The assets of the Company consist of $136,296 in cash, accounts receivable of $105,882 and other assets of $862. Revenues were $718,840 with cost of goods of $3,053 leaving a gross margin of $715,787. Depreciation was $1,814 with general and administrative costs of $1,096,928. Other income and expense totaled $28,200 consisting of other income of $1,105 and bad debt reserve of $29,305. Net loss for the year ended October 31, 2011 was $411,155.

The following includes the financial information for the period from November 1, 2010 through the nine months ending July 31 , 2012 (unaudited)

	As of July 31 , 2012 (Unaudited)
Balance Sheet	
Total Assets	$229,798
Total Liabilities	$439,075
Stockholders' Deficit	$(209,277)
	Period from November 1, 2010 **to July 31 , 2012 (Unaudited)**
Income Statement	
Revenue	$1.288,612
Total Expenses	$1,712,565
Net Loss	$(423,953)

As of July 31 , 2012 the assets of the Company consists of $ 178,412 in cash, accounts receivable of $ 46,701 fixed and other assets of $ 4,685 . Revenues were $1, 288,612 with cost of goods of $6, 857 leaving a gross margin of $1, 242,256 . Depreciation was $ 3,151 with general and administrative costs of $1, 699,333 . E xpense totaled $ 3,224 consisting of interest of $3,224 . Net loss for the period of November 1, 2010 to July 31 , 2012 was $ 423,953 .

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Various statements in this prospectus, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, are forward-looking statements. The forward-looking statements may include projections and estimates concerning the timing and success of our business activities, our revenues, income and capital spending. We generally identify forward-looking statements with the words "believe," "intend," "expect," "seek," "may "should," "anticipate," "could," "estimate," "plan," "predict," "project" or their negatives, and other similar expressions. All statements we make relating to our estimated timelines and commencement of operations, and our projected earnings, costs, expenditures, cash flows, and financial results or to our expectations regarding future industry trends are forward-looking statements.

These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. The forward-looking statements contained in this prospectus are largely based on our expectations, which reflect estimates and assumptions made by our management.

These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors. Although we believe such estimates and assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors and it is impossible for us to anticipate all factors that could affect our actual results. In addition, management's assumptions about future events may prove to be inaccurate. We caution all readers that the forward-looking statements contained in this prospectus are not guarantees of future performance, and we cannot assure any reader that such statements will prove correct or the forward-looking events and circumstances will occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to the numerous risks and uncertainties as described under “Risk Factors” and elsewhere in this prospectus.

All forward-looking statements are based upon information available to us on the date of this prospectus. We undertake no obligation to update or revise any forward-looking statements as a result of new information, future events or otherwise, except as otherwise required by law. These cautionary statements qualify all forward-looking statements attributable to us, or persons acting on our behalf. The risks, contingencies and uncertainties associated with our forward-looking statements relate to, among other matters, the following:

- our ability to attract new clients to enter into subscriptions or one time installations for our products and services;
- our ability to service those clients effectively and induce them to renew their subscriptions to our products and services;
- our ability to expand our sales organization to address effectively the new industries, geographies and types of organizations we intend to target;
- our ability to accurately forecast revenue and appropriately plan our expenses;
- continued market acceptance of our products and services, including alternate ways of addressing needs for coordination and control of manufacturing and financial services processes through modified or new technologies we create;
- continued acceptance of our products and services as an effective method for delivering manufacturing and financial services management solutions and other manufacturing and financial services management applications;
- the attraction and retention of qualified employees and key personnel;
- our ability to protect and defend our intellectual property;
- costs associated with defending intellectual property infringement and other claims;
- events in the markets for our products and applications and alternatives to our products and applications, in the United States and global markets generally;
- future regulatory, judicial and legislative changes in our industry;
- changes in the competitive environment in our industry and the markets in which we operate;

- developments and acceptance, favorable and unfavorable, about the use of Cloud systems for the implementation of our products and services;

- other factors discussed under "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" in this prospectus.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below and the other information in this prospectus, including our consolidated financial statements and the related notes, before making a decision to invest in our common stock. If any of such risks actually occur, our business, operating results, financial condition or growth prospects could be materially adversely affected. In those cases, the trading price of our common stock could decline and you may lose all or part of your investment.

Risks Related to Our Business and Industry

Our accountants have issued a "going concern" opinion with regard to our continuing ability to operate.

In its report dated March 30, 2012, the independent registered public accounting firm for the Company stated that the financial statements for the year ended October 31, 2011 were prepared assuming that we would continue as a going concern. Our ability to continue as a going concern is an issue raised as a result of cash flow constraints, an accumulated deficit of $196,612 as of October 31, 2011 and a loss from operations of $411,155 at October 31, 2011. Unless there is profitability and increases in stockholders' equity, these conditions raise doubt as to our ability to continue as a going concern. The October 31, 2011 financial statements do not include any adjustments that might be necessary if we are unable to continue as a going concern. Our ability to continue as a going concern is subject to the ability to generate a profit from current and new activities and/or obtain necessary funding from outside sources, including additional funds from the sale of our securities or loans from financial institutions/individuals where possible. The continued operating losses and stockholders' deficit increases the difficulty in meeting such goals and there can be no assurances that such methods will prove successful, or that these funds will be available at the times, on the conditions or in the amounts required.

We will require additional capital to support business growth, and this capital might not be available on acceptable terms, if at all.

We will require additional funds to respond to business challenges, including the need to develop new features and platforms, enhance our existing products and services, improve our operating infrastructure and increase our sales, marketing and programming personnel. Accordingly, we will need to engage in equity or debt financings to secure additional funds. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital. In addition, we may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock.

We will continue to be controlled by two of our stockholders after the completion of this offering, which will limit your ability to influence corporate activities and may adversely affect the market price of our common stock.

