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Marketing Acquisition Corp
Form 10QSB
May 01, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-QSB

(Mark one)

Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 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: 0-52072

Marketing Acquisition Corporation
(Exact name of small business issuer as specified in its charter)

Nevada
(State of incorporation)

62-1299374
(IRS Employer ID Number)

12890 Hilltop Road, Argyle, Texas 76226
(Address of principal executive offices)

(972) 233-0300
(Issuer's telephone number)

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

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

State the number of shares outstanding of each of the issuer's classes of common equity as of the latest practicable date: April 27, 2007: 84,033,600

Transitional Small Business Disclosure Format (check one): YES NO

MARKETING ACQUISITION CORPORATION

Form 10-QSB for the Quarter ended March 31, 2007

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PART I

ITEM 1 - FINANCIAL STATEMENTS

MARKETING ACQUISITION CORPORATION
BALANCE SHEETS
March 31, 2007 and 2006

(UNAUDITED)

	March 31, 2007	March 2006
	-----	-----
ASSETS		
CURRENT ASSETS		
Cash on hand and in bank	\$ 61,267	\$ 1
	-----	-----
TOTAL CURRENT ASSETS	61,267	1
	-----	-----
TOTAL ASSETS	\$ 61,267	\$ 1
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable - trade	\$ --	\$
Accrued interest payable to stockholder	388	
	-----	-----
TOTAL CURRENT LIABILITIES	388	
	-----	-----
LONG-TERM LIABILITIES		
Note payable to stockholder	10,000	

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TOTAL LIABILITIES	10,388	
TOTAL CURRENT LIABILITIES	--	
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred stock - \$0.001 par value		
50,000,000 shares authorized		
None issued and outstanding	--	
Common stock - \$0.001 par value		
100,000,000 shares authorized		
84,033,600 and 24,033,600 shares		
issued and outstanding, respectively	84,034	2
Additional paid-in capital	459,930	45
Accumulated deficit	(493,085)	(47)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	50,879	1
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 61,267	\$ 1

The financial information presented herein has been prepared by management without audit by independent certified public accountants. The accompanying notes are an integral part of these financial statements.

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MARKETING ACQUISITION CORPORATION
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
Three months ended March 31, 2007 and 2006

(UNAUDITED)

	Three months ended March 31, 2007	Three months ended March 31, 2006
REVENUES	\$ --	\$ --
EXPENSES		
General and administrative expenses	5,543	203
INCOME (LOSS) FROM OPERATIONS	(5,543)	(203)
OTHER INCOME (EXPENSE)		
Interest expense	(148)	--
Interest income	51	105

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INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	(5,640)	(98)
PROVISION FOR INCOME TAXES	---	---
NET LOSS	(5,640)	(98)
OTHER COMPREHENSIVE INCOME	---	---
COMPREHENSIVE LOSS	\$ (5,640)	\$ (98)
Earnings per share of common stock outstanding computed on net loss - basic and fully diluted	nil	nil
Weighted-average number of shares outstanding - basic and fully diluted	32,033,600	24,033,600

The financial information presented herein has been prepared by management without audit by independent certified public accountants. The accompanying notes are an integral part of these financial statements.

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MARKETING ACQUISITION CORPORATION
STATEMENTS OF CASH FLOWS
Three months ended March 31, 2007 and 2006

(UNAUDITED)

	Three months ended March 31, 2007	Three months ended March 31, 2006
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) for the period	\$ (5,640)	\$ (98)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization	---	---
Increase in Accrued interest payable	148	---
	-----	-----
NET CASH USED IN OPERATING ACTIVITIES	(5,492)	(98)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES	---	---
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from sale of common stock	60,000	---
	-----	-----

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NET CASH PROVIDED BY FINANCING ACTIVITIES	60,000	--
	-----	-----
INCREASE (DECREASE) IN CASH	54,508	(98)
Cash at beginning of period	6,759	11,987
	-----	-----
CASH AT END OF PERIOD	\$ 61,267	\$ 11,889
	=====	=====
SUPPLEMENTAL DISCLOSURE OF INTEREST AND INCOME TAXES PAID		
Interest paid for the year	\$ --	\$ --
	=====	=====
Income taxes paid for the year	\$ --	\$ --
	=====	=====

The financial information presented herein has been prepared by management without audit by independent certified public accountants. The accompanying notes are an integral part of these financial statements.

