

RAPTOR TECHNOLOGY GROUP, INC.  
Form 10-Q  
April 22, 2011

---

---

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

FORM 10-Q

QUARTERLY REPORT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended February 28, 2011

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission file number 333-148076

RAPTOR TECHNOLOGY GROUP, INC.  
(Exact name of registrant as specified in its charter)

Nevada 20-8-182  
(State or Other Jurisdiction of (I.R.S. Employer Identification No.)  
Incorporation of Organization)

409 – 903 19th Avenue SW, Calgary, 403-399-6402  
Alberta, T2T OH8  
(Address of principal executive (Registrant's telephone number,  
offices) (ZIP Code) including area code)

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

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

Large   
accelerated filer  
Non-accelerated   
filer  
Accelerated filer   
Smaller reporting   
company

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

Number of common shares outstanding at April 21, 2011: 63,356,538



Table of Contents

Table of Contents

<u>PART I – FINANCIAL INFORMATION</u>	<u>3</u>
<u>Item 1. Financial Statements.</u>	<u>3</u>
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Result of Operations.</u>	<u>12</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk.</u>	<u>16</u>
<u>Item 4. Controls and Procedures.</u>	<u>16</u>
<u>Item 4T. Controls and Procedures.</u>	<u>16</u>
<u>PART II – OTHER INFORMATION</u>	<u>16</u>
<u>Item 1. Legal Proceedings.</u>	<u>16</u>
<u>Item 1A. Risk Factors.</u>	<u>17</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.</u>	<u>17</u>
<u>Item 3. Defaults Upon Senior Securities.</u>	<u>17</u>
<u>Item 4. Submissions of Matters to a Vote of Security Holders.</u>	<u>17</u>
<u>Item 5. Other Information.</u>	<u>17</u>
<u>Item 6. Exhibits</u>	<u>17</u>

Table of Contents

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

RAPTOR TECHNOLOGY GROUP, INC.  
Financial Statements  
(Expressed in United States dollars)

February 28, 2011

Index

<u>Balance Sheets</u>	<u>4</u>
<u>Statements of Stockholders' Equity</u>	<u>5</u>
<u>Statements of Operations and comprehensive loss</u>	<u>6</u>
<u>Statements of Cash Flows</u>	<u>7</u>
<u>Notes to the Financial Statements</u>	<u>8</u>

Table of ContentsRAPTOR TECHNOLOGY GROUP, INC. (formerly Branded Beverages Inc.)  
(A development stage company)Balance Sheets  
(Expressed in U.S. Dollars)

	February 28 2011	August 31 2010
<b>ASSETS</b>		
Current		
Cash and cash equivalents	\$ -	\$ 17,324
Website Development Costs, net of amortization of \$20,157	-	353
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 17,677</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Liabilities		
Current		
Accounts payable and accrued liabilities	2,755	1,151
Due to related parties (Note 4)	200,732	165,584
<b>Total liabilities</b>	<b>203,487</b>	<b>166,735</b>
Stockholders' Equity (Deficiency)		
Share capital		
Authorized:		
100,000,000 preferred shares, par value \$0.0001		
100,000,000 common shares, par value \$0.0001		
Issued and outstanding:		
Nil preferred shares		
63,356,538 common shares (August 31, 2010 – 191,456,538)	6,336	912
Additional paid-in capital	106,675	112,099
(Deficit) accumulated during the development stage	(316,498 )	(262,069 )
<b>Total stockholders' equity (deficiency)</b>	<b>(203,487 )</b>	<b>(149,058 )</b>
<b>Total liabilities and stockholders' equity (deficiency)</b>	<b>\$ -</b>	<b>\$ 17,677</b>

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

4

---

Table of Contents

RAPTOR TECHNOLOGY GROUP, INC. (formerly Branded Beverages, Inc.)  
(A development stage company)

Statements of Stockholders' Equity (Deficiency)

For the period from August 30, 2007 (inception) to February 28, 2011

(Expressed in U.S. Dollars)