Upon completion of the offering, two of our stockholders, Sakura Software (43.98%) and Benford Consultancy (16.82%) will own a total of 60.80% of our issued and outstanding shares of common stock. Sakura and Benford, in turn, are 100% owned respectively, by Messrs. Andrew S. Thomas and Paul Benford, who are respectively, CEO and COO of our Company and of our subsidiary, Cogent. There is no voting agreement or other understanding in place between Messrs. Thomas and Benford or their corporate entities. Nevertheless, as a result of this ownership, these two stockholders will have effective control over the outcome of votes on all matters requiring approval by our stockholders, including the election of directors, the adoption of amendments to our articles of incorporation and bylaws and approval of a sale of the company and other significant corporate transactions. These stockholders can also take actions that have the effect of delaying or preventing a change in control of us or discouraging others from making tender offers for our shares, which could prevent stockholders from receiving a premium for their shares. These actions may be taken even if other stockholders oppose them.

Under the terms of a class of Series A Preferred shares of our Company, our CEO and our COO will have the right to elect a majority of the Board of Directors for a period of four years until December 31, 2016

We have created a class of Series A Preferred stock, 5,000 shares of which have been issued to Sakura Software and Benford Consultancy, which in turn are 100% owned respectively, by Andrew S. Thomas, our Chairman and CEO, and Paul Benford, our COO. The Series A Preferred voting as a separate class have the right to elect a majority of our Board of Directors until December 31, 2016. In addition, each such share has the right to vote together with the common stockholders on all other matters presented to a vote, with each such Series A Preferred having 100 votes. Therefore, in addition to their indirect ownership of 43.98% (Thomas) and 16.82% (Benford) of our issued and outstanding shares of common stock, Thomas and Benford will control the election of a majority of the Board of Directors for the next four years.

Our financial results may fluctuate due to various factors, some of which may be beyond our control.

There are a number of factors that may cause our financial results to fluctuate from period to period, including:

- the extent to which new clients are attracted to our products and services to satisfy their manufacturing and financial services supervisory and coordinating controls;
- the timing and rate at which we sign agreements with new clients;
- the extent to which we retain existing clients and satisfy their requirements;
- the extent to which existing clients renew their subscriptions to our products and services and the timing of those renewals;
- the number and size of new clients, as compared to the number and size of renewal clients in a particular period;
- the mix of clients between small, mid-sized and large organizations;
- changes in our pricing policies or those of our competitors;
- the amount and timing of operating expenses, including those related to the maintenance and expansion of our business, operations and infrastructure;
- the timing and success of new product and service introductions by us;
- the timing and success of current and new competitive products and services by our competitors;
- other changes in the competitive dynamics of our industry, including consolidation among competitors, clients or strategic partners;
- the timing of expenses related to the development of new products and technologies, including enhancements to our offerings;
-

our ability to manage our existing business and future growth, including in terms of additional clients, incremental users and new geographic regions;

- general economic, industry and market conditions; and

- various factors related to disruptions in our hosting network infrastructure, defects in our products, and data security, each of which is described elsewhere in these risk factors.

In light of the foregoing factors, we believe that our financial results, including our revenue levels, may vary significantly from period-to-period. We discuss some of these factors immediately below.

Our business depends on customers renewing, upgrading and expanding their subscriptions for our products and services. Any decline in our customer renewals, upgrades and expansions would harm our future operating results.

We sell our products and services pursuant to service agreements that are generally one year in length. Our customers have no obligation to renew their subscriptions after their subscription period expires, and these subscriptions may not be renewed at the same or higher levels. In addition, in the first year of a subscription, customers sometimes purchase a higher level of products and services than they do in renewal years. As a result, our ability to grow is dependent in part on customers purchasing additional products and services after the first year of their subscriptions. Although we have some historical data with respect to rates of customer subscription renewals, upgrades and expansions; nevertheless, we may not accurately predict future trends in customer renewals. Our customers' renewal rates may decline or fluctuate because of several factors, including their satisfaction or dissatisfaction with our products and services, the prices of our products and services, the prices of comparable products and services offered by our competitors or reductions in our customers' spending levels. If our customers do not renew their subscriptions for our products and services, or renew on less favorable terms, our revenue may grow more slowly than expected or decline and our profitability and gross margins may be harmed. Our future success also depends in part on our ability to sell additional features or enhanced editions of our products service to our current customers. This may require increasingly sophisticated and costly sales efforts. If these efforts are not successful, our business may suffer.

Approximately 50% of our revenues in the last three fiscal years was generated by sales to 20 customers. Our business will suffer if sales of our products and services to this group of customers declines and are not replaced with new sources of revenue.

We generated 50% of our total revenues for the last three fiscal years from sales to 20 customers, of which one such customer accounted for 19% and 13%, respectively, for the fiscal years ended September 30, 2011 and 2010. We expect these customers to continue to constitute a large percentage of our total revenues even as we expand our customer base and our products and services. If our existing customers reduce or cancel their purchases/subscriptions for our solutions due to economic conditions or because our competitors offer cheaper or better products and services, our revenues could decline. There can be no assurance that we will maintain current levels of revenues from sales to these customers in the future.

6

The market for our products and services may be limited if prospective customers, particularly large customers, require customized features or functions that we do not currently intend to provide in our service or that would be difficult for individual customers to customize within our service.

Prospective customers, especially large enterprise customers, may require heavily customized features and functions unique to their business processes. If prospective customers require customized features or functions that we do not offer, and that would be difficult for them to implement themselves, then the market for our service will be more limited and our business could suffer.

As more of our sales efforts are targeted at larger enterprise customers, our sales cycle may become more time-consuming and expensive, potentially diverting resources and harming our business.

As we target more of our sales efforts at larger industrial customers, we will face greater costs, longer sales cycles and less predictability in completing some of our sales. In this market segment, the customer's decision to use our products and services may be an industry-wide decision and, if so, these types of sales would require us to provide greater levels of education to prospective customers regarding their uses and benefits. In addition, larger customers may demand more customization, integration services and features. As a result of these factors, these sales opportunities may require us to devote greater sales support and professional services resources to individual sales, driving up costs and time required to complete sales and diverting sales and professional services resources to a smaller number of larger transactions.