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MARKETING ACQUISITION CORPORATION NOTES TO FINANCIAL STATEMENTS March 31, 2007 and 2006

NOTE A - ORGANIZATION AND DESCRIPTION OF BUSINESS

Marketing Acquisition Corporation (Company) was originally incorporated on July 26, 1990 in accordance with the Laws of the State of Florida as Marketing Educational Corporation. The Company changed its corporate name to Marketing Acquisition Corporation on February 28, 2006.

On June 13, 2006, the Company changed its state of incorporation from Florida to Nevada by means of a merger with and into a Nevada corporation formed on June 8, 2006 solely for the purpose of effecting the reincorporation. The Articles of Incorporation and Bylaws of the Nevada corporation are the Articles of Incorporation and Bylaws of the surviving corporation. Such Articles of Incorporation kept the Company's new name of Marketing Acquisition Corporation and modified the Company's capital structure to allow for the issuance of up to 100,000,000 shares of \$0.001 par value common stock and up to 50,000,000 shares of \$0.001 par value preferred stock.

The Company was originally formed for the purpose of direct marketing of certain educational materials and photography packages. The educational materials marketed by the Company consisted of encyclopedias, learning books, educational audio and video tapes which were designed to be combined in various combinations to accommodate the educational levels and needs of families with children of all ages. During the year ended December 31, 1992, the Company sold or otherwise disposed of all assets and operations in order to settle then-outstanding indebtedness.

Since December 31, 1992, the Company has had no operations, significant assets or liabilities.

The Company's current business plan is to locate and combine with an existing, privately-held company which is profitable or, in management's view, has growth potential, irrespective of the industry in which it is engaged. However, the

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Company does not intend to combine with a private company which may be deemed to be an investment company subject to the Investment Company Act of 1940. A combination may be structured as a merger, consolidation, exchange of the Company's common stock for stock or assets or any other form which will result in the combined enterprise's becoming a publicly-held corporation.

NOTE B - PREPARATION OF FINANCIAL STATEMENTS

The Company follows the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and has a year-end of December 31.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Management further acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system of internal accounting control is designed to assure, among other items, that 1) recorded transactions are valid; 2) valid transactions are recorded; and 3) transactions are recorded in the proper period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the Company for the respective periods being presented.

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MARKETING ACQUISITION CORPORATION NOTES TO FINANCIAL STATEMENTS - CONTINUED March 31, 2007 and 2006

NOTE B - PREPARATION OF FINANCIAL STATEMENTS - CONTINUED

During interim periods, the Company follows the accounting policies set forth in its annual audited financial statements filed with the U. S. Securities and Exchange Commission on its Annual Report on Form 10-KSB for the year ended December 31, 2006. The information presented within these interim financial statements may not include all disclosures required by generally accepted accounting principles and the users of financial information provided for interim periods should refer to the annual financial information and footnotes when reviewing the interim financial results presented herein.

In the opinion of management, the accompanying interim financial statements, prepared in accordance with the U. S. Securities and Exchange Commission's instructions for Form 10-QSB, are unaudited and contain all material adjustments, consisting only of normal recurring adjustments necessary to present fairly the financial condition, results of operations and cash flows of the Company for the respective interim periods presented. The current period results of operations are not necessarily indicative of results which ultimately will be reported for the full fiscal year ending December 31, 2007.

NOTE C - GOING CONCERN UNCERTAINTY

The Company was originally formed for the purpose of direct marketing of certain educational materials and photography packages. This venture was unsuccessful and all business operations were abandoned by December 31, 1992. Since December 31, 1992, the Company has had no operations, assets or liabilities. The

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Company's current principal business activity is to seek a suitable reverse acquisition candidate through acquisition, merger or other suitable business combination method.

The Company's continued existence is dependent upon its ability to generate sufficient cash flows from operations to support its daily operations as well as provide sufficient resources to retire existing liabilities and obligations on a timely basis.

The Company anticipates future sales of equity securities to facilitate either the consummation of a business combination transaction or to raise working capital to support and preserve the integrity of the corporate entity. However, there is no assurance that the Company will be able to obtain additional funding through the sales of additional equity securities or, that such funding, if available, will be obtained on terms favorable to or affordable by the Company.

