

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

TOMBSTONE TECHNOLOGIES, INC.
Form 10-K
March 29, 2010

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

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

Or

[] 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: 000-53268

TOMBSTONE TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Colorado

51-0541963

State or other jurisdiction of
incorporation or organization

I.R.S. Employer
Identification No.

5380 Highlands Dr., Longmont, CO 80503

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:
(303) 684-6644

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
registered

Name of each exchange
on which registered

Not Applicable

Not Applicable

Securities registered pursuant to Section 12(g) of the Act:
Common Stock

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

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 (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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (ss. 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check One).

Large accelerated filer Accelerated filer

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

The aggregate market value of voting stock held by non-affiliates of the registrant was approximately \$3,628,930 as of March 25, 2010.

There were 4,878,000 shares outstanding of the registrant's Common Stock as of March 25, 2010.

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

ITEM 1	Business	4
ITEM 1 A.	Risk Factors	7
ITEM 1 B.	Unresolved Staff Comments	14
ITEM 2	Properties	14
ITEM 3	Legal Proceedings	14
ITEM 4	Removed and Reserved	14

PART II

ITEM 5	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	15
ITEM 6	Selected Financial Data	16
ITEM 7	Management's Discussion and Analysis of Financial Condition and Results of Operations	17
ITEM 7 A.	Quantitative and Qualitative Disclosures About Market Risk	
ITEM 8	Financial Statements and Supplementary Data	21
ITEM 9	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	22
ITEM 9 A.	Controls and Procedures	22
ITEM 9 A(T).	Controls and Procedures	
ITEM 9B	Other Information	23

PART III

ITEM 10	Directors, Executive Officers, and Corporate Governance	23
ITEM 11	Executive Compensation	26
ITEM 12	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	29
ITEM 13	Certain Relationships and Related Transactions, and Director Independence	31
ITEM 14	Principal Accounting Fees and Services	32

PART IV

ITEM 15	Exhibits, Financial Statement Schedules	32
---------	---	----

FORWARD LOOKING STATEMENTS

This document includes forward-looking statements, including, without limitation, statements relating to Tombstone Technologies, Inc. ("Tombstone") plans, strategies, objectives, expectations, intentions and adequacy of resources. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause Tombstone's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These factors include, among others, the following: ability of Tombstone's to implement its business strategy; ability to obtain additional financing; Tombstone's limited operating history; unknown liabilities associated with future acquisitions; ability to manage growth; significant competition; ability to attract and retain talented employees; and future government regulations; and other factors described in this registration statement or in other of Tombstone's filings with the Securities and Exchange Commission. Tombstone is under no obligation, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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

ITEM 1. BUSINESS

Tombstone Technologies, Inc. ("Tombstone" or "the Company")

On April 29, 2005, Tombstone Cards, Inc. was incorporated in the State of Colorado. The Company was organized to develop a business around the business of printing customized playing cards. Management believed that by working with state-of-the-art printers that fully utilize digital technologies, that they could reduce cycle times for full-color customized printing from a standard three to five weeks to just three to five days. In addition, they believed that digital presses could allow product runs in small quantities and at lower prices.

On July 31, 2008, Tombstone Cards, Inc. amended its Articles of Incorporation for the change of its corporate name to Tombstone Technologies, Inc. ("Tombstone" or "the Company") as approved at the Annual Shareholders' Meeting on July 24, 2008.

Tombstone is located at 5380 Highlands Dr., Longmont, Colorado 80503. The Company maintains a website at www.tombstonetechnologies.com, which is not incorporated in and is not a part of this report.

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.

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

4

the common stock of the Tombstone 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 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).

Current Operations -----

The Company has had limited operations over the last two years. Those operations have focused on the structure and capital formation of the Company, as Tombstone operations have focused on the development of its proprietary OIEPrint(TM) software, a Web-2-Print (W2P) template driven application. Web-2-Print is the overall process of integrating technology, from ordering and pre-press to post-press and delivery, in order to reduce time and costs.

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

The Company discovered difficulties which are inherent in constructing a tool that requires no downloading, can function on Macs, PCs and even Linux based machines and that can provide high-resolution graphics that are suitable for printing. For example, while graphics on the Web can appear clear, they are only 72 dpi (dots per inch) and, therefore, would appear fuzzy when printed. Print graphics must be 300 dpi for full clarity.

The combination of the Web and the still-unrealized changes that are being brought by the explosion of professional digital printing is part of what the print industry calls "Web-2-Print" (W2P). Because digital printing does not require specialized inks, color separations and individual printing plates, standard PDF files can move from the desktop to the print head without intervention. This means that the digital print industry is no longer restricted by the size of the job. For example, while it may not be profitable (or even possible) to create small runs on a traditional press, digital printing not only permits it, it encourages it.

In addition, end-users are now accustomed to being able to handle many of their business and personal tasks online: from browsing and ordering to getting customizable quotes, managing their accounts and making payments. However, because of the complexity of creating print orders online due to the number of unique options involved, along with the expense involved in creating and/or maintaining a Web-based system, the print industry has been, for the most part, unable to fully enter this world.

In connection with the development of the OIEPrint(TM) software, on December 27, 2007, the Company filed a provisional patent application with the United States Patent and Trademark Office (USPTO) titled Internet Application for the Design of High Resolution Digital Graphics.

OIEPrint(TM) 3.0 Software

OIEPrint software is a W2P template driven application that allows the users to personalize and customize designs. The software will be available to be licensed through either purchase or as a hosted solution. A full purchase allows the customer to license the software, while the hosted solution allows the user to use the software through Tombstone's website at www.tombstonetechnologies.com.

The Company offers its OIEPrint software product through the Internet. The software has been developed to be used with several platforms. Tombstone intends for the product to help meet the needs of printers, specialty product producers and others to satisfy the growing customer demand for personalization of products.

5

Tombstone will offer the following products:

- o OIEPrint - A platform independent, browser-based RIA that supports template driven design and provides high-resolution PDF files to the printer.
- o OIEPrint Store - An advanced e-commerce solution that supports multiple customization options (e.g. paper color, paper weight, paper finish, collating, binding, shipping, etc.) and dependent variables (e.g. If you choose "A," you cannot choose "B" but can choose "C")

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

- o OIEPrint VDP (2010) - An easy-to-use tool for linking database mining with custom printing and 1:1 marketing.

The Company is offering a fully hosted solution for a monthly fee. Tombstone believes, and research underscores this belief, that printers do not have the in-house staffing to support the complexity inherent in a Web-based system. Added to that the database requirements (all products have database back-ends for data storage) and the ongoing maintenance, and it becomes clear that a hosted solution, properly priced, becomes quite attractive. Customization and implementation fees are also anticipated.

Tombstone's technology has been successfully employed since July 2007 on the prior Tombstone Cards' website, allowing customers to design and order full color custom playing cards.

During this "proof of concept" period, the Company worked with the actual printing processes involved in digital printing, as well as verifying order and inventory systems, the OIEPrint Web design tool, the ecommerce system, independent credit verification systems and direct links to shipping providers.

Competition

Tombstone's competition includes:

- o Electronics For Imaging, Inc. (EFI)
- o Firesprint
- o Print Science; and
- o Print Via.

All four of these companies offer services for printing similar to the ones offered by the Company. Tombstone is the only one to offer an integrated design system and therefore allows the customer to design the document through their software.

Sales Strategy

Tombstone's products will be available through the Company, via an outbound sales staff that utilizes Web-based demos and Web-video in order to engage customers.

The Company is a member of the Print On Demand Initiative (PODi) and will attempt to publish articles and deliver keynotes in order to gain "top of mind" positioning among potential clients.

Tombstone is considering setting up independent, commission only sales affiliates, based on a regional distribution. Because the OIEPrint Suite has been developed to handle languages from around the world, overseas partnerships are also a possibility.

6

The Company has identified three key market segments for its initial product line:

- o Regional chains of print shops that want to offer cutting-edge, Web-based solutions to their franchises.
- o Small and medium sized digital printers who want to offer Web-based

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

solutions to their clients.

- o Medium and large printers who want to offer customized features to their corporate clients, allowing them to more easily manage their accounts and purchasing via a Web interface.

Production and Delivery

Production will be provided through in-house capabilities. Tombstone owns its own servers and can easily "clone" the software package for new clients.

The Company anticipates hiring and training recent college graduates for the job of working with clients during the consultation stage, gathering information about the clients and their product offerings in order to populate the client's e-commerce store.

At this time, Tombstone expects that it will hold no inventory.