Any efforts we may make in the future to expand our service beyond the industrial and financial service markets may not succeed.

To date, we have focused our business on providing our products and services to the industrial and financial service sectors, but we may in the future seek to expand into other markets. However, any efforts to expand beyond our current markets may never result in significant revenue growth for us. In addition, efforts to expand our products and services beyond our existing market sectors may divert management resources from existing operations and require us to commit significant financial resources to an unproven business, which may harm our business.

Many of our customers are price sensitive, and if the prices we charge for our products and services are unacceptable to our customers, our operating results will be harmed.

Many of our customers are price sensitive. As the market for our products and services continues to grow, or as new competitors introduce new products or services that compete with ours, we may be unable to renew our agreements with existing customers or attract new customers at the same price or based on the same pricing model as previously used. As a result, it is possible that competitive dynamics in our market may require us to change our pricing model or reduce our prices, which could harm our revenue, gross margin and operating results.

We conduct some operations in foreign jurisdictions and our business strategy includes expanding our international operations. Hence, our business is susceptible to risks associated with international operations.

We have small but growing international operations and our business strategy includes expanding these operations. Conducting international operations subjects us to new risks that we have not generally faced in the United States. These include: burdens of complying with a wide variety of foreign laws and different legal standards ; and changes in trade protection laws and regulations affecting trade and investment, including the Foreign Corrupt Practices Act and similar local laws. Deterioration of labor, political, social, or economic conditions in a specific country or region and difficulties in staffing and managing foreign operations may also adversely affect our operations or financial results. In addition, our financial results may be negatively impacted to the extent tax rates in foreign countries where we operate increase and/or exceed those in the United States and as a result of the imposition of withholding requirements on foreign earnings. The occurrence of any one of these risks could negatively affect our international operations and, consequently, our results of operations generally. In addition, the Internet may not be used as widely in international markets in which we expand our international operations and, as a result, we may not be successful in offering our solutions internationally. Some of our international fees for products and services are currently denominated in U.S. dollars and paid in local currency. As a result, fluctuations in the value of the U.S. dollar and foreign currencies may make our software more expensive for international customers, which could harm our business.

The forecasts of market growth included in this prospectus may prove to be inaccurate, and even if the markets in which we compete achieve the forecasted growth, we cannot assure you our business will grow at similar rates, or at all.

Growth forecasts are subject to significant uncertainty and are based on assumptions and estimates which may not prove to be accurate. Forecasts relating to the expected growth in the IT market generally, the growth of public Cloud services generally and the adoption of Cloud services for industrial middleware markets may prove to be inaccurate. Even if these markets experience the forecasted growth, we may not grow our business at similar rates, or at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties. Accordingly, the forecasts included in this prospectus should not be taken as indicative of our future growth.

Unfavorable conditions in our industry or the global economy or reductions in information technology spending could limit our ability to grow our business and negatively affect our operating results.

Our operating results may vary based on the impact of changes in our industry or the global economy on us or our clients. The revenue growth and potential profitability of our business depends on demand for enterprise application software and services generally and for control supervisory processes in particular. We sell our solution primarily to large and mid-sized organizations whose businesses fluctuate based on general economic and business conditions. To the extent that weak economic conditions cause our clients and potential clients to freeze, demand for our products and services may be negatively affected. Historically, economic downturns have resulted in overall reductions in spending on information technology. If economic conditions do not materially improve, our clients and potential clients may elect to decrease their information technology budgets by deferring or reconsidering product purchases, which would limit our ability to grow our business and negatively affect our operating results.

The market in which we participate is intensely competitive, and if we do not compete effectively, our operating results could be harmed.

The market for software similar to our own is highly competitive, rapidly evolving and fragmented. Many of our competitors and potential competitors are larger and have greater brand name recognition, much longer operating histories, larger marketing budgets and significantly greater resources than we do, and, with the introduction of new technologies and market entrants, we expect competition to intensify in the future. If we fail to compete effectively, our business will be harmed. Some of our principal competitors offer their products or services at a lower price, which has resulted in pricing pressures. Similarly, some competitors offer different billing terms which may result pressures on our billing terms. If we are unable to maintain our pricing levels and our billing terms, our operating results would be negatively impacted.

Many of our competitors are able to devote greater resources to the development, promotion and sale of their products and services. Moreover, many software vendors could bundle similar products or offer such products at a lower price as part of a larger product sale. In addition, some competitors may offer software that addresses one, or a limited number, of functions at a lower price point or with greater depth than our solution. As a result, our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards or client requirements. Further, some potential clients, particularly large enterprises, may elect to develop their own internal solutions. For all of these reasons, we may not be able to compete successfully against our current and future competitors.

Security breaches may hurt our business.

Our solution involves the storage and transmission of clients' proprietary and confidential information over the Internet, and security breaches, unauthorized access, unauthorized usage, virus or similar breach or disruption could result in loss of this information, damage to our reputation, early termination of our contracts, litigation, regulatory investigations or other liabilities. If our security measures are breached as a result of third-party action, employee error, malfeasance or otherwise and, as a result, someone obtains unauthorized access to client data, our reputation will be damaged, our business may suffer and we could incur significant liability. Techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target. As a result, we may be unable to anticipate these techniques or to implement adequate preventative measures. If an actual or perceived security breach occurs, the market perception of our security measures could be harmed and we could lose sales and clients. Moreover, if a high profile security breach occurs with respect to another provider, our clients and potential clients may lose trust in the security of the business model generally, which could adversely impact our ability to retain existing clients or attract new ones.

Any significant disruption in our hosting network infrastructure could harm our reputation, require us to provide credits or refunds, result in early termination of a client agreement or a loss of clients, and adversely affect our business.