	Preferred stock		Common stock		Additional paid-in capital	Share subscriptions received	(Deficit) accumulated during development stage	Total stockholders' deficiency
	Shares	Amount		Amount				
Issuance of common stock for settlement of debt, August 31, 2007, \$0.005 per share	-	\$-	168,000,000	\$16,800	\$23,200	\$-	\$-	\$40,000
Film property transferred from a shareholder	-	-	-	-	(29,187 )	-	-	(29,187 )
Comprehensive income (loss)								
Loss for the period	-	-	-	-	-	-	(1,055 )	(1,055 )
Balance, August 31, 2007	-	-	168,000,000	16,800	(5,987 )	-	(1,055 )	9,758
Issuance of common stock for settlement of debt, September 8, 2007, \$0.005 per share	-	-	2,100,000	210	290	-	-	500
Share subscriptions	-	-	-	-	-	5,388	-	5,388
Comprehensive income (loss)								
Loss for the year	-	-	-	-	-	-	(54,372 )	(54,372 )
Balance, August 31,	-	-	170,100,000	17,010	(5,697 )	5,388	(55,427 )	(38,726 )

Edgar Filing: RAPTOR TECHNOLOGY GROUP, INC. - Form 10-Q

2008									
Share Subscriptions	-	-	-	-	-	96,310	-	96,310	
Comprehensive income (loss)									
Loss for the year	-	-	-	-	-	-	(73,876 )	(73,876 )	
Balance, August 31, 2009	-	-	170,100,000	17,010	(5,697 )	101,698	(129,303 )	(16,292 )	
Issuance of common stock in connection with IPO @ \$0.10 per share on October 28, 2009	-	-	21,356,538	2,136	99,562	(101,698 )	-	-	
Comprehensive income (loss)									
Loss for the year	-	-	-	-	-	-	(132,766 )	(132,766 )	
Balance, August 31, 2010	-	-	191,456,538	19,146	93,865	-	(262,069 )	(149,058 )	
Cancellation of shares	-	-	(128,100,000)	(12,810 )	12,810	-	-	-	
Comprehensive income (loss)									
Loss for the period	-	-	-	-	-	-	(54,429 )	(54,429 )	
Balance, February 28, 2011	-	\$-	63,356,538	\$6,336	\$106,675	\$-	\$(316,498 )	\$(203,487 )	

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



Table of Contents

RAPTOR TECHNOLOGY GROUP, INC. (formerly Branded Beverages, Inc.)  
(A development stage company)

Statements of Operations and Comprehensive Loss  
(Expressed in U.S. Dollars)

	Three Months  Ended February 28, 2011	Three Months  Ended February 28, 2010	Six Months  Ended February 28, 2011	Six Months  Ended February 28, 2010	August 30, 2007 (inception) to February 28, 2011
General and administrative expenses					
Accounting and audit	\$ 1,008	\$ 8,854	\$ 10,379	\$ 16,178	\$ 63,051
Amortization	-	1,680	353	3,360	20,157
Interest expenses and bank charges	-	96	-	96	905
Marketing expenses	-	196	-	339	10,730
Legal fees	1,134	2,956	2,259	7,006	43,846
Regulatory and filing fees	626	6,740	1,794	11,125	15,758
Salaries and benefits	19,500	19,500	39,000	39,000	176,000
Office expenses	241	576	644	1,028	15,238
Loss before extraordinary gain	22,509	40,598	54,429	78,132	345,685
Extraordinary gain (Note 3)					29,187
Net loss and comprehensive loss for the period	\$ (22,509 )	\$ (40,598 )	\$ (54,429 )	\$ (78,132 )	\$ (316,498 )
Basic and diluted loss per share	\$ (0.00 )	\$ (0.00 )	\$ (0.00 )	\$ (0.00 )	
Weighted average number of common shares outstanding	84,706,538	191,456,538	138,376,428	191,456,58	

- basic and  
diluted

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

Table of Contents

RAPTOR TECHNOLOGY GROUP, INC. (formerly Branded Beverages, Inc.)  
(A development stage  
company)  
Statements of Cash Flows  
(Expressed in U.S. Dollars)