ITEM 1A. RISK FACTORS

TOMBSTONE'S COMPANY RISK FACTORS

Tombstone's securities are highly speculative and should be purchased only by persons who can afford to lose their entire investment in the Company. Each prospective investor should carefully consider the following risk factors, as well as all other information set forth elsewhere in this Annual Report, before purchasing any of the Shares of Tombstone's Common Stock.

Tombstone was incorporated in 2005 and has had a limited operating history.

Tombstone has only very recently been organized to perform the operations described above. Potential investors should be made aware of the risk and difficulties encountered by a new enterprise in the Web 2 Print business, especially in view of the intense competition from existing businesses in the industry.

A decline in on-line printing may adversely affect Tombstone's business.

If on-line printing declines in activity, there is significant risk that the operations of Tombstone will be negatively impacted resulting in lack of sales revenues, if any are ever developed. This decline could result from adverse economic conditions, which negatively affect disposable income and changes in printing habits,

Tombstone's Weaknesses may affect Tombstone's ability to sell, compete and generate revenues.

- o Because of Tombstone's position as a startup, Tombstone is not a household name among prospective customers, and the cost to raise the Company to "top-of-mind" awareness will be higher than for an established company.
- o Documented processes and procedures, along with the integrated technology deployment, are still in the development stage and an unforeseen delay or loss of key personnel could cause delays in Tombstone's continued operations.

Any of these could cause Tombstone's revenue model to be unprofitable and cause failure of Tombstone's business.

Tombstone has identified potential threats to Tombstone's business model.

- o A significant downturn in the American economy would reduce the amount of disposable income available to Tombstone's target audience.
- o Other competitors could move quickly to match Tombstone's performance by offering similar products and design amenities, forcing the Company to invest more than expected in product development.
- o Too much success too quickly could overwhelm Tombstone's systems, creating order and fulfillment problems including the increased possibility of poor work slipping through to the marketplace, resulting in high levels of customer dissatisfaction.

Any of these could cause Tombstone's revenue model to be unprofitable and cause failure of Tombstone's business.

Tombstone may have a shortage of working capital in the future which could

jeopardize Tombstone's ability to carry out Tombstone's business plan.

Tombstone's capital needs consist primarily of rent, insurance, utilities, marketing expenses, wages, taxes, etc. and could exceed \$500,000 in the next twelve months. Such funds are not currently committed, and Tombstone has cash as of the date of this Annual Report of approximately \$5,189.

Tombstone's officers and Directors may have conflicts of interest which may not

be resolved favorably to the Company.

Certain conflicts of interest may exist between the Company and Tombstone's officers and directors. Tombstone's Officers and Directors have other business interests to which they devote their attention and may be expected to continue to do so although management time should be devoted to Tombstone's business. As a result, conflicts of interest may arise that can be resolved only through exercise of such judgment as is consistent with fiduciary duties to the Company.

Tombstone will need additional financing for which Tombstone has no commitments

and this may jeopardize execution of Tombstone's business plan.

Tombstone has limited funds, and such funds may not be adequate to carryout the business plan. Tombstone's ultimate success depends upon Tombstone's ability to raise additional capital. Tombstone has not investigated the availability, source, or terms that might govern the acquisition of additional capital and will not do so until it determines a need for additional financing. If it needs additional capital, Tombstone has no assurance that funds will be available from any source or, if available, that they can be obtained on terms acceptable to the Company. If not available, Tombstone's operations will be limited to those that can be financed with Tombstone's modest capital.

Tombstone can make no assurance of success or profitability in the future.

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

There is no assurance that Tombstone will ever operate profitably. There is no assurance that Tombstone will generate revenues or profits in the future, or that the market price of Tombstone's Common Stock will be increased thereby.

8

Tombstone will depend upon Management but Tombstone will have limited participation of management.

Tombstone currently has three individuals who are serving as Tombstone's officers and directors for up to 50 hours per week each on a part-time basis. Tombstone's directors are also acting as Tombstone's officers. Tombstone will be heavily dependent upon their skills, talents, and abilities, as well as several consultants to us, to implement its business plan, and may, from time to time, find that the inability of the officers, directors and consultants to devote their full-time attention to Tombstone's business results in a delay in progress toward implementing Tombstone's business plan. See "Management." Because investors will not be able to manage Tombstone's business, they should critically assess the information concerning Tombstone's officers and directors.

Tombstone's Officers and Directors are not employed full-time by the Company which could be detrimental to the business.

Tombstone's directors and officers are, or may become, in their individual capacities, officers, directors, controlling shareholder and/or partners of other entities engaged in a variety of businesses. Thus, there exist potential conflicts including time and efforts involved in participation with such other business entities. Each officer and director of Tombstone's business is engaged in business activities outside of Tombstone's business, and the amount of time they devote as Officers and Directors to Tombstone's business will be up to 50 hours per week. (See "Executive Team")

Tombstone does not know of any reason other than outside business interests that would prevent them from devoting full-time to Tombstone, when the business may demand such full-time.

Tombstone's Officers and Directors may have Conflicts of Interests to Corporate Opportunities which Tombstone's Company may not be able or allowed to participate in.

Presently no requirement contained in Tombstone's Articles of Incorporation, Bylaws, or minutes which requires officers and directors of Tombstone's business to disclose to the Company business opportunities which come to their attention. Tombstone's officers and directors do, however, have a fiduciary duty of loyalty to the Company to disclose to the Company any business opportunities which come to their attention in their capacity as an officer and/or director or otherwise. Excluded from this duty would be opportunities which the person leans about through his involvement as an officer and director of another company. Tombstone has no intention of merging with or acquiring an affiliate, associate person or business opportunity from any affiliate or any client of any such person.

Tombstone has agreed to indemnification of Officers and Directors as is provided

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

by Colorado Statute.

Colorado Revised Statutes provide for the indemnification of Tombstone's directors, officers, employees, and agents, under certain circumstances, against attorney's fees and other expenses incurred by them in any litigation to which they become a party arising from their association with or activities Tombstone's behalf. Tombstone will also bear the expenses of such litigation for any of Tombstone's directors, officers, employees, or agents, upon such person's promise to repay the Company therefore if it is ultimately determined that any such person shall not have been entitled to indemnification. This indemnification policy could result in substantial expenditures by the Company that Tombstone will be unable to recoup.

Tombstone's Director's Liability to the Company and Shareholders is limited.

Colorado Revised Statutes exclude personal liability of Tombstone's directors and Tombstone's stockholders for monetary damages for breach of fiduciary duty except in certain specified circumstances. Accordingly, Tombstone will have a

9

much more limited right of action against Tombstone's directors than otherwise would be the case. This provision does not affect the liability of any director under federal or applicable state securities laws.

Tombstone may depend upon Outside Advisors, who may not be available on

reasonable terms and as needed.

To supplement the business experience of Tombstone's officers and directors, the Company may be required to employ accountants, technical experts, appraisers, attorneys, or other consultants or advisors. Tombstone's Board, without any input from stockholders, will make the selection of any such advisors. Furthermore, it is anticipated that such persons may be engaged on an "as needed" basis without a continuing fiduciary or other obligation to us. In the event Tombstone considers it necessary to hire outside advisors, Tombstone may elect to hire persons who are affiliates, if they are able to provide the required services.

Tombstone has substantial competitors who have an advantage over the Company in

resources and marketing.

Tombstone will be in competition with other products developed and marketed by much larger corporations which are better capitalized and have far greater marketing capabilities than us. Tombstone expects to be at a disadvantage when competing with many firms that have substantially greater financial and management resources and capabilities than Tombstone does now.

RISK FACTORS RELATED TO TOMBSTONE'S ON-LINE PRINTING OPERATIONS

Actual or perceived security vulnerabilities in Tombstone's product could

adversely affect its revenues.

Maintaining the security of Tombstone's software is an issue of critical

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

importance to customers and for management. There are individuals and groups who develop and deploy viruses, worms and other malicious software programs that could attack its products. Although, the Company takes preventative measures to protect its products, these procedures may not be sufficient to mitigate damage to products. Actual or perceived security vulnerabilities in software products could lead some customers to seek to return products, to reduce or delay future purchases or to purchase competitive products. Customers may also increase their expenditures on protecting their computer systems from attack, which could delay or reduce purchases of Tombstone's product. Any of these actions or responses by customers could adversely affect its revenues.

System failures or system unavailability could harm Tombstone's business.

Tombstone relies on its network infrastructure, internal technology systems and external websites for development, marketing, operational, support and sales activities. Tombstone's hardware and software systems related to such activities are subject to damage from malicious code released into the public Internet through recently discovered vulnerabilities in popular software programs. These systems are also subject to acts of vandalism and to potential disruption by actions or inactions of third parties. Any event that causes failures or interruption in hardware or software systems could harm the Company's business, financial condition and operating results.

