

Edgar Filing: TOMBSTONE TECHNOLOGIES, INC. - Form 10-Q

TOMBSTONE TECHNOLOGIES, INC.
Form 10-Q
May 12, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934 For the quarterly period ended March 31, 2010

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

For the transition period from

Commission file number : 333-38184

TOMBSTONE TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Colorado

51-0431963

(State of Incorporation)

(IRS Employer ID Number)

5380 Highlands Drive, Longmont, CO 80503

(Address of principal executive offices)

303-684-6644

(Registrant's Telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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 the filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 for Regulation S-T (ss.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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 Accelerated filer Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Edgar Filing: TOMBSTONE TECHNOLOGIES, INC. - Form 10-Q

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

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

As of May 6, 2010, there were 4,878,000 shares of the registrant's common stock issued and outstanding.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

Condensed Balance Sheets - March 31, 2010 and
December 31, 2009

Condensed Statement of Operations -
Three months ended March 31, 2010 and 2009 and From January 1,
2009 (Inception of Development Stage)
through March 31, 2010

Condensed Statement of Changes in Shareholders' Equity -
From January 1, 2009 through March 31, 2010

Condensed Statement of Cash Flows - Three months ended March 31, 2010
and 2009 and from January 1, 2009
(Inception of Development Stage) through March 31, 2010

Notes to the Condensed Financial Statements

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk - Not Applicable

Item 4. Controls and Procedures

Item 4T. Controls and Procedures

PART II - OTHER INFORMATION

Item 1. Legal Proceedings -Not Applicable

Item 1.A. Risk Factors - Not Applicable

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

Item 3. Defaults Upon Senior Securities - Not Applicable

Item 4. Removed and Reserved

Edgar Filing: TOMBSTONE TECHNOLOGIES, INC. - Form 10-Q

Item 5. Other Information - Not Applicable

Item 6. Exhibits

SIGNATURES

PART I

ITEM 1. FINANCIAL STATEMENTS

TOMBSTONE TECHNOLOGIES, INC.
(A Development Stage Company)
Condensed Balance Sheets

	March 31, 2010 (Unaudited)	December 31, 2009 (Audited)
	-----	-----
Assets		
Current Assets		
Cash and cash equivalents	\$ 5,067	\$ 7,43
	-----	-----
Total Current Assets	5,067	7,43
Property and equipment, net	4,077	5,67
Intangible assets, net	83,382	92,64
	-----	-----
Total Assets	\$ 92,526	\$ 105,76
	=====	=====
Liabilities and Shareholders' Equity/(Deficit)		
Current Liabilities:		
Accounts payable	\$ 6,284	\$ 7,23
Indebtedness to acquisition candidate (Note 1)	25,028	--
Convertible promissory notes, net of unamortized discount of \$0 and \$1,667 (Note 2)	--	98,33
Current portion - capital lease obligation	1,303	1,92
	-----	-----
Total Current Liabilities	32,615	107,49
Shareholders' Equity/(Deficit):		
Preferred stock, no par value; 1,000,000 shares authorized, -0- and -0- shares issued and outstanding, respectively	--	--
Common stock, no par value; 100,000,000 shares authorized, 4,878,000 and 3,878,000 shares issued and outstanding, respectively	1,055,775	955,77
Additional paid-in capital	253,275	253,27
Accumulated deficit	(909,499)	(909,49)

Edgar Filing: TOMBSTONE TECHNOLOGIES, INC. - Form 10-Q

Deficit accumulated during development stage	(339,640)	(301,27
Total Shareholders' Equity/(Deficit)	59,911	(1,72
Total Liabilities and Shareholders' Equity/(Deficit) \$	92,526	\$ 105,76

See accompanying notes to unaudited condensed financial statements
F-1

TOMBSTONE TECHNOLOGIES, INC.
(A Development Stage Company)
Condensed Statements of Operations
(Unaudited)

	For the Three Months Ended March 31,		January 1 (Incepti Developmen thru March
	2010	2009	2010
Continuing operations:			
Sales	\$ --	\$ --	\$
Cost of sales	--	740	
Gross profit	--	(740)	
Selling, general and administrative expenses	(36,397)	(27,445)	(
Loss from continuing operations	(36,397)	(28,185)	(
Other income and (expense):			
Interest income	--	5	
Interest expense:			
Beneficial conversion feature	--	--	
Interest expense-promissory notes	(1,914)	--	
Interest expense-other	(51)	(135)	
Loss before income taxes	(38,362)	(28,315)	(
Income tax provision	--	--	
Net loss	\$ (38,362)	\$ (28,315)	\$