Our hosting network infrastructure is an optional part of our business operations , inasmuch as our customers may purchase our products and services without a requirement to purchase our Cloud based services . Although we have not experienced disruptions in our computing and communications infrastructure heretofore, we may experience them in the future. Factors that may cause such disruptions include:

- human error;
- security breaches;
- telecommunications outages from third-party providers;
- computer viruses;
- acts of terrorism, sabotage or other intentional acts of vandalism;
- unforeseen interruption or damages experienced in moving hardware to a new location;
- fire, earthquake, flood and other natural disasters; and
- power loss.

Our growth depends in part on the success of our strategic relationships with third parties.

We anticipate that we will continue to depend on various third-party relationships in order to grow our business. In addition to growing our indirect sales channels, we intend to pursue additional relationships with other third parties, such as technology providers, distributors and foreign consultants and strategic partners. Identifying, negotiating and documenting relationships with third parties require significant time and resources as does integrating third-party content and technology. Our agreements with distributors and providers of technology, content and consulting services are typically non-exclusive, do not prohibit them from working with our competitors or from offering competing services. Our competitors may be effective in providing incentives to third parties to favor their products or services or to prevent or reduce subscriptions to our solution. In addition, these distributors and providers may not perform as expected under our agreements, and we may in the future have, disagreements or disputes with such distributors and providers, which could negatively affect our brand and reputation. A global economic slowdown could also adversely affect the businesses of our distributors, and it is possible that they may not be able to devote the resources we expect to the relationship.

If we are unsuccessful in establishing or maintaining our relationships with these third parties, our ability to compete in the marketplace or to grow our revenue could be impaired and our operating results would suffer. Even if we are successful, we cannot assure you that these relationships will result in improved operating results.

Failure to effectively expand our direct sales teams and develop and expand our indirect sales channel will impede our growth.

We will need to expand our sales and marketing infrastructure in order to grow our client base and our business. Subject to our receipt of the requisite funding, we plan to significantly expand our direct sales teams and engage additional third-party distributors, both domestically and internationally. Identifying, recruiting and training these people and entities will require significant time, expense and attention. Our business will be seriously harmed and our financial resources will be wasted if our efforts to expand our direct and indirect sales channels do not generate a corresponding increase in revenue. In particular, if we are unable to hire, develop and retain talented sales personnel or if our new direct sales personnel are unable to achieve expected productivity levels in a reasonable period of time, we may not be able to significantly increase our revenue and grow our business.

If we fail to retain key employees and recruit qualified technical and sales personnel, our business could be harmed.

We believe that our success depends on the continued employment of our senior management and other key employees, such as our chief executive officer and chief operating officer. In addition, because our future success is dependent on our ability to continue to enhance and introduce new software and services, we are heavily dependent on our ability to attract and retain qualified software programmers and systems engineers with the requisite education, background and industry experience. As we expand our business, our continued success will also depend, in part, on our ability to attract and retain qualified sales, marketing and operational personnel capable of supporting a larger and more diverse client base.

Our key employees are permitted to engage in other business activities provided those activities do not compete with the business of the Company and do not interfere with their obligations to our Company. We do not have formal procedures to determine which activities may be deemed competitive.

Under the terms of our employment agreements with our officers, each such officer is allowed to engage in other business activities that are not competitive with and do not involve the Company, subject to prior disclosure to the Company. Other than the notification requirement, we have not implemented procedures to determine which activities will be deemed competitive, nor have we required as a formal matter that any such employee devote a specified percentage of his time to the business of the Company. Messrs. Andrew S. Thomas and Paul Benford, our CEO and COO, respectively, devote substantially all of their time to our Company and our other two officers devote not less than 60% and 10%, respectively, of their work time to our Company.

Evolving regulation of the Internet or changes in the infrastructure underlying the Internet may adversely affect our financial condition by increasing our expenditures and causing client dissatisfaction.

As Internet commerce continues to evolve, regulation by federal, state or foreign agencies may increase. We are particularly sensitive to these risks because the Internet is a critical component of our business model. In addition, taxation of services provided over the Internet or other charges imposed by government agencies or by private organizations for accessing the Internet may also be imposed. Legislation has been proposed that may impact the way that Internet service providers treat Internet traffic. The outcome of such proposals is uncertain but certain outcomes may negatively impact our business or increase our operating costs. Any regulation imposing greater fees for Internet use or restricting information exchanged over the Internet could result in a decline in the use of the Internet and the viability of Internet-based services, which could harm our business.

In addition, the rapid and continual growth of traffic on the Internet has resulted at times in slow connection and download speeds among Internet users. Our business expansion may be harmed if the Internet infrastructure cannot handle our clients' demands or if hosting capacity becomes insufficient. If our clients become frustrated with the speed at which they can utilize our products and services over the Internet, our clients may discontinue the use of our software solution and choose not to renew their contracts with us.

Even if demand for our kind of products and services increases generally, there is no guarantee that demand for solutions like ours will increase to a corresponding degree.

The widespread adoption of our solution depends not only on strong demand for Cloud based industrial middleware and financial services products and services generally, but also for products and services delivered via our business model in particular. There are still a significant number of organizations that have not adopted the functions represented by our products and services at all, and it is unclear whether such organizations ever will adopt such functions and, if they do, whether they will desire a solution like ours. As a result, we cannot assure you that our products and services will achieve and sustain the high level of market acceptance that is critical for the success of our business.

If for any reason we are not able to develop enhancements and new features, keep pace with technological developments or respond to future disruptive technologies, our business will be harmed.

Our future success will depend on our ability to adapt and innovate. To attract new clients and increase revenue from existing clients, we will need to enhance and improve our existing products and services and introduce new features. The success of any enhancement or new feature depends on several factors, including timely completion, introduction and market acceptance. If we are unable to successfully develop or acquire new features or platforms or enhance our existing solution to meet client needs, our business and operating results will be adversely affected.