Purchasers of products and services, may not choose to shop online, which would

prevent us from acquiring new customers which are necessary to the success of

its business.

The online market for print products and services is less developed than the online market for other business and consumer products. If this market does not gain widespread acceptance, Tombstone's business may suffer. The Company's success will depend in part on Tombstone's ability to attract customers who have historically purchased printed products and graphic design services through traditional printing operations and graphic design businesses or who have

10

produced graphic design and printed products using self-service alternatives. Furthermore, Tombstone may have to incur significantly higher and more sustained advertising and promotional expenditures or price its services and products more competitively than we currently anticipate, in order to attract additional online consumers to the websites and convert them into purchasing customers. Specific factors that could prevent prospective customers from purchasing from Tombstone include:

- Concerns about buying graphic design services and printed products without face-to-face interaction with sales personnel;
- The inability to physically handle and examine product samples;
- Delivery time associated with Internet orders;
- Concerns about security of online transactions and the privacy of personal information;
- Delayed shipments or shipments or incorrect or damaged products; and
- Inconvenience associated with returning or exchanging purchased items.

Interruptions to website operations, information technology systems, production

processes or customer service operations as a result of natural disasters,

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

errors in technology, capacity constraints, security breaches or other causes

could damage Tombstone's reputation and brand and substantially harm the

Company's business and results of operations.

The satisfactory performance, reliability and availability of the Company's websites, transaction processing systems, network infrastructure, printing production facilities and customer service operations are critical to its reputation, and the Company's ability to attract and retain customers and to maintain adequate customer service levels. Any future interruptions that result in the unavailability of the Company's websites reduced order fulfillment performance or interfere with customer service operations could result in negative publicity, damage Tombstone's reputation and brand and cause its business and results of operations to suffer. Tombstone may experience temporary interruptions in operations for a variety of reasons in the future, including human error, software errors, power loss, telecommunication failures, fire, flood, extreme weather, political instability, acts of terrorism, war, break-ins and security breaches, and other events beyond its control.

The Company's technology, infrastructure and processes may contain undetected errors or design faults. These errors or design faults may cause the websites to fail and result in loss of, or delay in, market acceptance of its products and services. In the future, the Company may encounter additional issues, such as scalability limitations, in current or future technology releases. A delay in the commercial release of any future version of the technology or implementing improvements in infrastructure and processes could seriously harm its business. In addition, Tombstone's systems could suffer computer viruses and similar disruptions, which could lead to loss of critical data or the unauthorized disclosure of confidential customer data.

Tombstone's business requires that it have adequate capacity in its computer systems to cope with the high volume of visits to websites, particularly during promotional campaign periods. As the Company's operations grow in size and scope, it will need to improve and upgrade its computer systems and network infrastructure to offer customers enhanced and new products, services, capacity, features and functionality. The expansion of the Company's systems and infrastructure may require it to commit substantial financial, operational and technical resources before the volume of the business increases, with no assurance that the Company's revenues will increase.

11

If Tombstone is unable to market and sell products and services beyond it's

existing target markets and develop new products and services to attract new

customers, its results of operations may suffer.

Tombstone has developed products and services and implemented marketing strategies designed to attract small business owners and consumers to the websites and encourage them to purchase its products and services. Management believes it will need to address additional markets and attract new customers to further grow the business. To access new markets and customers management expects that it will need to develop, market and sell new products and additional services that address their needs. Tombstone intends to focus on developing new strategic relationships to expand marketing and sales channels.

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

Any failure to develop new products and services, expand the Company's business beyond its existing target markets and customers, and address additional market opportunities could harm the business, financial condition and results of operations of the Company.

RISK FACTORS RELATED TO TOMBSTONE'S STOCK

The regulation of penny stocks by SEC and FINRA may discourage the tradability

of Tombstone's Securities.

Tombstone is a "penny stock" company. Tombstone's securities currently trade on the Over-the Counter Bulletin Board under the symbol "TMCI." There is a limited public market for Tombstone's Common Stock. Tombstone's Securities will be subject to a Securities and Exchange Commission rule that imposes special sales practice requirements upon broker-dealers who sell such securities to persons other than established customers or accredited investors. For purposes of the rule, the phrase "accredited investors" means, in general terms, institutions with assets in excess of \$5,000,000, or individuals having a net worth in excess of \$1,000,000 or having an annual income that exceeds \$200,000 (or that, when combined with a spouse's income, exceeds \$300,000). For transactions covered by the rule, the broker-dealer must make a special suitability determination for the purchaser and receive the purchaser's written agreement to the transaction prior to the sale. Effectively, this discourages broker-dealers from executing trades in penny stocks. Consequently, the rule will affect the ability of purchasers to sell their securities in any market that might develop therefore because it imposes additional regulatory burdens on penny stock transactions.

In addition, the Securities and Exchange Commission has adopted a number of rules to regulate "penny stocks." Such rules include Rules 3a51-1, 15g-1, 15g-2, 15g-3, 15g-4, 15g-5, 15g-6, 15g-7, and 15g-9 under the Securities and Exchange Act of 1934, as amended. Because Tombstone's securities constitute "penny stocks" within the meaning of the rules, the rules would apply to the Company and to Tombstone's securities. The rules will further affect the ability of owners of Shares to sell Tombstone's securities in any market that might develop for them because it imposes additional regulatory burdens on penny stock transactions.

Shareholders should be aware that, according to Securities and Exchange Commission, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. Such patterns include (i) control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer; (ii) manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases; (iii) "boiler room" practices involving high-pressure sales tactics and unrealistic price projections by inexperienced sales persons; (iv) excessive and undisclosed bid-ask differentials and markups by selling broker-dealers; and (v) the wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired consequent investor losses. Tombstone's management is aware of the abuses that have occurred historically in

the penny stock market. Although Tombstone does not expect to be in a position to dictate the behavior of the market or of broker-dealers who participate in the market, management will strive within the confines of practical limitations to prevent the described patterns from being established with respect to Tombstone's securities.

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

Tombstone will pay no foreseeable dividends in the future.

Tombstone has not paid dividends on its Common Stock and does not ever anticipate paying such dividends in the foreseeable future.

Loss of control by Tombstone's present management and stockholders may occur

upon issuance of additional Shares.

Tombstone may issue further Shares as consideration for the cash or assets or services out of its authorized but unissued Common Stock that would, upon issuance, represent a majority of Tombstone's voting power and equity. The result of such an issuance would be those new stockholders and management would control us, and persons unknown could replace Tombstone's management at this time. Such an occurrence would result in a greatly reduced percentage of ownership of the Company by Tombstone's current Shareholders.

A limited public market exists for Tombstone's Common Stock.

Tombstone's Common Stock trades on the Over-the Counter Bulletin Board under the symbol "TMCI." There is a limited public market for Tombstone's Common Stock and no assurance can be given that this market will continue to develop or that a Shareholder ever will be able to liquidate their investment without considerable delay, if at all. If the market continues to develop, the price may be highly volatile. Factors such as those discussed in the "Risk Factors" section may have a significant impact upon the market price of the securities. Due to the low price of Tombstone's securities, many brokerage firms may not be willing to effect transactions in Tombstone's securities. Even if a purchaser finds a broker willing to effect a transaction in Tombstone's securities, the combination of brokerage commissions, state transfer taxes, if any, and any other selling costs may exceed the selling price. Further, many lending institutions will not permit the use of such securities as collateral for any loans.

Rule 144 sales in the future may have a depressive effect on Tombstone's stock

price.

All of the outstanding Shares of Common Stock held by Tombstone's present officers, directors, and affiliate stockholders are "restricted securities" within the meaning of Rule 144 under the Securities Act of 1933, as amended. As restricted Shares, these Shares may be resold only pursuant to an effective registration statement or under the requirements of Rule 144 or other applicable exemptions from registration under the Act and as required under applicable state securities laws. Rule 144 provides in essence that a person who has held restricted securities for six months may, under certain conditions, sell every three months, in brokerage transactions, a number of Shares that does not exceed the greater of 1.0% of a company's outstanding Common Stock or the average weekly trading volume during the four calendar weeks prior to the sale. A sale under Rule 144 or under any other exemption from the Act, if available, or pursuant to subsequent registration of Shares of Common Stock of present stockholders, may have a depressive effect upon the price of the Common Stock in any market that may develop.

Future dilution may occur due to issuances of Shares for various considerations

in the future.

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

There may be substantial dilution to Tombstone's Shareholders as a result of future decisions of the Board to issue Shares without Shareholder approval for cash, services, acquisitions, or pursuant to Tombstone's Employee/Consultant Stock Option Plan for which 1,500,000 shares have been reserved. Award/Earnings/Vesting criteria under the Plan have not been set. Currently, there are 1,029,999 Options outstanding under the Plan.