	Six Months Ended February 28, 2011	Six Months Ended February 28, 2010	August 30, 2007 (inception) to February 28, 2011
Cash flows from (used in) operating activities			
Loss for the period	\$ (54,429 )	\$ (78,132 )	\$ (316,498 )
Adjustments to reconcile net loss to net cash used in operating activities:			
- Amortization	353	3,360	20,157
- Extraordinary gain	-	-	(29,187 )
- Interest on promissory notes	-	-	-
- Deferred salary	39,000	39,000	117,000
Changes in non-cash working capital items:			
- other receivable	-	13,880	37,193
- prepaid expense and deposit	-	1,706	-
- accounts payable and accrued liabilities	1,604	(5,019 )	3,255
	(13,472 )	(25,205 )	(168,080 )
Cash flows (used in) investing activities			
Website development costs	-	-	(20,157 )
Cash flows from (used in) financing activities			
Share subscriptions received	-	-	101,698
Due to directors	(3,852 )	27,410	86,539
	(3,852 )	27,410	188,237
Increase (decrease) in cash and cash equivalents			
	(17,324 )	2,205	-
Cash and cash equivalents, beginning of period			
	17,324	316	-
	\$ -	\$ 2,521	\$ -

Cash and cash equivalents,  
end of period

Supplemental disclosures of  
cash flow information:

Interest expenses paid in cash	\$	-	\$	-	\$	402
Income taxes paid in cash	\$	-	\$	-	\$	-

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

Table of Contents

1. INCORPORATION AND CONTINUANCE OF OPERATIONS

Raptor Technology Group, Inc. (the “Company”) was formed on August 30, 2007 under the laws of the State of Nevada under the name of Giddy-up Productions, Inc. with planned principal operations in producing motion pictures.

The Company entered into and completed the Agreement and Plan of Merger with Branded Beverages, Inc., and instituted a forward-split of its Common Stock on the basis of twenty-one new Shares of Common Stock for each one Share of Common Stock issued and outstanding on December 15, 2010. As a result of this Merger, the name of the Company was changed to Branded Beverages, Inc. On December 20, 2010, the Company entered into a Rescission of the Agreement and Plan of Merger due to the inability to obtain required financial statements in a timely manner.

In connection with and prior to the above forward-split of the Company’s Common Stock, the principal shareholder of the Company returned and cancelled 6,100,000 shares of the Company. Upon the forward-split of the Company’s Common Stock and on December 15, 2010, the Company had 63,356,538 common shares issued and outstanding. These financial statements have been retroactively restated to reflect the above noted forward-split.

On January 6, 2011, the Company changed its name to Raptor Technology Group, Inc. and entered into a definitive Plan of Merger and Reorganization with Raptor Fabrication and Equipment, Inc. In accordance with the terms of the Agreement, Raptor Technology Group, Inc. shall be the name of the surviving corporation. The Company's common stock will continue to be quoted on the Over the Counter Bulletin Board (OTCBB) under the new trading symbol RAPT.

Upon the completion of this Merger, the Company will become a technology supplier that provides eco-friendly and green global issues.

We have not generated any operating revenues to date. We are considered a development stage company as defined in ASC 915. We have an office in Calgary, Alberta. The Company’s fiscal year end is August 31.

These financial statements have been prepared in accordance with U.S. generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. We have incurred operating losses and require additional funds to maintain our operations. Management’s plans in this regard are to raise equity financing as required.

These conditions raise substantial doubt about our ability to continue as a going concern. These financial statements do not include any adjustments that might result from this uncertainty.

2. SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash equivalents comprise certain highly liquid instruments with a maturity of three months or less when purchased. As at February 28, 2011, cash and cash equivalents consist only cash.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 and assumptions.

#### Advertising Expenses

We expense advertising costs as incurred. Total advertising expenses for the period ended February 28, 2011 were \$ Nil (February 28, 2010 - \$339).

## Table of Contents

### Loss Per Share

Loss per share is computed using the weighted average number of shares outstanding during the period. We have adopted ASC 260, Earnings Per Share. Diluted loss per share is equivalent to basic loss per share as there was no potential dilutive equity instruments.

The Company adopted ASC 260-10-45-61A which addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting and affects entities that accrue cash dividends on share-based payment awards during the awards' service period when the dividends do not need to be returned if the employees forfeit the awards. ASC 260-10-45-61A states that all outstanding unvested share-based payment awards that contain rights to nonforfeitable dividends participate in undistributed earnings with common shareholders and, therefore, need to be included in the earnings allocation in computing earnings per share under the two-class method. The adoption of ASC 260-10-45-61A did not have a material impact on the Company's financial statements.

