

Edgar Filing: Title Starts Online, Inc. - Form 10-Q

Title Starts Online, Inc.  
Form 10-Q  
October 29, 2009  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended: September 30, 2009

OR

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

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

Commission file number: 333-149036

TITLE STARTS ONLINE, INC.  
(Name of small business issuer in its charter)

Nevada  
(State or other jurisdiction of  
incorporation or organization)

26-1394771  
(I.R.S. Employer  
Identification No.)

7007 College Boulevard, Suite 270  
Overland Park, KS  
(Address of principal executive offices)

66211  
(Zip code)

Issuer's telephone number: 913.832.0072

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 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 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 of Regulation S-T (§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

\*The registrant has not yet been phased into the interactive data requirements.

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

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Non-accelerated filer

Smaller reporting company

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

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

Common Stock: 3,300,000 shares outstanding as of October 29, 2009.

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PART I - FINANCIAL INFORMATION

Item FINANCIAL STATEMENTS (UNAUDITED)

1.

In addition to the accompanying unaudited consolidated financial statements for Title Starts Online, Inc. (together with its subsidiaries, "Title Starts Online," "the Company," "we" or "our"), we suggest that you read our 2008 Annual Report on Form 10-K. The Company files electronically with the Securities and Exchange Commission ("SEC") required reports on Form 8-K, Form 10-Q, Form 10-K. The public may read and copy any materials the Company has filed with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at (800) SEC-0330. The SEC maintains an Internet site ([www.sec.gov](http://www.sec.gov)) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Copies may also be obtained free of charge by writing to Title Starts Online, Inc., 7007 College Boulevard, Suite 270, Overland Park, KS 66211.

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TITLE STARTS ONLINE, INC.  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED BALANCE SHEETS

	September 30, 2009 (Unaudited)	December 31, 2008 (See Note 1)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 8	\$ 72
Escrow account with attorney	32,930	46,306
<b>Total Current Assets</b>	<b>\$ 32,938</b>	<b>\$ 46,378</b>
<b>LIABILITIES AND STOCKHOLDERS' (DEFICIT)</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 93,307	\$ 60,288
Advances payable related party	5,500	5,500
<b>Total current liabilities</b>	<b>98,807</b>	<b>65,788</b>
Commitments and contingencies (Notes 1, 2, 3, 4, 5, and 6)		
Stockholders' (Deficit)		
75,000,000 Preferred Stock authorized at \$0.001 per share, none issued	—	—
425,000,000 shares Common Stock authorized at \$0.001/par value		
3,300,000 shares issued and outstanding	3,300	3,300
Additional Paid-in Capital	3,566	3,566
Deficit accumulated during development stage	(72,735 )	(26,276 )
<b>Total Stockholders' (Deficit)</b>	<b>(65,869 )</b>	<b>(19,410 )</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT)</b>	<b>\$ 32,938</b>	<b>\$ 46,378</b>

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



## TITLE STARTS ONLINE, INC.

(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED STATEMENT OF OPERATIONS  
(UNAUDITED)

	Three Months Ending September 30, 2009	Three Months Ending September 30, 2008	Nine Months Ending September 30, 2009	Nine Months Ending September 30, 2008	November 13, 2007 (Inception) Through September 30, 2009
Revenues	\$—	\$—	\$—	\$—	\$—
Operating Expense					
Administrative Expense	\$741	\$2,789	\$4,094	\$2,789	\$10,069
Professional Services	7,880	—	42,365	920	62,666
Net(Loss)	\$(8,621 )	\$(2,789 )	\$(46,459 )	\$(3,709 )	\$(72,735 )
Basic earnings per share	\$Nil	\$Nil	\$(0.01 )	\$Nil	\$(0.02 )
Weighted average number of common shares outstanding	3,300,000	3,126,087	3,300,000	3,108,759	3,209,753

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

TITLE STARTS ONLINE, INC.  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' (DEFICIT)  
FOR THE PERIOD FROM NOVEMBER 13, 2007 (INCEPTION) TO SEPTEMBER 30, 2009  
(UNAUDITED)