Edgar Filing: TOMBSTONE TECHNOLOGIES, INC. - Form 10-Q

Basic and diluted loss per share	\$	(0.01)	\$	(0.01)
		=====		=====
Basic and diluted weighted average common shares outstanding		4,644,667		3,253,333
		=====		=====

See accompanying notes to unaudited condensed financial statement
F-2

TOMBSTONE TECHNOLOGIES, INC.
(A Development Stage Company)
Condensed Statements of Cash Flows
(Unaudited)

	For The Three Months Ended March 31,	
	2010	2009
	-----	-----
Cash flows from operating activities:		
Net cash flows used in operating activities	\$ (26,778)	\$ (13,267)
	-----	-----
Cash flows from investing activities:		
Purchase of software	-	-
	-----	-----
Net cash used in investing activities	-	-
	-----	-----
Cash flows from financing activities:		
Proceeds from short term loans	25,028	7,500
Cash payments on capital lease	(622)	(559)
	-----	-----
Net cash provided by financing activities	24,406	6,941
	-----	-----
Net change in cash and cash equivalents	(2,372)	(6,326)
Cash and cash equivalents:		
Beginning of year	7,439	11,882
	-----	-----
End of year	\$ 5,067	\$ 5,556

Edgar Filing: TOMBSTONE TECHNOLOGIES, INC. - Form 10-Q

	=====	=====	=====
Supplemental disclosure of cash flow information:			
Cash paid during the year for:			
Income taxes	\$ --	\$ --	\$
	=====	=====	=====
Interest	\$ 298	\$ --	\$
	=====	=====	=====
Noncash investing and financing transactions:			
Common stock issued as payment for software development costs	\$ --	\$ 37,870	\$
	=====	=====	=====
Common stock issued as payment for accrued payroll	\$ --	\$ --	\$
	=====	=====	=====

See accompanying notes to unaudited condensed financial statements

F-3

TOMBSTONE TECHNOLOGIES, INC.
(A Development Stage Company)
Statement of Changes in Shareholders' Equity/(Deficit)
(Unaudited)

	Common Stock		Additional	Accumulated
	Shares	Amount	Paid-in Capital	Deficit
	-----	-----	-----	-----
Balance at December 31, 2008	3,230,000	\$ 816,305	\$ 134,892	\$ (909,499)
March 2009, shares issued for software development	140,000	37,870	--	--
June 2009, shares issued for accrued payroll and services by an officer	476,170	95,234	--	--
July 2009, shares issued for services by an officer	6,830	1,366	--	--
July 2009, shares issued for software development	25,000	5,000	--	--
Stock options issued and extended	--	--	18,383	--
Discount on convertible				

Edgar Filing: TOMBSTONE TECHNOLOGIES, INC. - Form 10-Q

promissory notes	--	--	100,000	--
Net loss	--	--	--	--
	-----	-----	-----	-----
Balance at December 31, 2009	3,878,000	955,775	253,275	(909,499)
	-----	-----	-----	-----
January 2010 shares, issued to Convertible Promissory Note Holders	1,000,000	100,000	--	--
Net loss	--	--	--	--
	-----	-----	-----	-----
Balance at March 31, 2010	4,878,000 \$	1,055,775 \$	253,275 \$	(909,499)
	=====	=====	=====	=====

See accompanying notes to unaudited condensed financial statements
F-4

TOMBSTONE TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Condensed Financial Statements
March 31, 2010
(Unaudited)

Note 1: Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Regulation S-K. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of the Company, the accompanying unaudited condensed financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position as of March 31, 2010, the results of operations for the three months ended March 31, 2010, and cash flows for the three months ended March 31, 2010. These financial statements should be read in conjunction with the audited financial statements and notes thereto contained in the Company's annual report on Form 10-K for the year ended December 31, 2009. There have been no updates or changes to our audited financial statements for the year ended December 31, 2009. There is no provision for dividends for the quarter to which this quarterly report relates.

The results of operations for the three months ended March 31, 2010 are not necessarily indicative of the results to be expected for the full year.