### Concentration of Credit Risk

We place our cash and cash equivalents with high credit quality financial institutions. As of February 28, 2011, we had \$nil (August 31, 2010 - \$17,324) in a bank and \$nil beyond insured limits.

### Foreign Currency Transactions

We are located and operating outside of the United States of America. We maintain our accounting records in U.S. Dollars, as follows:

At the transaction date, each asset, liability, revenue and expense is translated into U.S. dollars by the use of the exchange rate in effect at that date. At the period end, monetary assets and liabilities are re-measured by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in operations.

### Fair Value of Financial Instruments

The estimated fair values for financial instruments under ASC 825, Financial Instruments, are determined at discrete points in time based on relevant market information. These estimates involve uncertainties and can not be determined with precision. The estimated fair value of the Company's financial instruments includes cash and cash equivalents, other receivable, accounts payable and accrued liabilities and due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Company adopted ASC 820, Fair Value Measurements and Disclosures, which defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosures about fair value measurements. ASC 820 does not require any new fair value measurements, but provides guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information. The fair value hierarchy distinguishes between assumptions based on market data (observable inputs) and an entity's own assumptions (unobservable inputs). The hierarchy consists of three levels:

Level one – Quoted market prices in active markets for identical assets or liabilities;

Level two – Inputs other than level one inputs that are either directly or indirectly observable; and

Level three – Unobservable inputs developed using estimates and assumptions, which are developed by the reporting entity and reflect those assumptions that a market participant would use.

The adoption of ASC 820 has no material effect on the Company's financial position or results of operations. The book values of cash and cash equivalents, other receivable, accounts payable and accrued liabilities and due to related parties approximate their respective fair values due to the short-term nature of these instruments. The Company has no assets or liabilities that are measured at fair value on a recurring basis. There were no assets or liabilities measured at fair value on a non-recurring basis during the period ended February 28, 2011.



## Table of Contents

### Income Taxes

We have adopted Statement ASC 740, Income Taxes, which requires us to recognize deferred tax liabilities and assets for the expected future tax consequences of events that have been recognized in our financial statements or tax returns using the liability method. Under this method, deferred tax liabilities and assets are determined based on the temporary differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse.

### Stock-Based Compensation

The Company adopted ASC 718, Compensation – Stock-Based Compensation, to account for its stock options and similar equity instruments issued. Accordingly, compensation costs attributable to stock options or similar equity instruments granted are measured at the fair value at the grant date, and expensed over the expected vesting period. ASC 718 requires excess tax benefits be reported as a financing cash inflow rather than as a reduction of taxes paid.

We did not grant any stock options during the quarter ended February 28, 2011.

### Comprehensive Income

We adopted ASC 220, Comprehensive Income, which establishes standards for reporting and display of comprehensive income, its components and accumulated balances. We are disclosing this information on our Statement of Stockholders' Equity. Comprehensive income comprises equity except those resulting from investments by owners and distributions to owners. We have no elements of "other comprehensive income" for the quarter ended February 28, 2011.

### Film Property and Screenplay Rights

The Company capitalized costs it incurs to buy film or transcripts that will later be marketed or be used in the production of films according to ASC 926, Entertainment – Films. The Company will begin amortization of capitalized film cost when a film is released and it begins to recognize revenue from the film.

### Accounting for Derivative Instruments and Hedging Activities

We have adopted ASC 815, Derivatives and Hedging, which requires companies to recognize all derivative contracts as either assets or liabilities in the balance sheet and to measure them at fair value. If certain conditions are met, a derivative may be specifically designated as a hedge, the objective of which is to match the timing of gain and loss recognition on the hedging derivative with the recognition of (i) the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk or (ii) the earnings effect of the hedged forecasted transaction. For a derivative not designated as a hedging instrument, the gain or loss is recognized in income in the period of change.

We have not entered into derivative contracts either to hedge existing risks or for speculative purposes since inception.

### Long-Lived Assets Impairment

Our long-term assets are reviewed when changes in circumstances require as to whether their carrying value has become impaired, pursuant to guidance established in ASC 360, Property, Plant and Equipment. Management considers assets to be impaired if the carrying value exceeds the future projected

cash flows from the related operations (undiscounted and without interest charges). If impairment is deemed to exist, the assets will be written down to fair value.