In addition, because our solution is designed to operate on a variety of network, hardware and software platforms using Internet tools and protocols, we will need to continuously modify and enhance our solution to keep pace with changes in Internet-related hardware, software, communication, browser and database technologies. If we are unable to respond in a timely and cost-effective manner to these rapid technological developments, our solution may become less marketable and less competitive or obsolete and our operating results may be negatively impacted.

Finally, our ability to grow is subject to the risk of future technologies. If new technologies emerge that are able to deliver products and services similar to our own at lower prices, more efficiently or more conveniently, such technologies could adversely impact our ability to compete.

If we fail to adequately protect our proprietary rights, our competitive advantage could be impaired and we may lose valuable assets, generate reduced revenue and incur costly litigation to protect our rights.

Our success is dependent, in part, upon protecting the intellectual property we license from an off-shore entity. We rely on a combination of patents and patent pending applications, copyrights, trademarks, trade secret laws and contractual restrictions to establish and protect our proprietary rights in our products and services. However, the steps we take to protect our intellectual property may be inadequate. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. Despite our precautions, it may be possible for unauthorized third parties to copy our products and use information that we regard as proprietary to create products and services that compete with ours. Some license provisions protecting against unauthorized use, copying, transfer and disclosure of our licensed products may be unenforceable under the laws of certain jurisdictions and foreign countries. Further, the laws of some countries do not protect proprietary rights to the same extent as the laws of the United States. To the extent we expand our international activities, our exposure to unauthorized copying and use of our products and proprietary information may increase.

10

We enter into confidentiality and invention assignment agreements with our employees and consultants and, to the maximum extent possible, enter into confidentiality agreements with the parties with whom we have strategic relationships and business alliances. No assurance can be given that these agreements will be effective in controlling access to and distribution of our products and proprietary information. Further, these agreements do not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our solution.

We have a license agreement for the technology we use in our products and services, but our right to use the technology depends upon the continuation of the license agreement with our licensor.

We have a royalty-free license to use all of our intellectual property in perpetuity from an affiliated off-shore company that owns all of the intellectual property. Nevertheless, there are circumstances in which our licensor is permitted to terminate our license agreement and retrieve its intellectual property. These circumstances include our failure to defend infringement actions, prosecute pending and new patent and other IP applications vigorously, reimburse our licensor for certain categories of costs and expenses including insurance, litigation fees, filing fees, and indemnify our licensor against all claims arising out of our use of the intellectual property regardless of by whom such claims may be asserted. In addition, the license agreement terminates in the event we suffer certain economic adverse experiences such as a bankruptcy. The termination of our license agreement would result in our inability to conduct our business.

Any failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brand.

In order to protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Litigation brought to protect and enforce our intellectual property rights could be costly, time consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Our failure to secure, protect and enforce our intellectual property rights could seriously harm our brand and adversely impact our business.

We may be sued by third parties for alleged infringement of their proprietary rights.

Our subsidiary Cogent has been in operation for 16 years and has never been the subject of a litigation claim for infringement or other violations of anyone’s intellectual property. Nevertheless, there is considerable patent and other intellectual property development activity in our industry. Our success depends upon our not infringing upon the intellectual property rights of others. Our competitors, as well as a number of other entities and individuals, may own or claim to own intellectual property relating to our industry. From time to time, third parties may claim that we are infringing upon their intellectual property rights, and we may be found to be infringing upon such rights. We have and may in the future obtain licenses from third parties to forestall or settle any potential claims of alleged infringement of our products and technology upon the intellectual property rights of others. Discussions and negotiations with such third parties, whether successful or unsuccessful, could result in substantial costs and diversion of management resources, either of which could seriously harm our business.

In the future, we may receive claims that our products and technology infringe or violate the claimant's intellectual property rights. However, we may be unaware of the intellectual property rights of others that may cover some or all of our technology or products. Any claims or litigation could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages or ongoing royalty payments, prevent us from offering our services, or require that we comply with other unfavorable terms. We may also be obligated to indemnify our clients or distributors in connection with any such litigation and to obtain licenses, modify products, or refund fees, which could further exhaust our resources. In addition, we may pay substantial settlement costs which could include royalty payments in connection with any such litigation and to obtain licenses, modify products, or refund fees, which could further exhaust our resources. Furthermore, we may pay substantial settlement costs which could include royalty payments in connection with any claim or litigation, whether or not successfully asserted against us. Even if we were to prevail, any litigation regarding our intellectual property could be costly and time consuming and divert the attention of our management and key personnel from our business operations.

Our results of operations may be adversely affected if we are subject to a protracted infringement claim or a claim that results in a significant damage award.

We expect that software product developers will increasingly be subject to infringement claims as the number of products and competitors grows and the functionality of products in different industry segments overlaps. Our competitors or other third parties may challenge the validity or scope of our intellectual property rights. A claim may also be made relating to technology that we acquire or license from third parties. If we were subject to a claim of infringement, regardless of the merit of the claim or our defenses, the claim could:

- require costly litigation to resolve and the payment of substantial damages;
- require significant management time;
- cause us to enter into unfavorable royalty or license agreements;
- require us to discontinue the sale of our products; or
- require us to indemnify our clients or third-party service providers.

Risks Related to this Offering and our Common Stock

Our common stock is subject to the penny stock regulations that impose restrictions on the marketability of our common stock. As a consequence, the ability of our stockholders to sell shares of our common stock could be impaired.

The Securities and Exchange Commission (the “Commission”) has adopted regulations that generally define a “penny stock” to be an equity security that has a market price of less than $5.00 per share or an exercise price of less than $5.00 per share subject to certain exceptions that are not applicable to our company at present. Our common stock is subject to the penny stock rules that impose additional sales practice requirements on broker-dealers who sell these securities to persons other than established customers and accredited investors. The regulations require that prior to any transaction involving a penny stock, a risk disclosure schedule must be delivered to the buyer explaining the penny stock market and its risks. For transactions covered by these rules, the broker-dealer must make a special suitability determination for the purchase, and must have received the purchaser's written consent to the transaction prior to sale. As such the market liquidity for the common stock will be limited to the ability of broker-dealers to sell it in compliance with the above-mentioned disclosure requirements.