	Common Stock	Common Stock Amount	Additional Paid-in Capital	Deficit Accumulated During Development Stage	Total
Stock issued for cash December 1, 2007 at par value of \$0.001 per share	3,100,000	\$ 3,100	\$ —		\$ 3,100
Net(loss) for the period 2007	—	—	—	(1,800 )	(1,800 )
Balance December 31, 2007	3,100,000	3,100	—	(1,800 )	1,300
Stock issued for cash September 30, 2008 at \$0.25 per share less offering costs of \$46,234	200,000	200	3,566	—	3,766
Net (loss) for the year 2008	—	—	—	(24,476 )	(24,476 )
Balance December 31, 2008	3,300,000	3,300	3,566	(26,276 )	(19,410 )
Net (loss) September 30, 2009	—	—	—	(46,459 )	(46,459 )
Balance September 30, 2009	3,300,000	\$ 3,300	\$ 3,566	\$ (72,735 )	\$ (65,869 )

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



TITLE STARTS ONLINE, INC.  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(UNAUDITED)

	Nine Months Ending September 30, 2009	Nine Months Ending September 30, 2008	For the Period November 13, 2007 (Inception) Through September 30, 2009
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net (loss)	\$ (46,459 )	\$ (3,709 )	\$ (72,735 )
Adjustments to reconcile net loss to net cash used by operating activities			
(Increase) decrease in escrow account	13,376	—	(32,930 )
Increase in accounts payable	33,019	12,521	93,307
Net cash provided by (used in) operating activities	(64 )	8,812	(12,358 )
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	—	—	—
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Advance from a related party	—	5,000	5,500
Issuance of Common Stock	—	3,100	53,100
Offering costs	—	(16,801 )	(46,234 )
Net cash provided by (used in) financing activities	—	(8,701 )	12,366
Net increase (decrease) in cash	(64 )	111	8
Cash at beginning of period	72	—	—
Cash at end of period	\$ 8	\$ 111	\$ 8
<b>Supplemental Cash Flow Disclosures:</b>			
Cash paid during period for interest	\$ —	\$ —	\$ —
Cash paid during period for taxes	\$ —	\$ —	\$ —

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

TITLE STARTS ONLINE, INC.  
(A DEVELOPMENT STAGE COMPANY)  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009  
(UNAUDITED)

## 1 ORGANIZATION AND BUSINESS OPERATIONS

Title Starts Online, Inc. (the "Company") was incorporated in the State of Nevada on November 13, 2007. On September 25, 2008 the Company formed a wholly-owned subsidiary, Title Starts of Kansas City, LLC. The Company is a Development Stage Company as defined by Statement of Financial Accounting Standards ("SFAS") No. 7. The Company plans to offer an online repository of title starts for abstractors.

On August 11, 2008, the Company received a Notice of Effectiveness from the U.S. Securities and Exchange Commission. On September 18, 2008, the Company closed the public offering in which it accepted subscriptions for an aggregate of 200,000 shares of its common stock.

On June 19, 2009, the Company filed a Registration Statement on Form 8-A with the Securities and Exchange Commission to register its common stock, par value \$0.001 per share, under Section 12(g) of the Securities and Exchange Act of 1934.

On July 14, 2009, the Company's common stock was accepted for quotation, effective July 15, 2009, on the OTC Bulletin Board ("OTCBB") under the trading symbol "TTSO".

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited consolidated financial statements and related notes for the three months and nine months ended September 30, 2009 and September 30, 2008, presented herein have been prepared by the management of the Company and its subsidiary pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to such rules and regulations. Operating results for the nine months ended September 30, 2009 are not necessarily indicative of the results that may be expected for the full year. It is suggested that these unaudited consolidated financial statements be read in conjunction with the December 31, 2008 audited consolidated financial statements.

### a) Basis of Presentation

The financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, the Company has no business operations and has negative working capital and stockholders' deficits. These conditions raise substantial doubt about the ability of the Company to continue as a going concern.

In view of these matters, continuation as a going concern is dependent upon the continued operations of the Company, which in turn is dependent upon the Company's ability to meet its financial requirements, raise additional capital, and the success of its future operations. The financial statements do not include any adjustments to the amount and classification of assets and liabilities that may be necessary should the Company not continue as a going concern.

The Company completed a public offering and raised \$50,000 less offering costs of \$46,234 as described in Note 6. If additional funding is required, the Company plans to obtain working capital from equity financing from the sale of

common stock and/or advances from Mark DeFoor, the President and Chief Executive Officer and sole director. The Company does not have any arrangements in place for any future equity financing or loans. Management believes that this plan provides an opportunity for the Company to continue as a going concern.

b) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

c) Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 or revenues and expenses during the reporting period. Actual results could differ from those estimates.

d) Fair Value of Financial Instruments

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of September 30, 2009. The respective carrying value of certain on-balance-sheet financial instruments approximate their fair values. These financial instruments include cash, escrow account, stock subscriptions receivable, accounts payable and advances payable related party. Fair values were assumed to approximate carrying values for these financial instruments since they are short term in nature and their carrying amounts approximate fair value, or they are receivable or payable on demand.