If no additional operating capital is received during the next twelve months, the Company will be forced to rely on existing cash in the bank and upon additional funds loaned by management and/or significant stockholders to preserve the integrity of the corporate entity at this time. In the event, the Company is unable to acquire advances from management and/or significant stockholders, the Company's ongoing operations would be negatively impacted.

It is the intent of management and significant stockholders to provide sufficient working capital necessary to support and preserve the integrity of the corporate entity. However, no formal commitments or arrangements to advance or loan funds to the Company or repay any such advances or loans exist. There is no legal obligation for either management or significant stockholders to provide additional future funding.

While the Company is of the opinion that good faith estimates of the Company's ability to secure additional capital in the future to reach our goals have been made, there is no guarantee that the Company will receive sufficient funding to sustain operations or implement any future business plan steps.

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MARKETING ACQUISITION CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
March 31, 2007 and 2006

NOTE D - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Cash and cash equivalents

For Statement of Cash Flows purposes, the Company considers all cash on hand and in banks, certificates of deposit and other highly-liquid investments with maturities of three months or less, when purchased, to be cash and cash equivalents.

2. Income Taxes

The Company uses the asset and liability method of accounting for income taxes. At March 31, 2007 and 2006, respectively, the deferred tax asset and deferred tax liability accounts, as recorded when material to the financial statements, are entirely the result of temporary differences. Temporary differences represent differences in the recognition of assets and liabilities for tax and financial reporting purposes, primarily accumulated depreciation and amortization, allowance for doubtful accounts and vacation accruals.

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As of March 31, 2007 and 2006, the deferred tax asset related to the Company's net operating loss carryforward is fully reserved. Due to the provisions of Internal Revenue Code Section 338, the Company may have no net operating loss carryforwards available to offset financial statement or tax return taxable income in future periods as a result of a change in control involving 50 percentage points or more of the issued and outstanding securities of the Company.

3. Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net income (loss) available to common stockholders by the weighted-average number of common shares outstanding during the respective period presented in our accompanying financial statements.

Fully diluted earnings (loss) per share is computed similar to basic income (loss) per share except that the denominator is increased to include the number of common stock equivalents (primarily outstanding options and warrants).

Common stock equivalents represent the dilutive effect of the assumed exercise of the outstanding stock options and warrants, using the treasury stock method, at either the beginning of the respective period presented or the date of issuance, whichever is later, and only if the common stock equivalents are considered dilutive based upon the Company's net income (loss) position at the calculation date.

At March 31, 2007 and 2006, and subsequent thereto, the Company had no outstanding common stock equivalents.

4. Recent Accounting Pronouncements

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position or cash flows.

NOTE E - FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of cash, accounts receivable, accounts payable and notes payable, as applicable, approximates fair value due to the short term nature of these items and/or the current interest rates payable in relation to current market conditions.

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MARKETING ACQUISITION CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
March 31, 2007 and 2006

NOTE E - FAIR VALUE OF FINANCIAL INSTRUMENTS - CONTINUED

Interest rate risk is the risk that the Company's earnings are subject to fluctuations in interest rates on either investments or on debt and is fully dependent upon the volatility of these rates. The Company does not use derivative instruments to moderate its exposure to interest rate risk, if any.

Financial risk is the risk that the Company's earnings are subject to fluctuations in interest rates or foreign exchange rates and are fully dependent upon the volatility of these rates. The company does not use derivative instruments to moderate its exposure to financial risk, if any.

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NOTE F - NOTE PAYABLE TO STOCKHOLDER

During Calendar 2006, the Company executed a \$20,000 Line of Credit Note Payable with Glenn A. Little, the Company's former controlling stockholder to provide funds necessary to support the corporate entity and comply with the periodic reporting requirements of the Securities Exchange Act of 1934, as amended. This note bears interest at 6.0% and matures in September 2008. Through March 31, 2007, Mr. Little has advanced \$10,000 to the Company.

NOTE G - INCOME TAXES

The components of income tax (benefit) expense for each of the three month periods ended March 31, 2007 and 2006, are as follows:

	Three months ended March 31, 2007 -----	Three months ended March 31, 2006 -----
Federal:		
Current	\$ --	\$ --
Deferred	--	--
	-----	-----
	--	--
	-----	-----
State:		
Current	--	--
Deferred	--	--
	-----	-----
	--	--
	-----	-----
Total	\$ -- =====	\$ -- =====

Concurrent with April 2004 and March 2007 changes in control, the Company has a nominal net operating loss carryforward for income tax purposes. The amount and availability of any future net operating loss carryforwards may be subject to limitations set forth by the Internal Revenue Code. Factors such as the number of shares ultimately issued within a three year look-back period; whether there is a deemed more than 50 percent change in control; the applicable long-term tax exempt bond rate; continuity of historical business; and subsequent income of the Company all enter into the annual computation of allowable annual utilization of the carryforwards.