You should be aware that, according to the Commission, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. Such patterns include:

- control of the market for the security by one or a few broker-dealers;
- "boiler room" practices involving high-pressure sales tactics;
- manipulation of prices through prearranged matching of purchases and sales;
- the release of misleading information;
- excessive and undisclosed bid-ask differentials and markups by selling broker-dealers; and
- dumping of securities by broker-dealers after prices have been manipulated to a desired level, which hurts the price of the stock and causes investors to suffer loss.

We are aware of the abuses that have occurred in the penny stock market. Although we do not expect to be in a position to dictate the behavior of the market or of broker-dealers who participate in the market, we will strive within the confines of practical limitations to prevent such abuses with respect to our common stock.

Requirements associated with being a public company will increase our costs significantly, as well as divert significant company resources and management attention.

Before this offering, we have not been subject to the reporting requirements of the Exchange Act or the other rules and regulations of the SEC or any stock exchange relating to publicly-held companies. We are working with our legal, independent auditing and financial advisors to identify those areas in which changes should be made to our financial and management control systems to manage our growth and fulfill our obligations as a public company. These areas include corporate governance, corporate controls, internal audit, disclosure controls and procedures, financial reporting and accounting systems. We have made, and will continue to make, changes in these and other areas. However, the expenses that will be required in order to prepare adequately for being a public company could be material. Compliance with the various reporting and other requirements applicable to public companies will also require considerable management time and attention.

Our common stock has not traded publicly before this offering, and we expect the price of our common stock to fluctuate substantially.

There has not been a public market for our common stock before this offering. A trading market for our common stock may not develop or be liquid. If you purchase shares of our common stock in this offering, you will pay a price that was not established in the public trading markets. The initial public offering price was determined by us. You may not be able to resell your shares above the initial public offering price and may suffer a loss of some or all of your investment.

We intend to apply for admission to quotation of our securities on the OTC Bulletin Board after this registration statement is declared effective by the SEC. If for any reason our common stock is not quoted on the OTC Bulletin Board or a public trading market does not otherwise develop, purchasers of the shares may have difficulty selling their common stock should they desire to do so. No market makers have committed to becoming market makers for our common stock and it is possible that none may do so.

Broad market and industry factors may adversely affect the market price of our common stock, regardless of our actual operating performance. Other factors that could cause fluctuations in our stock price may include, among other things, the numerous risks and uncertainties as described under “Risk Factors” and under “Cautionary Statement Regarding Forward-Looking Statements.”

State securities laws may limit secondary trading, which may restrict the states in which and conditions under which you can sell the shares offered by this prospectus.

Secondary trading in common stock sold in this offering will not be possible in any state until the common stock is qualified for sale under the applicable securities laws of the state or there is confirmation that an exemption, such as listing in certain recognized securities manuals, is available for secondary trading in the state. If we fail to register or qualify, or to obtain or verify an exemption for the secondary trading of, the common stock in any particular state, the common stock could not be offered or sold to, or purchased by, a resident of that state. In the event that a significant number of states refuse to permit secondary trading in our common stock, the liquidity for the common stock could be significantly impacted.

We currently do not intend to pay dividends on our common stock. As a result, your only opportunity to achieve a return on your investment is if the price of our common stock appreciates.

We currently do not expect to declare or pay dividends on our common stock. We may also enter into agreements in the future that prohibit or restrict our ability to declare or pay dividends on our common stock. As a result, your only opportunity to achieve a return on your investment will be if the market price of our common stock appreciates and you sell your shares at a profit.

You may experience dilution of your ownership interest due to the future issuance of additional shares of our common stock.

We are in a capital intensive business and we will not have sufficient funds to finance the growth of our business or to support our projected programming, marketing, sales, distribution, and personnel expenditures. As a result, we will require additional funds from further equity or debt financings, or sales of preferred shares or convertible debt to complete the development of our projects and pay the general and administrative costs of our business. We may in the future issue our previously authorized and unissued securities, resulting in the dilution of the ownership interests of purchasers of common stock offered hereby. We are currently authorized to issue an additional 20,660,000 shares of common stock and 4,995,000 shares of preferred stock with preferences and rights as determined by our board of directors. The potential issuance of such additional shares of common stock or preferred stock or convertible debt may create downward pressure on the trading price of our common stock. We may also issue additional shares of common stock or other securities that are convertible into or exercisable for common stock in future public offerings or private placements for capital raising purposes or for other business purposes, potentially at an offering price or conversion price that is below the offering price for common stock in this offering.

We have limited the liability of, and have agreed to indemnify, our directors and officers, which may result in these parties assuming greater risks.

The liability of our directors and officers is limited, and we have agreed to indemnify each of them to the fullest extent permitted by law. Under our articles of incorporation and bylaws, the liability of our directors, officers and employees is limited. In addition, we have contractually agreed to indemnify our directors and officers to the fullest extent permitted by law. These protections may result in the indemnified parties tolerating greater risks when making decisions than otherwise would be the case. The indemnification arrangements may also give rise to legal claims for indemnification that are adverse to us and holders of our common stock.

USE OF PROCEEDS

We will not receive any proceeds from the sale of the shares by the selling security holders.

DETERMINATION OF OFFERING PRICE

Our common stock is presently not traded on any national market or securities exchange or in the over-the-counter market. As there is no existing public market for our securities, the shares offered for resale hereunder by the selling security holders must initially be offered at a fixed price.