e) Revenue Recognition

The Company has not generated any revenues since entering the development stage. It is the Company's policy that revenues will be recognized when persuasive evidence of an arrangement exists, delivery has occurred (or a service has been performed), the sales price is fixed and determinable, and collectability is reasonably assured.

f) Income Taxes

Income taxes are accounted for under the assets and liabilities method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

g) Basic and Diluted Net Loss per Share

Basic EPS is computed by dividing net loss available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted earnings per share are not shown for periods in which the Company incurs a loss because it would be anti-dilutive. At September 30, 2009, the Company had no stock equivalents that were anti-dilutive and excluded in the earnings per share computation.

h) Development Stage Company

Based on the Company's business plan, it is a development stage company since planned principal operations have not yet commenced. Accordingly, the Company presents its financial statements in conformity with the accounting principles generally accepted in the United States of America that apply to developing enterprises. As a development stage enterprise, the Company discloses its retained earnings (or deficit accumulated) during the development stage and the cumulative statements of operations and cash flows from commencement of development stage to the current balance sheet date. The development stage began on November 13, 2007, when the Company was organized.

i) Concentrations

The Company is not currently a party to any financial instruments that potentially subject it to concentrations of credit risk.

j) Recent Pronouncements

There were various accounting standards and interpretations issued during 2009 and 2008, none of which are expected to have a material impact on the Company's financial position, operations, or cash flows.

k) Principles of Consolidation

The consolidated financial statements include the accounts of both Title Starts Online, Inc. and its subsidiary Title Starts of Kansas City, LLC. All inter-company accounts have been eliminated in the consolidation.

3 CAPITAL STOCK

Preferred Stock. The Company has authorized 75,000,000 shares of preferred stock with a par value of \$.001 per share. These shares may be issued in series with such rights and preferences as may be determined by the Board of Directors. The Company has not issued any preferred shares.

Common Stock. The Company has authorized 425,000,000 shares of common stock with a par value of \$.001 per share. As of September 30, 2009, there were 3,300,000 shares issued and outstanding

On November 13, 2007, (inception), the Company issued 3,100,000 shares of common stock to a director of the Company at \$.001 per share, for a total of \$3,100 in stock subscriptions receivable. Subsequent to December 31, 2007, the Company collected the remaining balance of the stock subscriptions receivable.

On September 18, 2008, the Company issued 200,000 shares of common stock to forty individuals at \$0.25 per share for a total \$50,000 in stock subscriptions receivable. The proceeds less certain expenses are being held in an escrow account with the Company's attorney. Offering costs totaling \$46,234 related to the offering have been offset to the proceeds.

#### 4 INCOME TAXES

Deferred income taxes arise from temporary timing differences in the recognition of income and expenses for financial reporting and tax purposes. The Company's deferred tax assets consist entirely of the benefit form operating loss (NOL) carry forwards. The net operating loss carry forward, if not used, will expire in various years through 2029, and is severely restricted as per the Internal Revenue code, if there is a change in ownership. The Company's deferred tax assets are offset by a valuation allowance due to the uncertainty of the realization of the net operating loss carry forwards. Net operating loss carry forwards may be further limited by other provisions of the tax laws.

The Company's deferred tax assets, valuation allowance, and change in valuation allowance are as follows:

Period Ending:	Estimated NOL Carry-Forward	NOL Expires	Estimated Tax Benefit from NOL	Valuation Allowance	Change in Valuation Allowance	Net Tax Benefit
December 31, 2008	26,276	Various	3,941	(3,941)	(3,671)	
September 30, 2009	72,735	Various	10,910	(10,910)	(6,969)	

Income taxes at the statutory rate are reconciled to the Company's actual income taxes as follows:

Income tax	(15.00)%
Deferred income	15.00%
Actual tax rate	0%

#### 5 RELATED PARTY TRANSACTIONS

The Company uses the offices of its President for its minimal office facility needs for no consideration. No provision for these costs has been provided since it has been determined that they are immaterial.

The Company's President has advanced \$5,500 to the Company during the year ended December 31, 2008. The advances are uncollateralized, bear no interest, and are due on demand.

#### 6 DEFERRED OFFERING COSTS

The Company had incurred in prior periods \$46,234 in costs related to a public offering of its securities. The offering was completed in September 2008 and the costs were offset to the proceeds.