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MARKETING ACQUISITION CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
March 31, 2007 and 2006

NOTE G - INCOME TAXES - CONTINUED

The Company's income tax expense (benefit) for each of the three month periods ended March 31, 2007 and 2006, respectively, differed from the statutory federal rate of 34 percent as follows:

Three months Three months

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	ended March 31, 2007 -----	ended March 31, 2006 -----
Statutory rate applied to income before income taxes	\$ (1,900)	\$ (30)
Increase (decrease) in income taxes resulting from:		
State income taxes	--	--
Other, including reserve for deferred tax asset and application of net operating loss carryforward	1,900 -----	30 -----
Income tax expense	\$ -- =====	\$ -- =====

Temporary differences, which consist principally of net operating loss carryforwards, statutory deferrals of expenses for organizational costs and statutory differences in the depreciable lives for property and equipment, between the financial statement carrying amounts and tax bases of assets and liabilities give rise to deferred tax assets and/or liabilities, as appropriate. As of March 31, 2007 and 2006, respectively, after giving effect to the March 2007 change in control, the deferred tax asset is as follows:

	March 31, 2007 -----	March 31, 2006 -----
Deferred tax assets		
Net operating loss carryforwards	\$ --	\$ --
Less valuation allowance	-- -----	-- -----
Net Deferred Tax Asset	\$ -- =====	\$ -- =====

NOTE H - COMMON STOCK TRANSACTIONS

On June 13, 2006, the Company changed its state of incorporation from Florida to Nevada by means of a merger with and into a Nevada corporation formed on June 8, 2006 solely for the purpose of effecting the reincorporation. The Articles of Incorporation and Bylaws of the Nevada corporation are the Articles of Incorporation and Bylaws of the surviving corporation. Such Articles of Incorporation kept the Company's new name of Marketing Acquisition Corporation and modified the Company's capital structure to allow for the issuance of up to 100,000,000 shares of \$0.001 par value common stock and up to 50,000,000 shares of \$0.001 par value preferred stock.

On March 20, 2007, the Company entered into a Subscription Agreement (Agreement) with Halter Financial Investments, L.P., a Texas limited partnership (HFI). Other than in respect to this transaction, HFI had had no other material relationship with the Company or any of the Company's then officers, directors or affiliates or any associate of any such officer or director. Pursuant to the Agreement, the Company sold to HFI 60,000,000 shares of its common stock at a purchase price of \$.001 per share. The Company relied upon Section 4(2) of the Securities Act of 1933, as amended, for an exemption from registration of these shares and no underwriter was used in this transaction. As a result of the closing of this stock purchase transaction, HFI owns 71.4% of the total outstanding shares of the Company's capital stock and 71.4% total voting power of all outstanding voting securities.

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MARKETING ACQUISITION CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
March 31, 2007 and 2006

NOTE I - SUBSEQUENT EVENT

On April 23, 2007, the Company's Board of Directors unanimously approved and recommended that the stockholders approve, and the Company's Majority Stockholder approved, an amendment to our Articles of Incorporation to effect a reverse stock split of our issued and outstanding shares of common stock. The effect of the reverse split will reduce the number of issued and outstanding shares from 84,033,600 to approximately 1,750,700 shares, thereby making the Company be better positioned to effect our business strategy of entering into a business combination with a private entity that has current business operations.

The reverse stock split, when implemented, will not change the par value of our common stock nor change the number of authorized shares of our common stock. Except for any changes as a result of the treatment of fractional shares, following the reverse split, each stockholder who owns 48 or more shares will hold the same percentage of common stock outstanding immediately following the reverse stock split as such stockholder did immediately prior to the reverse stock split.

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PART I - ITEM 2

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(1) CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this quarterly filing, including, without limitation, statements containing the words "believes", "anticipates", "expects" and words of similar import, constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such factors include, among others, the following: international, national and local general economic and market conditions; demographic changes; the ability of the Company to sustain, manage or forecast its growth; the ability of the Company to successfully make and integrate acquisitions; raw material costs and availability; new product development and introduction; existing government regulations and changes in, or the failure to comply with, government regulations; adverse publicity; competition; the loss of significant customers or suppliers; fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans; business disruptions; the ability to attract and retain qualified personnel; the ability to protect technology; and other factors referenced in this and previous filings.