The sales price to the public of the shares of our common stock offered by the selling security holders under this prospectus is fixed at $0.10 per share until such time as our common stock is quoted on the Over-The-Counter (OTC) Bulletin Board and a public market exists for our common stock. This fixed sales price was determined by using the most recent price paid in cash that we received for our stock, which was the price in our Regulation S offering to the selling security holders as described below in the “Selling Security Holders” section. We expect that the selling security holders will offer their stock in lots of at least 100 shares at the fixed price set forth in the cover table. It is uncertain, however, how much demand there will be for these shares prior to the commencement of the public trading market.

SELLING STOCKHOLDERS

From October 31, 2011 to March 27, 2012, we sold an aggregate of 9,320,000 shares of our common stock to 68 purchasers in transactions exempt from registration pursuant to Regulation S promulgated by the SEC pursuant to the Securities Act. The purchase price per share in this Regulation S offering was $0.01 and all of the purchasers were non-U.S. persons as defined in Regulation S. From March 27 to March 29, 2012, we sold an aggregate of 14,000 shares of our common stock to 16 purchasers in transactions exempt from registration pursuant to Regulation S promulgated by the SEC pursuant to the Securities Act. The purchase price per share in this Regulation S offering was $0.10 and all of the purchasers were non-U.S. persons as defined in Regulation S.

We raised $13,600 in gross proceeds from the Regulation S offering. The business purpose of the Regulation S offering was to raise capital for us to pay a portion of our legal fees and other expenses related to this registration and for getting our common stock eligible for quotation on the OTC Bulletin Board.

This prospectus covers the sale by the selling security holders from time to time of 9,334,000 shares of our common stock sold by us in these Regulation S offerings.

The term “selling security holder” includes (i) each person and entity that is identified in the table below (as such table may be amended from time to time by means of an amendment to the registration statement of which this prospectus forms a part) and (ii) any transferee, donee, pledgee or other successor of any person or entity named in the table that acquires any of the shares of common stock covered by this prospectus in a transaction exempt from the registration requirements of the Securities Act of 1933 and that is identified in a supplement or amendment to this prospectus.

We have listed below:

the name and address of each selling security holder;

the number of shares of common stock beneficially owned by each selling security holder as of the date of this prospectus;

the maximum number of shares of common stock being offered by each of the selling security holders in this offering; and

the number of shares of common stock to be owned by each selling security holder after this offering (assuming sale of such maximum number of shares) and the percentage of the class which such number constitutes (if one percent or more).

None of the selling security holders are a registered broker-dealer or an affiliate of a registered broker-dealer.

During the last three years, no selling security holder has been an officer, director or affiliate of our company, nor has any selling security holder had any material relationship with our company or any of our affiliates during that period. Each selling security holder in the Regulation S offering represented at the closing of the private placement that it was acquiring the shares of our common stock for its own account and not on behalf of any U.S. person, and the resale of such shares has not been pre-arranged with a purchaser in the United States.

The shares of common stock being offered hereby are being registered to permit public secondary trading, and the selling security holders are under no obligation to sell all or any portion of their shares included in this prospectus. The information contained in the following table is derived from information provided to us by the selling security holders, our books and records, as well as from our transfer agent.

Unless otherwise indicated, each person has sole investment and voting power with respect to the shares indicated. For purposes of this table, a selling security holder is deemed to have "beneficial ownership" of any shares as of a given date which such person has the right to acquire within 60 days after such date.

For purposes of this table, we have assumed that, after completion of the offering, none of the shares covered by this prospectus will be held by the selling security holders.

Name and Address of Selling Stockholder	**Common Stock Beneficially Owned Prior to the Offering**	**Common Stock Offered Pursuant to this Prospectus**	**Common Stock Owned Upon Completion of this Offering**	**Percentage of Common Stock Owned Upon Completion of this Offering(*)**
Baypoint Investments, Ltd. (1)	2,250,000	2,250,000	0	*

33 Harbour Bay Plaza, Suite 1252 East Bay Street Nassau, Bahamas				
Burnt Rock Investments, Ltd. (2) Frederick Street Norfork House, Suite 321 Nassau, Bahamas	2,250,000	2,250,000	0	*
Hampton Bays Holdings, Ltd. (3) Kings Court, 3rd Floor, Bay Street Nassau, New Providence, Bahamas	2,250,000	2,250,000	0	*
Stoneland, Ltd. (4) Clarkes Estates Cades Bay Nevis, West Indies	2,250,000	2,250,000	0	*
Ann Benford The Old Barn Main Street, Woodthorpe, Loughborough, Leicestershire UK LE12 8UG	5000	5000	0	*

(1) The voting and dispositive powers for the shares of Common Stock owned by Baypoint Investments is held by Chang Yong You.

(2) The voting and dispositive powers for the shares of Common Stock owned by Burnt Rock Investments is held by Young Hae Shin.

(3) The voting and dispositive powers for the shares of Common Stock owned by Hampton Bays Holdings is held by Aysan Celik.

(4) The voting and dispositive powers for the shares of Common Stock owned by Stoneland is held by Yaroslava Gryshyna.

15

Roger Benford The Old Barn Main Street, Woodthrope, Loughborough, Leicestershire UK LE12 8UG	5000	5000	0*
Gillian Dunn 8 Antrum Road Hermanus, South Africa 7201	5000	5000	0*
James Dunn 8 Antrum Road Hermanus, South Africa 7201	5000	5000	0*
Lisa Dunn 8 Antrum Road Hermanus, South Africa 7201	5000	5000	0*
Irene Grice 839 Roland Avenue Fenwick, Ontario Canada L0S 1C0	5000	5000	0*
Jack Grice 839 Roland Avenue Fenwick, Ontario Canada L0S 1C0	5000	5000	0*
Andreas Louw Reitvlei 1, P.O. Box 105 Montagu, South Africa 6720	5,000	5,000	0*
Janine Louw Reitvlei 1, P.O. Box 105 Montagu, South Africa 6720	5000	5000	0*
Patrick McNeill 24 Wellesley Street West, Suite 1913 Toronto, Ontario Canada M4Y 2X6	5000	5000	0*
Takeshi Mitsuhashi 402 Sezaru Unit 2 L-2-6-15 Tokyo, Japan	5000	5000	0*
Tadao Mitsuhashi 4335-6 Kumiage	5000	5000	0*