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

The following discussion should be read in conjunction with our financial statements and the notes thereto which appear elsewhere in this report. The results shown herein are not necessarily indicative of the results to be expected in any future periods. This discussion contains forward-looking statements based on current expectations, which involve uncertainties. Actual results and the timing of events could differ materially from the forward-looking statements as a result of a number of factors.

### Forward-Looking Statements

The following discussion and analysis is provided to increase the understanding of, and should be read in conjunction with, the financial statements of the Company and notes thereto included elsewhere in this report. Historical results and percentage relationships among any amounts in these financial statements are not necessarily indicative of trends in operating results for any future period. The statements, which are not historical facts contained in this report constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based on currently available operating, financial and competitive information, and are subject to various risks and uncertainties. Future events and the Company's actual results may differ materially from the results reflected in these forward-looking statements. Factors that might cause such a difference include, but are not limited to, dependence on existing and future key strategic and strategic end-user customers, limited ability to establish new strategic relationships, ability to sustain and manage growth, variability of operating results, the Company's expansion and development of new service lines, marketing and other business development initiatives, the commencement of new engagements, competition in the industry, general economic conditions, dependence on key personnel, the ability to attract, hire and retain personnel who possess the technical skills and experience necessary to meet the service requirements of its clients, the potential liability with respect to actions taken by its existing and past employees, risks associated with international sales, and other risks described herein and in the Company's other SEC filings.

### Overview

#### Company Overview

Title Starts Online, Inc. is a corporation, incorporated in the State of Nevada on November 13, 2007. The Company's principal offices are currently located at 7007 College Boulevard, Suite 270, Overland Park, KS 66211. Our telephone number there is 913.832.0072. Our fax number is 866.681.3091. All operations, from administration to product development, take place at this location. The Company occupies space within a customer facility owned by our President and Chief Executive Officer, Mark DeFoor, for which it currently pays no rent.

The Company is in the early stage of operations with no current revenues to date. From inception through August 11, 2008, the date on which the Company's securities offering was declared effective by the SEC, the majority of the Company's activities revolved around defining requirements from residential title abstractors in the Kansas City area to determine the value proposition of a consolidated title start website and beginning the development of the website. From August 11, 2008 through September 17, 2008, the Company conducted its securities offering and obtained subscriptions for its securities. On September 25, 2008, the Company formed a wholly-owned subsidiary, Title Starts of Kansas City, LLC, a Missouri limited liability company. During the remainder of the fiscal year ended December 31, 2008 and during the six months ended June 30, 2009, the Company has continued to develop its website and has begun to identify title searchers and abstractors with whom it plans to establish, through its subsidiary, contractual relationships for the use of the Company's website.



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The Company's common stock is registered under Section 12(g) of the Securities Exchange Act of 1934 and is listed for quotation on the OTC Bulletin Board ("OTCBB") under the trading symbol "TTSO."

### Organizational Structure

Our President and Chief Executive Officer is Mark DeFoor. Mr. DeFoor handles the operational business functions including corporate administration and development responsibility with respect to the title starts business. We have no employees.

### Basis of Presentation

Our financial statements are prepared in accordance with the rules and regulations of the Securities and Exchange Commission. Certain information and disclosures in our unaudited condensed consolidated interim financial statements have been condensed or omitted as permitted by such rules and regulations.

## Significant Accounting Estimates

We review all significant estimates affecting our consolidated financial statements on a recurring basis and record the effect of any necessary adjustment prior to their publication. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of financial statements; accordingly, it is possible that actual results could differ from those estimates and changes to estimates could occur in the near term. The preparation of our financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are used when accounting for revenue, stock-based compensation, accounts receivable and allowance for doubtful accounts, impairment of long-lived assets, depreciation and amortization, deferred income taxes, and contingencies among others.

Management has discussed the development and selection of these significant accounting estimates with our Board of Directors and our Board of Directors has reviewed our disclosures relating to them.

## Results of Operations

### Comparison of Three Month Periods Ended September 30, 2009 and 2008

#### Overview

Our general activity in the quarter ended September 30, 2009 has been focused on launching our title starts web site and identifying title searchers and abstractors with whom the Company plans to establish relationships to use the website. Management believes the Company is poised for growth since our web site is now operational. The Company's web site offers a central repository for title starts for the purpose of delivering two categories of products: title starts and a title search template.

The United States and the global business community is experiencing severe instability in the commercial and investment banking systems which is likely to continue to have far-reaching effects on the economic activity in the country for an indeterminable period. The long-term impact on the United States economy and the Company's operating activities and ability to raise capital cannot be predicted at this time, but may be substantial.