Given these uncertainties, readers of this Form 10-QSB and investors are cautioned not to place undue reliance on such forward-looking statements. The Company disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future events or developments.

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(2) GENERAL INFORMATION

The Company stopped filing periodic reports in compliance with the Securities Exchange Act of 1934, as amended, during 1992. Due to the absence of certain accounting records, it was impossible to complete required filings from that point through the current date(s). On April 15, 2005, the Company filed a Form 10-SB in order to disclose the Issuer's current status. The U. S. Securities and Exchange Commission (SEC), while acknowledging the intent of the filing, took the position that filing was improper and the filing was withdrawn. The Company then voluntarily requested a revocation of the registration and, on February 15, 2006, the SEC entered an order pursuant to Section 12(j) of the Exchange Act revoking the registration of the Company's securities which revocation cancelled the Company's filing obligations from previous periods. The Company has had no operations since 1992 and, accordingly, may now be deemed to be a "BLANK CHECK" or shell company, that is, either a development stage company that has no specific business plan or purpose or a dormant or inactive company that has indicated that its sole business plan is to engage in a merger or other acquisition with an unidentified company or companies, or other entity or person. On June 21, 2006, the Company filed a Registration Statement on Form 10-SB to re-register the eligible issued and outstanding shares of the Company's common stock as issued by the Company. It is the current position of the SEC that securities issued by a "SHELL" company cannot be sold under the exemption from registration provided by Rule 144 promulgated under the Securities Act of 1933 (the "ACT"), but must be registered under the Act. Any other securities issued to individuals in the capacity of management, affiliates, control persons and promoters will also require registered with the SEC prior to resale and shall be issued with appropriate restricted legend to reflect the registration requirements.

The Company's current principal business activity is to seek a suitable reverse acquisition candidate through acquisition, merger or other suitable business combination method. As a "REPORTING COMPANY," the Company may be more attractive to a private acquisition target because its common stock may thereby be quoted on the OTC Bulletin Board. As a result of filing the June 21, 2006 Registration Statement on Form 10-SB, the Company is obligated to file with the SEC certain interim and periodic reports including an annual report containing audited financial statements. The Company anticipates that it will continue to file such reports as required under the Exchange Act. Shell corporations have zero or nominal assets and typically no stated or contingent liabilities. Private companies wishing to become publicly trading may wish to merge with a shell corporation through a reverse merger or reverse acquisition transaction whereby the stockholders of the private company become the majority of the stockholders of the combined company. The private company may purchase for cash all or a portion of the common shares of the shell corporation from its major stockholders. Typically, the Board and officers of the private company become the new Board and officers of the combined Company and often the name of the private company becomes the name of the combined entity.

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(3) RESULTS OF OPERATIONS

The Company had no revenue for either of the nine or three month periods ended March 31, 2007 and 2006, respectively.

General and administrative expenses for each of the respective three month periods ended March 31, 2007 and 2006 were nominal and were directly related to the maintenance of the corporate entity and the preparation and filing of the June 21, 2006 Form 10-SB and subsequent periodic reports pursuant to the Securities Exchange Act of 1934. It is anticipated that future expenditure levels will increase as the Company intends to fully comply with it's periodic

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reporting requirements. Earnings per share for the respective three month periods ended March 31, 2007 and 2006 were \$0.00 and \$0.00 based on the weighted-average shares issued and outstanding at the end of each respective period.

The Company does not expect to generate any meaningful revenue or incur operating expenses for purposes other than fulfilling the obligations of a reporting company under the Securities Exchange Act of 1934 unless and until such time that the Company's operating subsidiary begins meaningful operations.

PLAN OF BUSINESS

GENERAL

The Company intends to locate and combine with an existing, privately-held company which is profitable or, in management's view, has growth potential, irrespective of the industry in which it is engaged. However, the Company does not intend to combine with a private company which may be deemed to be an investment company subject to the Investment Company Act of 1940. A combination may be structured as a merger, consolidation, exchange of the Company's common stock for stock or assets or any other form which will result in the combined enterprise's becoming a publicly-held corporation.