Proposed Acquisition

During the three months ended March 31, 2010, the Company entered into an agreement to acquire the assets of Hunt Global Resources, Inc. ("Hunt"), a Houston based company focused on the use of new technologies to maximize the value of its natural resources projects. The completion of acquisition is contingent upon the deliverance of audited financial statements of Hunt. At this time, the Company has not closed on the acquisition. See Note 5, Subsequent Events.

During the three months ended March 31, 2010, Hunt advanced the Company funds

Edgar Filing: TOMBSTONE TECHNOLOGIES, INC. - Form 10-Q

totaling \$25,028 to support operations. These funds are due on demand.

Going Concern

The Company's financial statements for the three months ended March 31, 2010 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company reported an accumulated deficit of \$1,249,139 as of March 31, 2010. The Company recognized losses of \$38,362 from its operational activities during the three months ended March 31, 2010. These factors raise substantial doubt about the Company's ability to continue as a going concern.

Recent Accounting Pronouncements

There were various other accounting standards and interpretations issued in 2010, none of which are expected to have a material impact on the Company's financial position, operations or cash flows.

Note 2: Convertible Promissory Notes

During the year ended December 31, 2009, the Company issued Convertible Promissory Notes payable to unrelated third parties totaling \$100,000 with interest accruing at 8% per annum (paid quarterly) maturing twelve months from date of issuance. The notes were immediately convertible to restricted shares of common stock at \$0.10 per share.

F-5

TOMBSTONE TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Condensed Financial Statements
March 31, 2010
(Unaudited)

A beneficial conversion feature (difference between conversion price and the quoted stock price on the date of commitment) embedded in the convertible promissory notes was measured at \$100,000 and recorded as a debt discount on the transaction date. As of December 31, 2009, \$98,333 of the discount was amortized to interest expense, leaving an unamortized discount of \$1,667 in the accompanying financial statements for the year ended December 31, 2009.

In January 2010, all of the holders of the outstanding Convertible Promissory Notes gave conversion notice to the Company that they would convert their notes into shares of the Company's common stock. The conversion of the Convertible Promissory Notes resulted in the issuance of 1,000,000 shares of Company's common stock to the convertible promissory note holders of such notes as of January 15, 2010. After the conversion of such Convertible Promissory Notes the Company does not have any Convertible Promissory Notes outstanding.

The following is a summary of convertible promissory notes at March 31, 2010 and December 31, 2009:

	March 31, 2010	December 31, 2009
Notes issued in March 2009	\$ -	\$ 7,500
Notes issued in April 2009	-	25,000
Notes issued in May 2009	-	27,500
Notes issued in July 2009	-	40,000
Total convertible promissory notes	\$ -	\$ 100,000

=====

Note 3: Shareholders' Equity

Common Stock

In January 2010, all of the holders of the outstanding Convertible Promissory Notes totaling \$100,000 gave conversion notice to the Company that they would convert their notes into shares of the Company's common stock. The conversion of the Convertible Promissory Notes resulted in the issuance of 1,000,000 shares of Company's common stock to the convertible promissory note holders of such notes as of January 15, 2010. After the conversion of such Convertible Promissory Notes the Company does not have any Convertible Promissory Notes outstanding

Stock Options

Pursuant to our Employee/Consultant Stock Option Plan, stock options generally are granted with an exercise price equal to the market price of our common stock at the date of grant. Substantially all of the options granted to employees and consultants are exercisable pursuant to an immediate vesting schedule with a maximum contractual term of 5 years. The fair value of these options is estimated using the Black-Scholes option pricing model which incorporates the assumptions noted in the table below. The risk-free interest rate for periods within the expected life of the option is based on the U.S. Treasury bond rate in effect at the time of grant. We do not pay dividends and do not expect to do so in the future. Expected volatilities are based on the historical volatilities of appropriate industry sector index. The expected term of the options granted during 2009 is approximately 3 years calculated using the simplified method.

We use historical volatility of appropriate industry sector index as we believe it is more reflective of market conditions and a better indicator of volatility. We use the simplified calculation of expected life. If we determined that another method used to estimate expected volatility was more reasonable than our current methods, or if another method for calculating these input assumptions was prescribed by authoritative guidance, the fair value calculated for

F-6

TOMBSTONE TECHNOLOGIES, INC.
 (A Development Stage Company)
 Notes to Condensed Financial Statements
 March 31, 2010
 (Unaudited)

share-based awards could change significantly. Higher volatility and longer expected lives result in an increase to share-based compensation determined at the date of grant.