## Table of Contents

### Website Development Costs

Website development costs are for the development of the Company's Internet website. These costs have been capitalized when acquired and installed, and are being amortized over its estimated useful life of three years on a straight line basis. The Company accounts for these costs in accordance with ASC 350, Intangibles, which specifies the appropriate accounting for costs incurred in connection with the development and maintenance of websites. Amortization expense is total of \$nil for the quarter ended February 28, 2011 (February 28, 2010 - \$1,680).

### Newly Adopted Accounting Pronouncements

Accounting Standards Update ("ASU") No. 2010-13 was issued in April 2010, and clarified the classification of an employee share based payment award with an exercise price denominated in the currency of a market in which the underlying security trades. This ASU will be effective for the first fiscal quarter beginning after December 15, 2010, with early adoption permitted. The adoption of ASU No. 2010-13 is not expected to have a material impact on the Company's financial statements.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company's financial statements upon adoption.

### 3. PREFERRED AND COMMON STOCK

We have 100,000,000 shares of preferred stock authorized at par value of \$0.0001 per share and none issued.

We have 100,000,000 shares of common stock authorized at par value of \$0.0001 per share. All shares of stock are non-assessable and non-cumulative, with no pre-emptive rights.

On December 15, 2010, prior to forward-split of the Company's common stocks, the Company's principal shareholder returned and cancelled 6,100,000 common shares with a total of 3,016,978 common shares issued and outstanding. Subsequent to the return and cancellation of 6,100,000 common shares of the Company, the Company effected a forward-split of its common stock on the basis of twenty-one new Shares of Common Stock for each one Share of Common Stock issued and outstanding on December 15, 2010 which resulting a total 63,356,538 common shares issued and outstanding upon the forward split.

### 4. RELATED PARTY TRANSACTIONS

During the quarter ended February 28, 2011, the Company incurred \$19,500 (2010 - \$19,500) of salaries expense to a director of the Company. As at February 28, 2011, \$117,000 has been deferred and included in due to related parties.

As at February 28, 2011, \$200,732 was due to related parties, which \$184,045(2010 - \$111,312) was due to the sole director of the Company and \$16,687 (2010 - \$nil) was due to a former director and a shareholder. The amount due to related parties was unsecured, non-interest bearing and due on demand.

### 5. COMMITMENTS

On January 1, 2009, the Company signed employment agreement with the director of the Company for a total of US \$6,500 per month. The agreement shall continue until terminated by the director upon giving 3 months notice to the Company, or by the Company without notice.

## 6. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform to the current period's financial statement presentation.

Table of Contents

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

THE FOLLOWING DISCUSSION OF THE RESULTS OF OUR OPERATIONS AND FINANCIAL CONDITION SHOULD BE READ IN CONJUNCTION WITH OUR FINANCIAL STATEMENTS AND THE NOTES THERETO INCLUDED ELSEWHERE IN THIS REPORT.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This section of this report includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like: believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You should not place undue certainty on these forward-looking statements, which apply only as of the date of our report. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results and predictions. We are a development stage company and have not yet generated or realized any revenues.

Overview

We were incorporated as a Nevada company on August 30, 2007. We are a development stage independent motion picture producer having our principal office located at 409-903 19th Avenue SW, Calgary, AB. Our telephone number is 403-399-6402. Our facsimile number is 866-900-0582. Our website is presently being re-done, but the current version is still located on the Internet at [www.starflick.com](http://www.starflick.com). We do not have any subsidiaries.

We are a "shell company" as defined in Rule 405 under the Securities Act of 1933 and Rule 12b-2 under the Securities Exchange Act of 1934, since we have only conducted nominal operations and have nominal assets.

Our Operations

Our intended business was developing, producing, marketing and distributing low-budget feature-length films. We have not commenced business operations. To date, our business activities have been limited to organizational matters, acquiring film rights, developing our website and the preparation and filing of a registration statement with regard to our initial public offering. We have been unable to secure sufficient capital to independently finance our own productions. As a result we have sought other business opportunities.

Table of Contents

On January 6, 2011, we entered into a definitive Plan of Merger and Reorganization with Raptor Fabrication and Equipment, Inc., a Florida Corporation. We have not completed this Merger and Reorganization as of the date of this Quarterly Report on Form 10Q.