Pending negotiation and consummation of a combination, the Company anticipates that it will have, aside from carrying on its search for a combination partner, no business activities, and, thus, will have no source of revenue. Should the Company incur any significant liabilities prior to a combination with a private company, it may not be able to satisfy such liabilities as are incurred.

If the Company's management pursues one or more combination opportunities beyond the preliminary negotiations stage and those negotiations are subsequently terminated, it is foreseeable that such efforts will exhaust the Company's ability to continue to seek such combination opportunities before any successful combination can be consummated. In that event, the Company's common stock will become worthless and holders of the Company's common stock will receive a nominal distribution, if any, upon the Company's liquidation and dissolution.

COMBINATION SUITABILITY STANDARDS

In its pursuit for a combination partner, the Company's management intends to consider only combination candidates which are profitable or, in management's view, have growth potential. The Company's management does not intend to pursue any combination proposal beyond the preliminary negotiation stage with any combination candidate which does not furnish the Company with audited financial statements for at least its most recent fiscal year and unaudited financial statements for interim periods subsequent to the date of such audited financial statements, or is in a position to provide such financial statements in a timely manner. The Company will, if necessary funds are available, engage attorneys and/or accountants in its efforts to investigate a combination candidate and to consummate a business combination. The Company may require payment of fees by such combination candidate to fund the investigation of such candidate. In the event such a combination candidate is engaged in a high technology business, the Company may also obtain reports from independent organizations of recognized standing covering the technology being developed and/or used by the candidate. The Company's limited financial resources may make the acquisition of such reports difficult or even impossible to obtain and, thus, there can be no assurance that the Company will have sufficient funds to obtain such reports when considering combination proposals or candidates. To the extent the Company is unable to obtain the advice or reports from experts, the risks of any combined enterprise's being unsuccessful will be enhanced. Furthermore, to the knowledge of the Company's officers and directors, neither the candidate nor any of its directors, executive officers, principal stockholders or general

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partners:

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- (1) will not have been convicted of securities fraud, mail fraud, tax fraud, embezzlement, bribery, or a similar criminal offense involving misappropriation or theft of funds, or be the subject of a pending investigation or indictment involving any of those offenses;
- (2) will not have been subject to a temporary or permanent injunction or restraining order arising from unlawful transactions in securities, whether as issuer, underwriter, broker, dealer, or investment advisor, may be the subject of any pending investigation or a defendant in a pending lawsuit arising from or based upon allegations of unlawful transactions in securities; or
- (3) will not have been a defendant in a civil action which resulted in a final judgement against it or him awarding damages or rescission based upon unlawful practices or sales of securities.

The Company's officers and directors will make these determinations by asking pertinent questions of the management of prospective combination candidates. Such persons will also ask pertinent questions of others who may be involved in the combination proceedings. However, the officers and directors of the Company will not generally take other steps to verify independently information obtained in this manner which is favorable. Unless something comes to their attention which puts them on notice of a possible disqualification which is being concealed from them, such persons will rely on information received from the management of the prospective combination candidate and from others who may be involved in the combination proceedings.

(4) LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2007, the Company had working capital of approximately \$60,900.

During Calendar 2006, the Company executed a \$20,000 Line of Credit Note Payable with Glenn A. Little, the Company's former controlling stockholder to provide funds necessary to support the corporate entity and comply with the periodic reporting requirements of the Securities Exchange Act of 1934, as amended. This note bears interest at 6.0% and matures in September 2008. Through March 31, 2007, Mr. Little has advanced \$10,000 to the Company.

On March 20, 2007, the Company entered into a Subscription Agreement (Agreement) with Halter Financial Investments, L.P., a Texas limited partnership (HFI). Other than in respect to this transaction, HFI had had no other material relationship with the Company or any of the Company's then officers, directors or affiliates or any associate of any such officer or director. Pursuant to the Agreement, the Company sold to HFI 60,000,000 shares of its common stock at a purchase price of \$.001 per share. The Company relied upon Section 4(2) of the Securities Act of 1933, as amended, for an exemption from registration of these shares and no underwriter was used in this transaction. As a result of the closing of this stock purchase transaction, HFI owns 71.4% of the total outstanding shares of the Company's capital stock and 71.4% total voting power of all outstanding voting securities.