A summary of changes in the number of stock options outstanding for the three months ended March 31, 2010 is as follows:

	Number of Shares	Price Per Share	Price Per Share	Contract Life
Outstanding at January 1, 2010.....	1,689,999	\$0.10 - \$1.50	\$0.65	2.67 year
Granted.....	--	--	--	--

Edgar Filing: TOMBSTONE TECHNOLOGIES, INC. - Form 10-Q

Expired.....	--	--	--	--
Cancelled/Expired.....	--	--	--	--
Outstanding at March 31, 2010.....	1,689,999	\$0.10 - \$1.50	\$0.65	2.42 year
Exercisable at March 31, 2010	1,689,999	\$0.10 - \$1.50	\$0.65	2.42 year

Note 4: Income Taxes

The Company incurred net operating losses during the periods shown on the condensed financial statements resulting in a deferred tax asset, which was reserved; therefore the net benefit and expense resulted in \$-0- income taxes.

Note 5: Subsequent Events

Hunt Global Resources, Inc. Acquisition

The Company entered into an agreement to acquire the assets of Hunt Global Resources, Inc. ("Hunt"), a Houston based company focused on the use of new technologies to maximize the value of its natural resources projects.

The transaction is structured in the form of a reverse merger where the shareholders of Hunt will receive in excess of 90% of the issued and outstanding stock of Company when the transaction is complete. As a result of the transaction, Hunt will acquire all of the outstanding assets and liabilities of the Company.

The transaction contemplates the issuance of shares as follows:

- A) 29,000,000 shares of Common Stock of the Company to Hunt;
- B) 125,000 Class A Preferred Convertible Shares (having a conversion ratio of one preferred to 208 common shares of the Company and subject to the common stock of the Company having traded at an average bid price of \$3.00 for ten consecutive trading days); and
- C) 125,000 Class B Convertible Preferred Shares (having a conversion ratio of one preferred for 248 common shares of the Company and subject to the common stock of the Company having traded at an average bid price of \$7.00 for ten consecutive trading days).

The completion of the acquisition is contingent upon the receipt of audited financial statements of Hunt. Such audited financial statements have not been completed at the time of this filing.

F-7

TOMBSTONE TECHNOLOGIES, INC.
 (A Development Stage Company)
 Notes to Condensed Financial Statements
 March 31, 2010
 (Unaudited)

The Company has evaluated its activities subsequent to the quarter ended March 31, 2010 and found no other reportable subsequent events, then those discussed above.

F-8

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our unaudited financial statements and notes thereto included herein. In connection with, and because we desire to take advantage of, the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, we caution readers regarding certain forward looking statements in the following discussion and elsewhere in this report and in any other statement made by, or on our behalf, whether or not in future filings with the Securities and Exchange Commission. Forward-looking statements are statements not based on historical information and which relate to future operations, strategies, financial results or other developments. Forward looking statements are necessarily based upon estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and many of which, with respect to future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward looking statements made by, or on our behalf. We disclaim any obligation to update forward-looking statements.

The independent registered public accounting firm's report on the Company's financial statements as of December 31, 2009, and for each of the years in the two-year period then ended, includes a "going concern" explanatory paragraph, that describes substantial doubt about the Company's ability to continue as a going concern.

PLAN OF OPERATIONS

At March 31, 2010, we had cash on hand of \$5,067. We intend to use our cash

Edgar Filing: TOMBSTONE TECHNOLOGIES, INC. - Form 10-Q

funds to continue operations. We intend to continue to develop the business opportunities presented by our OIEPrint(TM) software. The development of the business opportunities includes continued marketing efforts and product testing over the next twelve months.

During the year ended December 31, 2009, we raised \$100,000 in Convertible Notes that will mature after one year. Payments of interest at the rate of 8.0% per annum will be accrued and paid each quarter to each investor beginning June 30, 2009. During the year ended December 31, 2009, we paid interest of \$4,744. The investor also has the option, based on their conversion terms, to convert to restricted shares of common stock at \$0.10 per share with immediate convertibility (i.e. \$2,500 = 25,000 shares.) In January 2010, all of the investors of the \$100,000 Convertible Promissory Notes elected to convert their promissory notes into shares of the Company's common stock. The Company issued 1,000,000 shares of its restricted common stock upon the conversion of \$100,000 in principal.