13

In addition, the Company has warrants exercisable for 660,000 shares of its common stock at \$0.55 to \$0.60 per share. If all of the outstanding options and warrants were exercised, the Company would have issued 1,689,999 shares of its common stock to the holders of its options and warrants.

No Assurance of Public Market for any of Tombstone's Securities.

There is presently a limited market for any of Tombstone's securities and there can be no assurance a larger market will develop or that holders will be able to resell their Common Stock at the public offering price or without delay. Should a larger market for Tombstone's Securities develop there is no assurance that such a market will continue. In addition, due to the low price of these Securities many brokerage firms may not effect transactions in the Common Stock and banks may not accept them as collateral for loans.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not Applicable.

ITEM 2. PROPERTIES

Tombstone does not own any property, real or otherwise. For the first year and currently, the Company conducted administrative affairs from the office located in the home of the Company's Chairman and CFO, Neil A. Cox, at no cost. Tombstone's current office address is 5380 Highlands Dr., Longmont, Colorado 80503. During the year ended December 31, 2009, the Company moved from its offices located at 2400 Central Ave., Suite G, Boulder, CO 80301 to its current location. Prior to the move, the Company rented its office space for approximately \$965 per month, on a month-to-month basis.

ITEM 3. LEGAL PROCEEDINGS

Tombstone anticipates that it (including any future subsidiaries) will from time to time become subject to claims and legal proceedings arising in the ordinary course of business. It is not feasible to predict the outcome of any such proceedings and Tombstone cannot assure that their ultimate disposition will not have a materially adverse effect on Tombstone's business, financial condition, cash flows or results of operations. There are no such claims or legal proceedings as of December 31, 2009.

ITEM 4. REMOVED AND RESERVED

14

PART II

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

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Tombstone's Common Stock is presently traded on the over-the-counter market on the OTC Bulletin Board maintained by the Financial Industry Regulatory Authority ("FINRA"). The Company's stock currently trades on the OTC Bulletin Board under the symbol "TMC.I." During the years ended December 31, 2009 and 2008, Tombstone's common stock had limited trading as shown in the table below.

	HIGH	LOW
For the quarter ended December 31, 2009	\$0.90	\$0.30
For the quarter ended September 30, 2009	\$0.30	\$0.06
For the quarter ended June 30, 2009	\$0.30	\$0.20
For the quarter ended March 31, 2009	\$0.65	\$0.27
For the quarter ended December 31, 2008	\$0.65	\$0.65
For the quarter ended September 30, 2008	\$0.55	\$0.55
For the quarter ended June 30, 2008	\$1.05	\$1.05
For the quarter ended March 31, 2008	\$0.90	\$0.85

In addition to Tombstone's common stock, in October 2007, the Company began trading its Units on the OTC Bulletin Board. A Unit consists of 1 share of Tombstone common stock, 1 of the Company's "A" Warrants and 1 of the Company's "B" Warrants. The Units trade on the OTC Bulletin Board under the symbol "TMCIU." During the years ended December 31, 2009 and 2008, the Company's Units did not trade. During the year ended December 31, 2009, the Company's "A" Warrants and "B" Warrants expired.

Holder

There are approximately 60 holders of record of Tombstone common stock as of December 31, 2009.

Dividend Policy

As of the filing of this Annual Report, Tombstone has not paid any dividends to Shareholders. There are no restrictions which would limit the Company's ability to pay dividends on common equity or that are likely to do so in the future. The Colorado Revised Statutes, however, do prohibit Tombstone from declaring dividends where, after giving effect to the distribution of the dividend; the Company would not be able to pay its debts as they become due in the usual course of business; or its total assets would be less than the sum of the total liabilities plus the amount that would be needed to satisfy the rights of Shareholders who have preferential rights superior to those receiving the distribution.

Recent Sales of Unregistered Securities

Tombstone made the following unregistered issuances of its securities from January 1, 2009 through December 31, 2009.

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

DATE OF SALE	TITLE OF SECURITIES	NO. OF SHARES	CONSIDERATION	CLASS OF PU
3/3/2009	Common Stock	140,000	Software Development	Business As
6/30/2009	Common Stock	180,000	\$18,000 in	Neil C
6/30/2009	Common Stock	180,000	\$18,000 in	John Ha
6/30/2009	Common Stock	116,170	\$11,617 in	Michael W
6/30/09	Option	55,000	Services	Michael W
6/30/09	Option	16,666	Services	Business As
6/30/09	Option	58,333	Services	Business As
9/30/09	Common Stock	25,000	Payment on Software	Business As
9/30/090	Common Stock	6,830	Services	Michael W

Exemption From Registration Claimed

All of the sales by Tombstone of its unregistered securities were made in reliance upon Section 4(2) of the Securities Act of 1933, as amended (the "1933 Act"). The entity listed above that purchased the unregistered securities was an existing shareholder, known to the Company and its management, through pre-existing business relationships, as a long standing business associate. The entity was provided access to all material information, which it requested, and all information necessary to verify such information and was afforded access to Tombstone's management in connection with the purchases. The purchaser 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 6. SELECTED FINANCIAL DATA

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to provide an analysis of Tombstone's financial condition and should be read in conjunction with Tombstone's financial statements and the notes thereto set forth herein. The matters discussed in these sections that are not historical or current facts deal with potential future circumstances and developments. Tombstone's actual results could differ materially from the results discussed in the forward-looking statements. Factors

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

that could cause or contribute to such differences include those discussed below.

Plan of Operations

At December 31, 2009, Tombstone had cash on hand of \$7,439. The Company intends to use its cash funds to continue operations. Those operations have focused on the structure and capital formation of the Company, as Tombstone operations have focused on the development of its proprietary OIEPrint(TM) software, a Web-2-Print (W2P) template driven application. Web-2-Print is the overall process of integrating technology, from ordering and pre-press to post-press and delivery, in order to reduce time and costs. The development of the business opportunities includes continued marketing efforts and product testing over the next twelve months.

We are currently offering the following products to local printers:

- o OIEPrint - a platform independent, browser-based RIA that supports template driven design and provides high-resolution PDF files to the printer.
- o OIEPrint Store - an advanced e-commerce solution that supports multiple customization options (e.g. paper color, paper weight, paper finish, collating, binding, shipping, etc.) and dependent variables (e.g. If you choose "A," you cannot choose "B" but can choose "C")
- o OIEPrint VDP - an easy-to-use tool for linking database mining with custom printing and 1:1 marketing.

Over the next twelve months the Company intends to develop a third software product, OIEPrint VDP, a tool for linking database mining with custom printing and 1:1 marketing and release it for sales.

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 February 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

17

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;

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

- 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
- 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 Tombstone's business operations it does not intend to purchase or sell any significant assets and the Company does not expect a significant change in the number of its employees.

The Company is dependent on raising additional equity and/or, debt to fund any negotiated settlements with its outstanding creditors and meet the Company's ongoing operating expenses. There is no assurance that Tombstone will be able to raise the necessary equity and/or debt that it will need to be able to negotiate acceptable settlements with its outstanding creditors or fund its ongoing operating expenses. Tombstone cannot make any assurances that it will be able to raise funds through such activities.

RESULTS OF OPERATIONS

For The Year Ended December 31, 2009 Compared to the Year Ended December 31, 2008

During the year ended December 31, 2008, Tombstone did not recognize any revenues from its continuing operations. During the year ended December 31, 2009, Tombstone recognized revenues of \$1,508 from its operations. In connection with the \$1,508 revenues, Tombstone recognized cost of sales of \$1,120 with a gross profit of \$388 for the year ended December 31, 2009.

During the year ended December 31, 2009, Tombstone incurred selling and general and administrative expenses of \$197,654 compared to \$323,760 during the year ended December 31, 2008. The decrease of \$126,106 was due in part to the Company's decreased operational activities compared to the prior period. During the year ended December 31, 2009, the selling and general and administrative expenses consisted of \$78,983 in stock compensation expenses, \$11,912 in depreciation expenses and \$18,530 in amortization expenses. During the year ended December 31, 2008, selling and general and administrative expenses included \$52,862 in stock compensation expenses, \$23,441 accounting and \$144,037 payroll expense.

During year ended December 31, 2009, Tombstone recognized a total interest expense of \$103,533, which consists of \$98,333 in expense recognized as a result of the beneficial conversion feature (the difference between the conversion price and the quoted stock price on the date of commitment) in connection with the \$100,000 in convertible promissory notes issued during the year ended December 31, 2009.

The Company recognized an impairment loss on assets of \$484 during the year ended December 31, 2009. The impairment loss was recognized in connection with the write-off of abandoned provisional patents.