It is the belief of management and significant stockholders that sufficient working capital necessary to support and preserve the integrity of the corporate entity will be present. However, there is no legal obligation for either management or significant stockholders to provide additional future funding. Should this pledge fail to provide financing, the Company has not identified any alternative sources. Consequently, there is substantial doubt about the Company's ability to continue as a going concern.

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The Company's need for working capital may change dramatically as a result of any business acquisition or combination transaction. There can be no assurance that the Company will identify any such business, product, technology or company suitable for acquisition in the future. Further, there can be no assurance that the Company would be successful in consummating any acquisition on favorable terms or that it will be able to profitably manage the business, product, technology or company it acquires.

The Company has no current plans, proposals, arrangements or understandings with respect to the sale or issuance of additional securities prior to the location of a merger or acquisition candidate. Accordingly, there can be no assurance that sufficient funds will be available to the Company to allow it to cover the expenses related to such activities.

Regardless of whether the Company's cash assets prove to be inadequate to meet the Company's operational needs, the Company might seek to compensate providers of services by issuances of stock in lieu of cash.

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ITEM 3 - CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Security and Exchange Commission's rules and forms, and that such information is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Accounting Officer, as appropriate, to allow timely decisions regarding required disclosure. Management necessarily applied its judgment in assessing the costs and benefits of such controls and procedures, which, by their nature, can provide only reasonable assurance regarding management's control objectives.

The Company carried out an evaluation, under the supervision and with the participation of its management, including its Chief Executive Officer and Chief Accounting Officer, on the effectiveness of the design and operation of its disclosure controls and procedures pursuant to Exchange Act Rules 13a-15 and 15d-15 as of the end of the period covered by this report. Based upon that evaluation, the Company's Chief Executive Officer and Chief Accounting Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to information relating to the Company required to be included in the Company's Exchange Act reports.

While the Company believes that its existing disclosure controls and procedures have been effective to accomplish their objectives, the Company intends to continue to examine, refine and document its disclosure controls and procedures and to monitor ongoing developments in this area.

(b) Changes in Internal Controls

During the quarter ended March 31, 2007, there were no changes (including corrective actions with regard to significant deficiencies or material weaknesses) in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

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ITEM 1 - LEGAL PROCEEDINGS

None

ITEM 2 - RECENT SALES OF UNREGISTERED SECURITIES AND USE OF PROCEEDS

On March 20, 2007, the Company entered into a Subscription Agreement (Agreement) with Halter Financial Investments, L.P., a Texas limited partnership (HFI). Other than in respect to this transaction, HFI had had no other material relationship with the Company or any of the Company's then officers, directors or affiliates or any associate of any such officer or director. Pursuant to the Agreement, the Company sold to HFI 60,000,000 shares of its common stock at a purchase price of \$.001 per share. The Company relied upon Section 4(2) of the Securities Act of 1933, as amended, for an exemption from registration of these shares and no underwriter was used in this transaction. As a result of the closing of this stock purchase transaction, HFI owns 71.4% of the total outstanding shares of the Company's capital stock and 71.4% total voting power of all outstanding voting securities.

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ITEM 3 - DEFAULTS ON SENIOR SECURITIES

None

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On April 23, 2007, the Company's Board of Directors unanimously approved and recommended that the stockholders approve, and the Company's Majority Stockholder approved, an amendment to our Articles of Incorporation to effect a reverse stock split of our issued and outstanding shares of common stock. The effect of the reverse split will reduce the number of issued and outstanding shares from 84,033,600 to approximately 1,750,700 shares, thereby making the Company be better positioned to effect our business strategy of entering into a business combination with a private entity that has current business operations.

The reverse stock split, when implemented, will not change the par value of our common stock nor change the number of authorized shares of our common stock. Except for any changes as a result of the treatment of fractional shares, following the reverse split, each stockholder who owns 48 or more shares will hold the same percentage of common stock outstanding immediately following the reverse stock split as such stockholder did immediately prior to the reverse stock split.

ITEM 5 - OTHER INFORMATION

None

ITEM 6 - EXHIBITS

- 31.1 Certification pursuant to Section 302 of Sarbanes-Oxley Act of 2002
- 32.1 Certification pursuant to Section 906 of Sarbanes-Oxley Act of 2002

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MARKETING ACQUISITION CORPORATION

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Dated: April 27, 2007

By: /s/ Timothy P. Halter

Timothy P. Halter
Chairman, Chief Executive Officer,
Chief Financial Officer and Director

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