On January 19, 2010, Tombstone entered into an Agreement and Plan of Merger with Hunt Global Resources, Inc. and Hunt Acquisition Corp. Hunt Global Resources, Inc. (Hunt) is a Houston-based company focused on the use of new technologies to maximize the value of its natural resources projects.

The transaction is structured in the form of a reverse merger wherein Hunt shareholders will receive in excess of 90% of Tombstone Technologies, Inc. when the transaction is complete. The completion of the transaction is dependent upon the deliverance of audited financial statements of Hunt. At the time of this filing, the transaction has not closed nor have audited financial statements been received.

The transaction contemplates the issuance of shares as follows:

A) 29,000,000 shares of Common Stock of Tombstone;

B) 125,000 Class A Preferred Convertible Shares (having a conversion ratio of one preferred to 208 common Tombstone shares and subject to the common stock of the Tombstone having traded at an average bid price of \$3.00 for ten consecutive trading days); and

2

C) 125,000 Class B Convertible Preferred Shares (having a conversion ratio of one preferred for 248 common Tombstone shares and subject to the common stock of Tombstone having traded at an average bid price of \$7.00 for ten consecutive trading days).

In the continuance of our business operations we do not intend to purchase or sell any significant assets and we do not expect a significant change in the number of employees of the Company.

RESULTS OF OPERATIONS

For the Three Months Ended March 31, 2010 Compared to the Three Months Ended March 31, 2009

During the three months ended March 31, 2010 and March 31, 2009, the Company did not recognize any revenues from its operational activities.

During the three months ended March 31, 2010, we incurred \$36,397 in selling and general administrative expenses compared to \$27,445 during the three months ended March 31, 2009. The increase of \$8,952 was a result of the increase in our activities in operations.

Edgar Filing: TOMBSTONE TECHNOLOGIES, INC. - Form 10-Q

During the three months ended March 31, 2010, we recognized a net loss of \$38,362 compared to \$28,315 for the three months ended March 31, 2009. The increase of \$10,047 was a result of the increases of selling and general and administrative expenses of \$8,952 and an increase of \$1,830 in interest expenses and amortization expenses as a result of the issuance of convertible promissory notes.

LIQUIDITY

At March 31, 2010, we had total current assets of \$5,067 consisting solely of cash on hand. At March 31, 2010, we had total current liabilities of \$32,615, consisting of accounts payable of \$6,284, other current liabilities of \$25,028 and lease obligations of \$1,303. At March 31, 2010, we had a working capital deficit of \$27,548.

Net cash used in operating activities during the three months ended March 31, 2010 was \$26,778, compared to net cash used in operating activities during the three months ended March 31, 2009 of \$13,627.

During the three months ended March 31, 2010 and 2009, there was no cash used or received in investing activities.

During the three months ended March 31, 2010, we received \$24,406 from our financing activities compared to \$6,941 during the three months ended March 31, 2009.

During the three months ended March 31, 2010, the Company entered into a agreement to acquire the assets of Hunt Global Resources, Inc. ("Hunt"), a Houston based company focused on the use of new technologies to maximize the value of its natural resources projects. The completion of acquisition is contingent upon the deliverance of audited financial statements of Hunt. At this time, the Company has not closed on the acquisition.

During the three months ended March 31, 2010, Hunt advanced the Company funds totaling \$25,028 to support operations. These funds are due on demand.

In January 2010, all of the holders of the outstanding Convertible Promissory Notes totaling \$100,000 gave conversion notice to the Company that they would convert their notes into shares of the Company's common stock. The conversion of the Convertible Promissory Notes resulted in the issuance of 1,000,000 shares of

3

Company's common stock to the convertible promissory note holders of such notes as of January 15, 2010. After the conversion of such Convertible Promissory Notes the Company does not have any Convertible Promissory Notes outstanding

Need for Additional Financing

We do not have capital sufficient to meet our cash needs. We will have to seek loans or equity placements to cover such cash needs. Once exploration commences, our needs for additional financing is likely to increase substantially.