For the year ended December 31, 2009, the Company incurred a net loss of \$301,278 compared to a net loss of \$380,089 for the year ended December 31,

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

2008. The decrease of \$78,811 in net loss was due to the \$126,494 decrease in operational loss offset by the \$107,417 increase of other expenses, resulting mainly from the \$103,045 increase of interest expense, as discussed above, as well as the \$59,734 decrease of loss from discontinued operations."

For the year ended December 31, 2009, Tombstone recognized a net loss per share of \$0.09 compared to a net loss per share of \$0.12 per share during the year ended December 31, 2008.

Liquidity and Capital Resources For the Year Ended December 31, 2009

At December 31, 2009, Tombstone had total current assets of \$7,439 consisting solely of cash and cash equivalents, and current liabilities of \$107,492. At December 31, 2009, current liabilities exceed current assets by \$100,053.

Net cash used in operating activities during the year ended December 31, 2009 was \$87,272, compared to net cash used in operating activities during the year ended December 31, 2008 of \$252,007. During the year ended December 31, 2009, the net cash used represented a net loss of \$301,278, was adjusted for certain non-cash items consisting of stock based compensation of \$78,983, interest expense of \$98,333 as a result of the beneficial conversion feature of the \$100,000 in convertible promissory notes, \$11,912 in depreciation expense, \$18,530 in amortization expense and a \$484 loss on the write off of certain assets. During the year ended December 31, 2009, there was a \$383 decrease in accounts receivable, a \$1,854 decrease in prepaid expenses and a \$3,527 increase in accounts payable.

During the year ended December 31, 2008, the net cash used represented a net loss of \$380,089, was adjusted for certain non-cash items consisting of stock based compensation of \$52,862 and depreciation expense of \$10,237. During the year ended December 31, 2008, there was an \$8,837 decrease in accounts receivable, a \$360 increase in prepaid expenses and a \$38,681 increase in accounts payable.

During the year ended December 31, 2009, the Company used \$14,857 in the completion of the purchase of its software.

During the year ended December 31, 2008, the Company used \$47,080 in its investing activities. Investing activities during the year ended December 31, 2008, included \$6,750 for property and equipment, \$484 of patent application costs and \$39,846 in the purchase of software.

During the year ended December 31, 2009, the Company was provided \$97,686 from its financing activities. During the year ended December 31, 2009, the Company made payments of the \$2,314 on its capital lease. During the year ended December 31, 2008, the Company used \$2,529 in its financing activities consisting solely of payments on its capital lease.

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.

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 at 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 Company was indebted to two officers for accrued but unpaid compensation totaling \$36,000 at December 31, 2008. During the year ended December 31, 2009, the Company issued to two officers a total of 360,000 shares of common stock in lieu of the accrued salaries. The fair value of the common stock on the transaction date was \$0.10 per share. As a result, the Company recorded \$36,000 against the accrued salaries and \$36,000 as stock based compensation.

During the year ended December 31, 2009, the Company issued a former officer a total of 123,000 shares of common stock in lieu of salaries valued at \$12,300 (\$0.20 per share), based on the fair value of the common stock on the transaction date.

On March 3, 2009, Tombstone issued 140,000 shares of restricted common stock of Tombstone to InDis Baltic in accordance with an agreement to develop the OIEPrint software and recorded it as a deferred charge. On June 30, 2009, Tombstone recorded half of the final payment \$5,000 for OIEPrint, which is a deferred charge in the accompanying financial statements. On July 6, 2009, Tombstone issued 25,000 shares of common stocks to InDis Baltic as the other half of the final payment in an agreement signed on July 6, 2009.

During the second quarter of 2009, we granted to two consultants and one officer, options to purchase 129,999 shares of our common stock at an exercise price of \$0.10 to \$0.20 per share, in exchange for services. The option to purchase 129,999 shares of our common stock vested immediately on the grant date in April and their terms have been extended until August, 2012. Our Board of Directors valued our common stock at \$0.20 and \$0.26 per share on the grant date. We, utilizing appropriate option pricing software, estimated the fair value of the options at \$0.05 to \$0.26 per share for an aggregate grant-date fair value of \$8,009. We recorded stock-based compensation in the accompanying financial statements for the year ended December 31, 2009.

The Company is dependent on raising additional equity and/or, debt to fund any negotiated settlements with its outstanding creditors and meet the Company's ongoing operating expenses. There is no assurance that Tombstone will be able to raise the necessary equity and/or debt that it will need to be able to negotiate acceptable settlements with its outstanding creditors or fund its ongoing operating expenses. Tombstone cannot make any assurances that it will be able to raise funds through such activities.

Going Concern

The independent registered public accounting firm's report on the Company's financial statements as of December 31, 2009 and 2008 includes a "going concern" explanatory paragraph that describes substantial doubt about the Company's ability to continue as a going concern.

Tombstone is dependent on raising additional equity and/or, debt to fund any negotiated settlements with its outstanding creditors and meet its ongoing operating expenses. There is no assurance that the Company will be able to raise the necessary equity and/or debt that Tombstone will need to be able to negotiate acceptable settlements with its outstanding creditors or fund its

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

ongoing operating expenses. Tombstone cannot make any assurances that the Company will be able to raise funds through such activities.

20

Critical Accounting Policies

Tombstone has identified the policies below as critical to its business operations and the understanding of Tombstone's results from operations. The impact and any associated risks related to these policies on the Company's business operations is discussed throughout Management's Discussion and Analysis of Financial Conditions and Results of Operations where such policies affect Tombstone's reported and expected financial results. For a detailed discussion on the application of these and other accounting policies, see Note 1 in the Notes to the Consolidated Financial Statements beginning on page F-7 for the years ended December 31, 2009 and 2008. Note that Tombstone's preparation of this document requires Tombstone to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of Tombstone's financial statements, and the reported amounts of expenses during the reporting periods. There can be no assurance that actual results will not differ from those estimates.

Revenue Recognition

Tombstone follows very specific and detailed guidelines in measuring revenue; however, certain judgments may affect the application of Tombstone revenue policy. Revenue results are difficult to predict, and any shortfall in revenue or delay in recognizing revenue could cause Tombstone's operating results to vary significantly from quarter to quarter and could result in future operating losses.

Revenue is recognized on the accrual basis in the month services are performed. Total revenues for the years ended December 31, 2009 and 2008 were \$1,508 and \$-0-, respectively.

Stock-based Compensation

Share based compensation awards are recognized using an estimate of value in accordance with the fair value method. Under the fair value recognition provisions of this statement, stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense on a straight-line basis over the requisite service period, which generally is the vesting period. The Company elected the modified-prospective method, under which prior periods are not revised for comparative purposes. The valuation method applies to new grants and to grants that were outstanding as of the effective date and are subsequently modified.

Impairment of Other Long-Lived Assets

Long-lived assets that do not have indefinite lives, such as property and equipment and acquired customer relationships, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the assets and their eventual disposition. Measurement of an impairment loss for such long-lived assets is based on the fair value of the assets.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

Tombstone's operations do not employ financial instruments or derivatives which are market sensitive. Short term funds are held in non-interest bearing accounts and funds held for longer periods are placed in interest bearing accounts. Large amounts of funds, if available, will be distributed among multiple financial institutions to reduce risk of loss. Tombstone's cash holdings do not generate interest income.

21

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The audited financial statements of Tombstone Technologies, Inc. for the years ended December 31, 2009 and 2008 appear as pages F-3 through F-6.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

The Company maintains a system of disclosure controls and procedures that are designed for the purposes of ensuring that information required to be disclosed in the Company's SEC reports is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer as appropriate to allow timely decisions regarding required disclosure.

Management, including the Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of the Company's disclosure controls and procedures as defined in Exchange Act Rules 13a-14(c) as of December 31, 2009 (the "Evaluation Date") concluded that as of the Evaluation Date, the Company's disclosure controls and procedures were effective to ensure that material information relating to the Company would be made known to them by individuals within those entities, particularly during the period in which this annual report was being prepared and that information required to be disclosed in the Company's SEC reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms.

ITEM 9A(T). CONTROLS AND PROCEDURES

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING.

Tombstone's 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. Tombstone's 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. The Company's internal control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets;

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

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that Tombstone's receipts and expenditures are being made only in accordance with authorizations of the Company's management and directors; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on Tombstone's financial statements.

22

Management's assessment of the effectiveness of the registrant's internal control over financial reporting is as of the year ended December 31, 2009. Tombstone believes that internal control over financial reporting is effective. The Company has not identified any, current material weaknesses considering the nature and extent of the Company's 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 annual 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 the Company's internal control over financial reporting that occurred during the fiscal quarter ended December 31, 2009, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth information as to persons who currently serve as Tombstone's directors, executives or officers, including their ages as of December 31, 2009.