Hokoto City
Ibaraki, Japan 311-2103
16

Yuri Mitsuhashi 4335-6 Kumiage Hokoto City Ibaraki, Japan 311-2103	5000	5000	0*
Thomas Noel 1944 Fairmeadow Crescent Ottawa, Ontario Canada K1H 7B9	5,000	5,000	0*
Theresa Oliver 110 Meadowlark Drive Georgetown, Ontario Canada L7G 6N6	5000	5000	0*
Esther Pacheo 1369 Bloor Street West Toronto, Ontario Canada M6P 4J4	5000	5000	0*
Scott Priest 78 Warwick Road Broughton Ashley, Leicester United Kingdom LE9 6SB	5,000	5,000	0*
Susan Priest 78 Warwick Road Broughton Ashley, Leicester United Kingdom LE9 6SB	5000	5000	0*
Cornette Smith 100 Hoyt Crescent Morelet, Pretoria South Africa 0044	5000	5000	0*
Craigh Smith 100 Hoyt Crescent Morelet, Pretoria South Africa 0044	5000	5000	0*
Michelle Smith-Venter P.O. Box 31117 Tokai, South Africa 7966	5000	5000	0*
Natalie Talbot 1944 Fairmeadow Crescent Ottawa, Ontario	5000	5000	0*

Canada K1H 7B9
17

Alison Thomas 155 Robinson Road Cambridge, Ontario Canada K1H 7B9	5,000	5,000	0	*
Karen Thomas 155 Robinson Road Cambridge, Ontario Canada K1H 7B9	5,000	5,000	0	*
Mike Thomas 155 Robinson Road Cambridge, Ontario Canada K1H 7B9	5,000	5,000	0	*
Ronald Thomas 7B-350 Doon Valley Drive Kitchener, Ontario Canada N2P 2M9	5,000	5,000	0	*
Shirley Thomas 7B-350 Doon Valley Drive Kitchener, Ontario Canada N2P 2M9	5000	5000	0	*
Christiaan Venter P.O. Box 31117 Tokai, South Africa 7966	5000	5000	0	*
Marita Visser Rietvlei 2, P.O. Box 239 Montagutown South Africa 6140	5,000	5,000	0	*
Peter Visser Rietvlei 2, P.O. Box 239 Montagutown South Africa 6140	5,000	5,000	0	*
Alison Wilmot P.O. Box 2261 Grahamstown, South Africa 6140	5,000	5,000	0	*
Ian Wilmot P.O. Box 2261 Grahamstown, South Africa 6140	5,000	5,000	0	*

Sally Wilmot P.O. Box 2261 Grahamstown, South Africa 6140	5,000	5,000	0 *

18

Peter Wilmot P.O. Box 2261 Grahamstown, South Africa 6140	5,000	5,000	0 *
Jennifer Withers 26 Hepburn Crescent Georgetown, Ontario Canada L7G 5P8	5,000	5,000	0 *
Kevin Withers 26 Hepburn Crescent Georgetown, Ontario Canada L7G 5P8	5,000	5,000	0 *
Cecily Massart P.O. Box 134 Kenton-on-Sea South Africa 6191	5,000	5,000	0 *
Scott Nunweiler 262-32-5-103 Kamigocho, Yokohama, Japan 247-0013	5,000	5,000	0 *
Francois van Vuuren Beause jour 21 Givisiez, Switzerland 1762	5,000	5,000	0 *
Kristen Yu 401-30 Heron’s Hill Way North York, Ontario Canada M2J 0A7	5,000	5,000	0 *
Norma Patterson 9 Hopton Lane Hanwell, New Brunswick Canada E3C 1M8	5,000	5,000	0 *
Ray Patterson 9 Hopton Lane Hanwell, New Brunswick Canada E3C 1M8	5,000	5,000	0 *
Joni Torunski 98 Somerset Drive Hanwell, New Brunswick Canada E3C 1M8	5,000	5,000	0 *

Stephen Torunski 98 Somerset Drive Hanwell, New Brunswick Canada E3C 1M8	5,000	5,000	0	*
BrandonTorunski 98 Somerset Drive Hanwell, New Brunswick Canada E3C 1M8	5,000	5,000	0	*
Brock Torunski 98 Somerset Drive Hanwell, New Brunswick Canada E3C 1M8	5,000	5,000	0	*
Brodie Torunski 98 Somerset Drive Hanwell, New Brunswick Canada E3C 1M8	5,000	5,000	0	*
Jane Conrad 46 Iona Avenue Rothesay, New Brunswick Canada E2E 3J6	5,000	5,000	0	*
Karl Conrad 46 Iona Avenue Rothesay, New Brunswick Canada E2E 3J6	5,000	5,000	0	*
Colton Conrad 46 Iona Avenue Rothesay, New Brunswick Canada E2E 3J6	5,000	5,000	0	*
Rebecca Dunphy B-370 Maple Street Frederickton, New Brunswick Canada E3A 3R4	5,000	5,000	0	*
Derek Smallwood 30 Loop Road Upper Mills, New Brunswick Canada E3L 5Y2	5,000	5,000	0	*
Wanda Dunphy 17 Cobblestone Drive	5,000	5,000	0	*

Hanwell, New Brunswick
Canada E3E 2M6
20

Zach Hapeman 17 Cobblestone Drive Hanwell, New Brunswick Canada E3E 2M6	5,000	5,000	0	*
Kevin Thomas 63 West Lodge Avenue Toronto, Ontario Canada M6K 2T6	5,000	5,000	0	*
Rhian Thomas 702 Shaw Street Toronto, Ontario Canada M6G 3L7				