In anticipation of completing this Plan of Merger and Reorganization we changed the name of the corporation to Raptor Technology Group, Inc. Our OTCBB quotation symbol was also changed to RAPT.

The Plan of Merger and Reorganization with Raptor Fabrication and Equipment, Inc. entered into on January 6, 2011 has been amended, restated and replaced in its entirety to resolve drafting errors, the revised and restated agreement is included as an exhibit to this Quarterly Report on Form 10Q.

Pursuant to the Agreement, Raptor Fabrication and Equipment, Inc. shall be merged into Raptor Technology Group, Inc., the separate existence of Raptor Fabrication and Equipment, Inc. shall cease, and Raptor Technology Group, Inc. which shall continue to exist with its current Articles of Incorporation and Bylaws as a Nevada Corporation.

Raptor Fabrication and Equipment, Inc. shall have not more than 48,750,000 common shares outstanding. These shares shall be exchanged on a one for one basis with Raptor Technology Group, Inc. common shares.

In addition Zoltan Nagy shall surrender 42,000,000 common shares for cancellation held by him personally.

Upon completion of the Plan of Merger and Reorganization the Directors of Raptor Fabrication and Equipment shall be appointed as the directors of Raptor Technology Group, Inc.

The effective date shall occur upon: (a) Each Company receiving any required shareholder or other approvals required; (b) Raptor Fabrication and Equipment, Inc. delivering the required financial statements and other information of sufficient detail for Raptor Technology Group, Inc. to comply with the disclosure requirements of the applicable securities regulations; and (c) Performance of all material terms of the agreement and any additional closing conditions mutually agreed between the Constituent Corporations or required by applicable state or federal regulations.

As a result of the intended acquisition the former shareholders of Raptor Fabrication and Equipment, Inc. shall become the majority shareholders of Raptor Technology Group, Inc. resulting in a change of control of the Registrant.

As of April 21, 2011 we had 63,356,538 common shares issued and outstanding. Upon closing of the Plan of Merger and Reorganization the current shareholders of Raptor Fabrication and Equipment, Inc. would hold 48,750,000 Common shares and giving effect to the cancellation of the 42,000,000 Common Shares held by Zoltan Nagy, Raptor Fabrication and Equipment, Inc. would hold 69% of the resulting issued and outstanding shares.

Table of Contents

Upon completion of the Plan of Merger and Reorganization the principal business operations of Raptor Fabrication and Equipment, Inc. shall be principal business operations of the Raptor Technology Group, Inc. due to Raptor Technology Group, Inc. not having commenced significant business operations. Upon the completion of the Plan of Merger and Reorganization and the change of control, Raptor Fabrication and Equipment, Inc. operations will become the accounting acquirer on a going forward basis.

Raptor Fabrication and Equipment is a technology supplier that provides the biofuel and mining industries with their advanced proprietary biofuel production technology and mineral recovery technologies.

The following discussion should be read in conjunction with our financial statements, including the notes thereto, appearing elsewhere in this quarterly report. The discussions of results, causes and trends should not be construed to imply any conclusion that these results or trends will necessarily continue into the future.

Results of Operations for the Three Months ended February 28, 2011 compared to the same period in 2010

The following discussion should be read in conjunction with the financial statements included in this report and is qualified in its entirety by the foregoing.

Liquidity and Capital Resources

As of February 28, 2011, we had cash of \$nil, total current assets of \$nil, total current liabilities of \$203,487 and a working capital deficiency of \$203,487. From our inception on August 30, 2007 to February 28, 2011 we accumulated a deficit of \$316,498. We are dependent on funds raised through equity or debt financing to fund our operations. We anticipate that we will incur substantial losses over the next year and our ability to generate any revenues in the next 12 months continues to be uncertain.

We used net cash of \$13,472 in operating activities for the six months ended February 28, 2011, compared to \$25,205 during the same period in 2010 and \$168,080 from our inception on August 30, 2007 to February 28, 2011.

We used net cash of \$nil in investing activities for the six months ended February 28, 2011, compared to \$nil during the same period in 2010, and \$20,157 from our inception on August 30, 2007 to February 28, 2011. The cash used in investing activities since our inception was for website development costs.