Name	Age	Position	Term
John N. Harris	63	President, Chief Executive Officer and Director	Annual
Neil A. Cox	60	Chairman of the Board and Chief Financial Officer	Annual

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

overseeing the installation of one of the nation's first VoIP systems, serving 14 offices in 11 states. After three years he started his own consulting business, offering services to young companies that wanted to establish the necessary systems to support measured and profitable growth, including strategic marketing, consultative sales, and customer service support. He earned his undergraduate degree at Wilkes College in Pennsylvania and completed his postgraduate work at Montclair State University. Mr. Reilly has headed his own consulting company, MountainTop Back Office, since 2002 and provides technology integration and marketing services to established companies.

FORMER CHIEF EXECUTIVE OFFICER - MICHAEL WILLIS

Mr. Willis was appointed the Chief Executive Officer of the Company on April 6, 2009 and resigned the position on September 1, 2009. Mr. Willis has served in leadership positions in Internet technology companies for the past fifteen years. He was one of the founders of Digital Directions International, Inc. worked with them from March 2000 through June 2008 and served as president and COO of Paragon Solutions, a Chicago-based technology services company specializing in Web-based software solutions. Mr. Willis has served on the Information Systems faculties at the University of Southern California, the University of Denver and the University of Colorado. Mr. Willis received his

24

Bachelor Science from Bradley University and his Masters from Johns Hopkins University. He has completed graduate programs in Applied Mathematics at George Washington University and in Statistical Research, The American University.

Annual Meeting

The annual meeting of Tombstone's stockholders is expected to be held as soon as practicable. This will be a meeting of stockholders for the election of directors. The annual meeting will be held at Tombstone's principal office or at such other place as permitted by the laws of the State of Colorado and on such date as may be fixed from time to time by resolution of Tombstone's Board of Directors.

Committees of the Board of Directors

Tombstone is managed by its officers under the oversight of its Board of Directors. Tombstone's Board of Directors plans to establish an Audit Committee as soon as practicable. Tombstone is currently attempting to recruit one or more independent directors to serve on the Board of Directors and the audit committee, at least one of whom will qualify as an "Audit Committee Financial Expert" as defined in SEC regulations. Tombstone is also establishing a Compensation Committee. There are currently no other committees under consideration.

Executive Committee

Tombstone currently does not have an Executive Committee.

Audit Committee

Tombstone currently does not have an Audit Committee. When formed, the Audit Committee will be comprised solely of directors who are independent and financially competent, as required by the Securities Exchange Act of 1934, which, as amended, Tombstone refers to as the Securities Exchange Act. At least one member of the committee will have accounting or related financial management expertise.

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

Previous "Blank Check" or "Shell" Company Involvement

Management of the Company has not been involved in prior private "blank-check" or "shell" companies.

Conflicts of Interest - Directors

The directors of Tombstone, who are not employed full-time, may not devote more than a portion of their time to the affairs of the Company. There may be occasions when the time requirements of Tombstone's business conflict with the demands of their other business and investment activities. Experienced directors of public companies are difficult to engage due to expertise/experience issues and liability, and may not be readily available to be engaged, leaving the Company lacking in experienced directors.

Conflicts of Interest - Other

Certain officers and directors of Tombstone may be directors and/or principal shareholders of other companies and, therefore, could face conflicts of interest with respect to potential acquisitions. Additionally, officers and directors of the Company may in the future participate in business ventures which could be deemed to compete directly with the Company. Additional conflicts of interest and non-arms length transactions may also arise in the future in the event the Company's officers or directors are involved in the management of any firm with which the Company transacts business. At the date of this Annual Report on Form

25

10-K, there are no current conflicts of interests involving any of the Company's directors or executive officers as to any known business conflicts of the Company's business. No member of management is currently an officer/director or affiliate with any other public or private company that is currently, or is planning to be in a competitive business.

ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth the compensation paid to officers during the fiscal years ended December 31, 2009, 2008 and 2007. The table sets forth this information for Tombstone, including salary, bonus, and certain other compensation to the named executive officers for the past three fiscal years and includes all Officers as of December 31, 2009.

SUMMARY EXECUTIVES COMPENSATION TABLE

Name & Position	Year	Salary (\$)	Bonus (\$)	Stock awards (\$)	Option awards (\$)	Non-equity	Non-qualified	All other compensa (\$)
						incentive plan compen- sation (\$)	deferred compensation earnings (\$)	
John N. Harris, President and CEO(1)	2009	0	0	0	0	0	0	0
	2008	36,000	0	0	0	0	0	0
	2007	36,000	0	0	0	0	0	0
Neil A. Cox,	2009	0	0	0	0	0	0	0

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

CFO(1)	2008	36,000	0	0	0	0	0	0
	2007	36,000	0	0	0	0	0	0
William H. Reilly,	2009	0	0	0	0	0	0	0
	2008	42,000	0	0	150	0	0	0
COO/CTO(1)	2007	42,000	0	0	0	0	0	0
Michael Willis (3)	2009	0	0	0	1,105	0	0	0

(1) During the year ended December 31, 2008, Messrs. Harris and Cox's both were paid \$18,000 of their \$36,000 salaries. The remaining \$18,000 was accrued at December 31, 2008 and paid during the year ended December 31, 2009.

(2) During the year ended December 31, 2008, Mr. Reilly was issued an option to purchase 150,000 shares of the Company's common stock. The option has an exercise price of \$0.65 per share. The option was valued using the Black-Scholes method.

(3) Mr. Willis served the Chief Executive Officer of the Company from April 6, 2009 through September 1, 2009. Mr. Willis was issued an option exercisable for 55,000 shares of the Company's stock. The option has an exercise price of \$0.20 per share and expires in August 2012. The option has a value of \$1,105 using the Black-Scholes Model.

Up until June 30, 2006, Tombstone's officers had served without salary and contributed their services, and thereafter the Company has paid the President and CFO at a rate of \$3,000 per month on a month- to month basis without contract. The COO/CTO is paid at a rate of \$3,500 per month on a month to month basis without contract.

26

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

The following table sets forth certain information concerning outstanding equity awards held by the President and the Company's two most highly compensated executive officers for the fiscal year ended December 31, 2009 the "Named Executive Officers"):

Option Awards						Stock awards		
Number of securities underlying unexercised options (#)	Number of securities underlying unexercised options (#)	Equity incentive plan awards:		Option exercise	Option expiration	Number of shares or units	Market value of shares of	Equity incentive plan awards:
		Number of securities underlying unexercised unearned	Number of securities underlying unexercised unearned					Number of unearned shares,

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

Name	options (#) exercisable	unexercisable	options (#)	price (\$)	date	of stock that have not vested (#)	units of stock that have not vested (#)	units of other rights that have not vested (#)
Neil Cox	-0-	-0-	-0-	\$ -0-	-	-0-	\$ -0-	-0-
John Harris	-0-	-0-	-0-	\$ -0-	-	-0-	\$ -0-	-0-
William Reilly	150,000 100,000	-0- -0-	-0- -0-	\$0.65 \$0.55	08/2012 08/2012	-0- -0-	\$ -0- \$ -0-	-0- -0-

DIRECTOR COMPENSATION

The following table sets forth certain information concerning compensation paid to the Company's directors for services as directors, but not including compensation for services as officers reported in the "Summary Executives' Compensation Table" during the year ended December 31, 2009:

Name	Fees earned or paid in cash (\$)	Non-equity deferred			Non-qualified		All other compensation (\$)(1)
		Stock awards (\$)	Option awards (\$)	incentive plan compensation (\$)	compensation earnings (\$)		
Neil Cox	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	
John Harris	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	
William Reilly(2)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	

(1) Messrs. Cox, Harris and Reilly serve as officers of the Company for which they receive compensation, as set forth in the Executive Compensation Table.

All of Tombstone's officers and/or directors will continue to be active in other companies. All officers and directors have retained the right to conduct their own independent business interests.

It is possible that situations may arise in the future where the personal

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

interests of the officers and directors may conflict with Tombstone's interests. Such conflicts could include determining what portion of their working time will be spent on Tombstone's business and what portion on other business interest. To the best ability and in the best judgment of the Company's officers and directors, any conflicts of interest between Tombstone and the personal interests of Tombstone's officers and directors will be resolved in a fair manner which will protect the Company's interests. Any transactions between Tombstone and entities affiliated with the Company's officers and directors will be on terms which are fair and equitable to the Company. Tombstone's Board of Directors intends to continually review all corporate opportunities to further attempt to safeguard against conflicts of interest between their business interests and Tombstone's interests.