#### Revenue

For the quarters ended September 30, 2009 and 2008, the Company had no revenue.

#### Operating Expenses

Operating expenses were \$8,621 for the quarter ended September 30, 2009 as compared with operating expenses of \$2,789 for the quarter ended September 30, 2008.

Our expenses are categorized as administrative expenses and professional service fees. During the quarter ended September 30, 2009, we incurred \$741 in administrative expenses, whereas \$2,789 were incurred in administrative expenses for the quarter ended September 30, 2008. During the quarter ended September 30, 2009, we incurred \$7,880 in professional service fees, whereas no professional service fees were incurred during the quarter ended September 30, 2008.

#### Operating Loss and Net Loss

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Our net loss for the quarter ended September 30, 2009 was \$8,621 due primarily to continuing expenses as described above, with no generation of revenue, whereas our net loss for the quarter ended September 30, 2008 was \$2,789.

### Comparison of Nine Month Periods ended September 30, 2009 and 2008

We had a net loss of \$46,459 from operating activities in the nine months ended September 30, 2009, compared with a net loss of \$3,709 from operating activities in the nine months ended September 30, 2008. Cash provided from (used in) operations will be generated primarily from net income (loss) and the timing of accounts receivable collections and disbursements of accounts payable and accrued expenses. For the nine months ending September 30, 2009, there was net cash used in operating activities of \$64 compared to net cash provided by operating activities of \$8,812 for the nine months ending September 30, 2008. There was no cash flow from investing activities during either period. There was no cash provided by or used in financing activities for the nine months ended September 30, 2009, compared to net cash provided by financing activities of \$8,701 for the nine months ended September 30, 2008. We ended the third quarter of 2009 with cash of \$8.

## Liquidity and Capital Resources

Management believes that we will begin receiving revenue in the first quarter of 2010. Based on our anticipated level of revenues, we believe that funds generated from operations, together with existing cash and cash available from financing activities in 2008, will be sufficient to finance our operations and planned capital expenditures through the first quarter of 2010.

We will continue to pursue traffic to our web site and actively seek new customers. We believe these actions will position us to capitalize on opportunities as they arise in the industry. However, there can be no assurance that these actions will be successful. Should volumes and revenues decline to a level significantly below our current expectations, we would reduce capital expenditures and implement cost-reduction initiatives which we believe would be sufficient to ensure that funds generated from operations, together with existing cash and available borrowings under our credit agreement, would be sufficient to finance our current operations through the first quarter of 2010. If additional funding is required, the Company plans to obtain working capital from equity financing from the sale of common stock and/or advances from Mark DeFoor, our President and Chief Executive Officer and sole director. We do not have any arrangements in place for any future equity financing or loans.

## Off-Balance-Sheet Arrangements

As of September 30, 2009, we did not have any significant off-balance-sheet arrangements, as defined in section 303(a)(4)(ii) of Regulation S-K of the SEC.

## Item 3. QUANTITATIVE AND QUALITATIVE ANALYSIS ABOUT MARKET RISK

Not applicable.

## Item 4. CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, we have conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as of the end of the period covered by this report. Based on this evaluation, our chief executive officer concluded as of the evaluation date that our disclosure controls and procedures were effective such that the material information required to be included in our Securities and Exchange Commission reports is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms relating to our Company, particularly during the period when this report was being prepared.

Additionally, there were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the evaluation date. We have not identified any significant deficiencies or material weaknesses in our internal controls, and therefore there were no corrective actions taken.

## PART II - OTHER INFORMATION

### Item 1. LEGAL PROCEEDINGS

None

### Item 1A. RISK FACTORS

Not applicable.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

Item 3. DEFAULTS UPON SENIOR SECURITIES.

None.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

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Item 5. OTHER INFORMATION.

None.

Item 6. EXHIBITS

Exhibits required by Item 601 of Regulation S-K

No. Description

3.1 Articles of Incorporation of the Company<sup>1</sup>

3.2 Bylaws of the Company<sup>1</sup>

31 Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32 Certification Pursuant to 18 U.S.C. Section 1350 as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

<sup>1</sup> Incorporated herein by reference from the Company's Registration Statement on Form SB-2 filed with the Securities and Exchange Commission on February 4, 2008.

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant caused duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

T I T L E  
S T A R T S  
O N L I N E ,  
I N C .  
(Registrant)

Date: October 29, 2009

/ s / M a r k  
DeFoor  
Mark DeFoor  
President and  
C h i e f  
E x e c u t i v e  
Officer