We used net cash of \$3,852 from financing activities for the six months ended February 28, 2011, compared to receiving \$27,410 during the same period in 2010 and \$188,237 from our inception on August 30, 2007 to February 28, 2011. The cash paid for financing activities during the period ended February 28, 2011 resulted from repayment of advances to our sole director. During the period ended February 28, 2011, our cash position decreased by \$17,324.

Table of Contents

Results of Operations

Revenues

From our inception on August 30, 2007 to February 28, 2011, we have not yet generated any revenues. We do not expect to earn revenues in the near future.

Expenses

We incurred total operating expenses of \$22,509 for the quarter ended February 28, 2011, compared to \$40,598 for the same period in 2010 and \$316,498 from our inception on August 30, 2007 to February 28, 2011. The decrease in operating expenses for the period ended February 28, 2011 resulted from our operations being inactive for the quarter.

We incurred accounting and audit fees of \$1,008, \$1,134 in legal fees, \$626 in filing fees, \$19,500 in salaries and benefits and \$241 in office expenses for the quarter ended February 28, 2011. For the same period in 2010, we incurred accounting and audit fees of \$8,854, \$1,680 in amortization costs, \$96 in interests and bank charges, \$196 in marketing expenses, \$2,956 in legal fees, \$6,740 in filing fees, \$19,500 in salaries and benefits and \$576 in office expenses. From our inception on August 30, 2007 to February 28, 2011 we incurred \$63,051 in accounting and audit expenses, \$20,157 in amortization, \$905 in interest expenses, \$10,730 in marketing expenses, \$43,846 in legal fees, \$15,758 in filing fees, \$176,000 in salaries and benefits and \$15,238 in office expenses.

Net Loss

From our inception on August 30, 2007 to February 28, 2011 we incurred net a loss of \$316,498, after an extraordinary gain of \$29,187. For the quarter ended February 28, 2011 we incurred a net loss of \$22,509, compared to a net loss of \$40,598 for the same period in 2010.

Research and Development

For the quarter ended February 28, 2011 and from our inception, we have not incurred any research and development expenses.

Off-Balance Sheet Arrangements

As of February 28, 2011 we had no off balance sheet transactions that have or are reasonably likely to have a current or future effect on our financial condition, changes in our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.



Table of Contents

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable to smaller reporting companies.

Item 4. Controls and Procedures.

Not applicable to smaller reporting companies.

Item 4T. Controls and Procedures.

We maintain disclosure controls and procedures, as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of February 28, 2011. Based on the evaluation of these disclosure controls and procedures, and the material weaknesses in our internal control over financial reporting identified in our Annual Report on Form 10-K for the year ended August 31, 2010, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective.

Changes in Internal Control

We have not been able to implement any of the recommended changes to our internal control over financial reporting listed in our Annual Report on Form 10-K for the year ended August 31, 2010. As such, there were no changes in our internal control over financial reporting, as defined in Rule 13a-15(f) promulgated under the Exchange Act, during the quarter ended February 28, 2011, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

Management is not aware of any legal proceedings contemplated by any governmental authority against us. None of our directors, officers or affiliates (i) are a party adverse to us in any legal proceedings, or (ii) have an adverse interest to us in any legal proceedings.

Table of Contents

Item 1A. Risk Factors.

Not applicable to smaller reporting companies.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. [Removed and Reserved]

Item 5. Other Information.

None.

Item 6. Exhibits

EXHIBIT DESCRIPTION

Raptor Technology Group, Inc. includes by reference the following exhibits:

3.1 Articles of Incorporation, exhibit 3.1 filed with the registrant's Registration Statement on Form SB -2, as amended; filed with the Securities and Exchange Commission on December 14, 2007.

3.2 Bylaws, filed as exhibit 3.2 with the registrant's Registration Statement on Form SB-2, as amended; filed with the Securities and Exchange Commission on December 14, 2007.

Raptor Technology Group, Inc. includes the following exhibits:

3.3 Amended Articles of Incorporation

10.1 Plan of Merger and Reorganization with Raptor Fabrication and Equipment, Inc. entered into on January 6, 2011, amended, restated and replaced in its entirety, April 21, 2011

31.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.1 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002



Table of Contents

SIGNATURES

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

Raptor Technology Group, Inc.

Date: April 21, 2011

By: /s/ Zoltan Nagy  
Zoltan Nagy  
President, Chief Executive  
Officer  
Chief Financial Officer, Director,  
Secretary, Treasurer