Tombstone has no intention of merging with or acquiring an affiliate, associated person or business opportunity from any affiliate or any client of any such person.

OPTION/SAR GRANTS IN THE LAST FISCAL YEAR

Stock Option Plan

Tombstone has an Option Plan. As of December 31, 2009, 1,029,999 options are outstanding under the 2006 Option Plan of which 1,029,999 are exercisable. During the year ended December 31, 2009, the Company issued 129,999 shares under the option plan, of which 55,000 shares were issued to a former officer of the Company. Tombstone has reserved 1,500,000 shares of common stock for issuance under the 2006 Option Plan.

Employment Agreements and Termination of Employment and Change-In-Control Arrangements

None of the Company's officers, directors, advisors, or key employees is currently party to employment agreements with the Company. The Company has no pension, health, annuity, bonus, insurance, stock options, profit sharing or similar benefit plans; however, the Company may adopt such plans in the future. There are presently no personal benefits available for directors, officers, or employees of the Company.

Compensation Committee Interlocks and Insider Participation

The Tombstone Board of directors in its entirety acts as the compensation committee for Tombstone. Mr. Cox is the Chief Financial Officer and Chairman of the Company.

Director Compensation

The Company does not pay any Directors fees for meeting attendance. An Audit Committee has yet to be established therefore no compensation has been paid for this function.

Limitation on Liability and Indemnification

The Colorado Business Corporation Act requires Tombstone to indemnify officers and directors for any expenses incurred by any officer or director in connection with any actions or proceedings, whether civil, criminal, administrative, or investigative, brought against such officer or director because of his or her status as an officer or director, to the extent that the director or officer has been successful on the merits or otherwise in defense of the action or proceeding. The Colorado Business Corporation Act permits a corporation to indemnify an officer or director, even in the absence of an agreement to do so,

for expenses incurred in connection with any action or proceeding if such officer or director acted in good faith and in a manner in which he or she reasonably believed to be in or not opposed to the best interests of the Company and such indemnification is authorized by the stockholders, by a quorum of disinterested directors, by independent legal counsel in a written opinion authorized by a majority vote of a quorum of directors consisting of disinterested directors, or by independent legal counsel in a written opinion if a quorum of disinterested directors cannot be obtained.

The Colorado Business Corporation Act prohibits indemnification of a director or officer if a final adjudication establishes that the officer's or director's acts or omissions involved intentional misconduct, fraud, or a knowing violation of the law and were material to the cause of action. Despite the foregoing limitations on indemnification, the Colorado Business Corporation Act may permit an officer or director to apply to the court for approval of indemnification even if the officer or director is adjudged to have committed intentional misconduct, fraud, or a knowing violation of the law.

The Colorado Business Corporation Act also provides that indemnification of directors is not permitted for the unlawful payment of distributions, except for those directors registering their dissent to the payment of the distribution.

According to Tombstone's bylaws, the Company is authorized to indemnify the Company's directors to the fullest extent authorized under Colorado Law subject to certain specified limitations.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Act") may be permitted to directors, officers and persons controlling Tombstone pursuant to the foregoing provisions or otherwise, Tombstone is advised that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

EQUITY COMPENSATION PLAN INFORMATION

Stock Option Plan

Tombstone has an Option Plan. As of December 31, 2009, 1,029,999 options are outstanding under the 2006 Option Plan of which 1,029,999 are exercisable. During the year ended December 31, 2009, the Company issued 129,999 shares under the option plan, of which 55,000 shares were issued to a former officer of the Company. Tombstone has reserved 1,500,000 shares of common stock for issuance under the 2006 Option Plan.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information with respect to the beneficial ownership of Tombstone's outstanding common stock by:

- o each person who is known by Tombstone to be the beneficial owner of five percent (5%) or more of Tombstone's common stock;
- o Tombstone's President, its other executive officers, and each director as identified in the "Management -- Executive Compensation" section; and
- o all of the Company's directors and executive officers as a group.

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

29

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Shares of common stock and options, warrants and convertible securities that are currently exercisable or convertible within sixty days of the date of this document into shares of Tombstone's common stock are deemed to be outstanding and to be beneficially owned by the person holding the options, warrants, or convertible securities for the purpose of computing the percentage ownership of the person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

The information below is based on the number of shares of Tombstone's common stock that Tombstone believes was beneficially owned by each person or entity as of December 31, 2009. The total shares outstanding as of December 31, 2009 was 3,878,000.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent o
Common shares	John N. Harris President, CEO & Director PO Box 1547 Lyons, CO 80540	680,000	1
Common shares	Neil A. Cox CFO & Director 5380 Highlands Drive Longmont, CO 80503	580,000	1
Common shares	William H. Reilly(2) COO/CTO & Director 4859 Dakota Blvd Boulder, CO 80304	275,000	4.
Common shares	Capital Merchant Bank(3) 600 N. Bradley Road Lake Forest, IL 60045	300,000	5
All Directors and Executive Officers as a Group (3 persons)		1,535,000	2

- (1) Based upon 3,878,000 shares of common stock issued and outstanding on December 31, 2009, warrants exercisable for 660,000 shares of common stock and options exercisable for 1,029,999 shares of common stock, there would be 5,567,999 shares of Tombstone common stock issued and outstanding, on a fully diluted basis.
- (2) Consists of 25,000 shares of common stock and an option exercisable for 250,000 shares of common stock.
- (3) The Capital Merchant Bank holds these 300,000 warrants beneficially for Joseph Kurczodyna.

Rule 13d-3 under the Securities Exchange Act of 1934 governs the determination of beneficial ownership of securities. That rule provides that a beneficial owner of a security includes any person who directly or indirectly has or shares

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

voting power and/or investment power with respect to such security. Rule 13d-3 also provides that a beneficial owner of a security includes any person who has the right to acquire beneficial ownership of such security within sixty days, including through the exercise of any option, warrant or conversion of a security. Any securities not outstanding which are subject to such options, warrants, or conversion privileges are deemed to be outstanding for the purpose

30

of computing the percentage of outstanding securities of the class owned by such person. Those securities are not deemed to be outstanding for the purpose of computing the percentage of the class owned by any other person. Included in this table are only those derivative securities with exercise prices that Tombstone believes have a reasonable likelihood of being "in the money" within the next sixty days.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Other than the stock transactions discussed below, Tombstone has not entered into any transaction nor are there any proposed transactions in which any of Tombstone's founders, directors, executive officers, Shareholders or any members of the immediate family of any of the foregoing had or is to have a direct or indirect material interest.

The Company, in August 2006, engaged as a consultant, Capital Merchant Banc under an Agreement which provides for the vesting of 600,000 Warrants to purchase Shares at \$0.55 per Share based upon performing consulting services for which it is paid \$3,000 per month. When vested, Capital Merchant Banc could acquire an amount of Shares equal to 15.66% of the issued and outstanding Common Stock prior to exercise of any Warrants. These Warrants expire August 31, 2009 with an Option to acquire a new two year Warrant at \$0.55 for 600,000 if the stock price has not closed at \$0.50 for 30 days. Capital Merchant Banc Warrants are vested upon completion of the consulting services for: 1. Product Public Relations Program; 2. Sales Program design; 3. Corporate Awareness Program and structure advice which Tombstone deems to be substantially complete. In May 2009, the term of these warrants was extended to August 31, 2012. In May 2009, Capital Merchant Banc assigned 300,000 to unrelated party individuals..

The Company was indebted to two officers (Messers. Cox and Harris) for accrued but unpaid compensation totaling \$36,000 at December 31, 2008. During the year ended December 31, 2009, the Company issued to two officers a total of 360,000 shares of common stock in lieu of the accrued salaries. The fair value of the common stock on the transaction date was \$.20 per share. As a result, the Company recorded \$36,000 against the accrued salaries and \$36,000 as stock based compensation.

During the year ended December 31, 2009, the Company issued a former officer (Michael Willis) a total of 123,000 shares of common stock in lieu of salaries valued at \$24,600 (\$0.20 per share), based on the fair value of the common stock on the transaction date.

During the second quarter of 2009, we granted Mr. Michael Willis, a former officer of the Company, an option to purchase 55,000 shares of our common stock at an exercise price of \$0.20 per share, in exchange for services. The option to purchase 55,000 shares of our common stock vested immediately on the grant date in April and expires on August 31, 2012. Our Board of Directors valued our common stock at \$0.20 and \$0.26 per share on the grant date. We, utilizing appropriate option pricing software, estimated the fair value of the options at \$0.05 to \$0.26 per share for an aggregate grant-date fair value of \$1,105.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

GENERAL. Cordovano and Honeck, LLP ("C&H") is the Company's principal auditing accountant firm. The Company's Board of Directors has considered whether the provisions of audit services is compatible with maintaining C&H's independence.