No commitments to provide additional funds have been made by our management or other stockholders. Accordingly, there can be no assurance that any additional funds will be available to us to allow it to cover our expenses as they may be incurred.

ITEM 3. QUANTATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Edgar Filing: TOMBSTONE TECHNOLOGIES, INC. - Form 10-Q

Not Applicable

ITEM 4. CONTROLS AND PROCEDURES

Disclosures Controls and Procedures

We have adopted and maintain disclosure controls and procedures (as such term is defined in Rules 13a 15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to ensure that information required to be disclosed in our reports under the Exchange Act, is recorded, processed, summarized and reported within the time periods required under the SEC's rules and forms and that the information is gathered and communicated to our management, including our Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), as appropriate, to allow for timely decisions regarding required disclosure.

As required by SEC Rule 15d-15(b), Messrs. Harris and Cox our Chief Executive Officer and Chief Financial Officer for the quarter ended March 31, 2010, carried out an evaluation under the supervision and with the participation of our management, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 15d-14 as of the end of the period covered by this report. Based on the foregoing evaluation, Messrs. Harris and Cox have concluded that our disclosure controls and procedures are effective in timely alerting them to material information required to be included in our periodic SEC filings and to ensure that information required to be disclosed in our periodic SEC filings is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure as a result of the deficiency in our internal control over financial reporting discussed below.

ITEM 4T. CONTROLS AND PROCEDURES

Management's Quarterly Report on Internal Control over Financial Reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the company in accordance with as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, based on criteria established in Internal Control--Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;

4

- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation

- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized

Management's assessment of the effectiveness of the small business issuer's internal control over financial reporting is as of the quarter ended March 31,

Edgar Filing: TOMBSTONE TECHNOLOGIES, INC. - Form 10-Q

2010. We believe that internal control over financial reporting is effective. We have not identified any, current material weaknesses considering the nature and extent of our current operations and any risks or errors in financial reporting under current operations.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

This quarterly report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this annual report.

There was no change in our internal control over financial reporting that occurred during the fiscal quarter ended March 31, 2010, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS
NONE

ITEM 1A. RISK FACTORS
NONE

ITEM 2. CHANGES IN SECURITIES

The Company made the following unregistered sales of its securities from January 1, 2010 through March 31, 2010.

DATE OF SALE	TITLE OF SECURITIES	NO. OF SHARES	CONSIDERATION	CLASS OF PURCHASE
January 2010	Common Stock	1,000,000	Conversion of \$100,000 in Promissory Notes	Business Association

Exemption From Registration Claimed

All of the sales by the Company of its unregistered securities were made by the Company in reliance upon Section 4(2) of the Securities Act of 1933, as amended (the "1933 Act"). All of the individuals and/or entities listed above that purchased the unregistered securities were almost, all known to the Company and

Edgar Filing: TOMBSTONE TECHNOLOGIES, INC. - Form 10-Q

its management, through pre-existing business relationships, as long standing business associates, and employees. All purchasers were provided access to all material information, which they requested, and all information necessary to verify such information and were afforded access to management of the Company in connection with their purchases. All purchasers of the unregistered securities acquired such securities for investment and not with a view toward distribution, acknowledging such intent to the Company. All certificates or agreements representing such securities that were issued contained restrictive legends, prohibiting further transfer of the certificates or agreements representing such securities, without such securities either being first registered or otherwise exempt from registration in any further resale or disposition.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

NONE

ITEM 4. RESCINDED AND RESERVED.

ITEM 5. OTHER INFORMATION

NONE.

ITEM 6. EXHIBITS

Exhibits. The following is a complete list of exhibits filed as part of this Form 10-Q. Exhibit numbers correspond to the numbers in the Exhibit Table of Item 601 of Regulation S-K.

Exhibit 31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act

Exhibit 31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act

Exhibit 32.1 Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act

Exhibit 32.2 Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Edgar Filing: TOMBSTONE TECHNOLOGIES, INC. - Form 10-Q

TOMBSTONE TECHNOLOGIES, INC.
(Registrant)

Dated: May 11, 2010

By: /s/ John N. Harris

John N. Harris, President & Chief
Executive Officer

Dated: May 11, 2010

By: /s/ Neil A. Cox

Neil A. Cox, Chief Financial Officer &
Chief Accounting Officer