The following table represents aggregate fees billed to the Company for the years ended December 31, 2009 and December 31, 2008 by Cordovano and Honeck, LLP.

	Year Ended December 31,	
	2009	2008
	-----	-----
Audit Fees	\$ 15,124	\$ 15,329
Audit-related Fees	\$ 0	\$ 0
Tax Fees	\$ 615	\$ 625
All Other Fees	\$ 0	\$ 0
	-----	-----
Total Fees	\$ 15,739	\$ 15,954

All audit work was performed by the auditors' full time employees.

Tombstone's corporate tax returns are prepared by J.L Griffin & Company, P.C.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

The following is a complete list of exhibits filed as part of this Form 10K. Exhibit number corresponds to the numbers in the Exhibit table of Item 601 of Regulation S-K.

(a) Audited financial statements for December 31, 2009

(b)	Exhibit No.	Description
	-----	-----
	3.1	Articles of Incorporation (1)
	3.2	Articles of Amendment - Name Change to Tombstone Cards, Inc. (1)
	3.3	Articles of Amendment - Name Change to Tombstone Technologies, Inc.
	3.5	Bylaws (1)
	10.1	"A" Warrant Form (1)
	10.2	"B" Warrant Form (1)
	10.3	Capital Merchant Banc Warrant Form (1)
	10.4	Employee Stock Warrant Form (1)

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

10.5	William H. Reilly Warrant Form (1)
10.6	Dale Stonedahl Warrant Form (1)
10.7	Revised Garden State Securities Warrant Form (2)
10.8	Consulting Agreement with Capital Merchant Banc, LLC (1)
10.9	Garden State Securities Finder's Fee Agreement (1)
10.10	2006 Tombstone Cards, Inc. Option Plan (1)
21	List of Subsidiaries

32

31.1	Certification of Chief Executive Officer pursuant to Section 302 of the
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the
32.1	Certification of Principal Executive Officer pursuant to Section 906 of th
32.2	Certification of Principal Financial Officer pursuant to Section 906 of th Sarbanes-Oxley Act

(1) Incorporated by reference to the Form S-1 Registration Statement (#333-138184) filed with the Securities and Exchange Commission on October 24, 2006.

(2) Incorporated by reference to the Form S-1 Registration Statement (#333-138184) filed with the Securities and Exchange Commission on January 8, 2007.

A copy of documents can be provided by mail, free of charge, by sending a written request to Tombstone Technologies, Inc., 5380 Highlands Dr., Longmont, CO 80503.

33

TOMBSTONE TECHNOLOGIES, INC.
(A Development Stage Company)

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

	Page

Report of Independent Registered Public Accounting Firm	F-2
Balance Sheets at December 31, 2009 and December 31, 2008	F-3
Statements of Operations for the Years Ended December 31, 2009 and 2008	F-4
Statements of Changes in Shareholders' Equity (Deficit) for the Years Ended December 31, 2009 and 2008	F-5
Statements of Cash Flows for the Years Ended December 31, 2009 and 2008	F-6
Notes to Financial Statements	F-7

F-1

Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Tombstone Technologies, Inc.:

We have audited the accompanying balance sheets of Tombstone Technologies, Inc. as of December 31, 2009 and 2008, and the related statements of operations, changes in shareholders' equity/(deficit), and cash flows for each of the years in the two-year period ended December 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tombstone Technologies, Inc. as of December 31, 2009 and 2008, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

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

As shown in the financial statements, the Company incurred net losses of \$301,278 and \$380,089 for the years ended December 31, 2009 and 2008, respectively. At December 31, 2009, current liabilities exceed current assets by \$100,053. These factors, and the others discussed in Note 1, raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the company cannot continue in existence.

/s/ Cordovano and Honeck LLP
 Cordovano and Honeck LLP
 Englewood, Colorado
 March 26, 2010

F-2

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

		As of 2009
Assets		
Current Assets		
Cash and cash equivalents	\$	7,43
Accounts receivable		--
Prepaid expenses		--

Total Current Assets		7,43
Property and equipment, net (Note 3)		5,67
Deferred charges		--
Intangible assets, net (Note 3)		92,64

Total Assets	\$	105,76
=====		
Liabilities and Shareholders' Equity (Deficit)		
Current Liabilities:		
Accounts payable	\$	7,23
Accrued payroll		--
Other current liabilities		--
Convertible promissory notes, net of unamortized discount of \$1,667 (Note 4)		98,33
Current portion - capital lease obligation		1,92

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

Total Current Liabilities	107,49
Capital lease obligation, less current portion	--
Total Liabilities	107,49
Shareholders' Equity (Deficit) (Note 6):	
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, 3,878,000 and 3,230,000 shares issued and outstanding, respectively	955,77
Additional paid-in capital	253,27
Accumulated deficit	(909,49)
Deficit accumulated during development stage	(301,27)
Total Shareholders' Equity (Deficit)	(1,72)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 105,76

See accompanying notes to financial statements
F-3

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

	For th
	De
	2009
Sales	\$ 1,50
Cost of sales	1,12
Gross profit	38
Selling, general and administrative expenses	197,65
Loss from continuing operations	(197,26)
Other income and (expense):	
Interest income	
Interest expense:	
Beneficial conversion feature (Note 4)	(98,33)
Other	(5,20)
Operating loss due to impairment of assets	(48

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

	-----	(104,01
Loss before income taxes and discontinued operations		(301,27
Income tax provision (Note 7)		--

Loss from continuing operations		(301,27

Discontinued operations (Note 5):		
Loss from operations of playing card component, net of taxes		--
Loss from abandonment of playing card component, net of taxes		--

Net loss	\$	(301,27
	=====	
Basic and diluted loss per share:		
Loss from continuing operations	\$	(0.0
	=====	
Loss from discontinued operations, net of tax	\$	0.0
	=====	
Net loss	\$	(0.0
	=====	
Basic and diluted weighted average common shares outstanding		3,508,22
	=====	

See accompanying notes to financial statements
F-4

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

	Common Stock		Additional Paid-in Capital	Accumula Deficit
	Shares	Amount		
	-----	-----	-----	-----
Balance at December 31, 2007	3,230,000	\$ 816,305	\$ 82,030	\$ (529,41
Stock options issued to consultants	--	--	52,862	--
Net loss	--	--	--	(380,08
	-----	-----	-----	-----
Balance at December 31, 2008 March 2009, shares	3,230,000	816,305	134,892	(909,49

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

issued for software development (Note 6)	140,000	37,870	--	--
June 2009, shares issued for accrued payroll and services by an officer (Note 2)	476,170	95,234	--	--
July 2009, shares issued for services by an officer (Note 2)	6,830	1,366	--	--
July 2009, shares issued for software development (Note 6)	25,000	5,000	--	--
Stock options issued and extended (Note 6)	--	--	18,383	--
Discount on convertible promissory notes (Note 4)	--	--	100,000	--
Net loss	--	--	--	--
Balance at December 31, 2009	3,878,000	\$ 955,775	\$ 253,275	\$ (909,490)

See accompanying notes to financial statements
F-5

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

	For the Year December
	2009
Cash flows from operating activities:	
Net loss	\$ (301,278) \$
Adjustments to reconcile net loss to net cash used in operating activities:	
Stock-based compensation	78,983
Interest expense - beneficial conversion feature of promissory notes	98,333
Depreciation Expense	11,912
Amortization Expense	18,530
Loss on write off of assets	484
Loss on write off of assets of discontinued playing card component	--
Change in operating assets and liabilities:	
Decrease in accounts receivable	383

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

Decrease (increase) in prepaid expenses		1,854	
Increase in accounts payable		3,527	

Net cash used in operating activities		(87,272)	

Cash flows from investing activities:			
Purchase of property and equipment		--	
Patent application costs		--	
Purchase of software		(14,857)	

Net cash used in investing activities		(14,857)	

Cash flows from financing activities:			
Proceeds from issuance of convertible promissory notes		100,000	
Payments on capital lease obligation		(2,314)	

Net cash provided by (used in) financing activities		97,686	

Net change in cash and cash equivalents		(4,443)	
Cash and cash equivalents:			
Beginning of year		11,882	

End of year	\$	7,439	\$
		=====	
Supplemental disclosure of cash flow information:			
Cash paid during the year for:			
Income taxes	\$	--	\$
		=====	
Interest	\$	5,200	\$
		=====	
Noncash investing and financing transactions:			
Common stock issued as payment for software development costs	\$	42,870	\$
		=====	
Common stock issued as payment for accrued payroll	\$	36,000	\$
		=====	

See accompanying notes to financial statements

F-6

TOMBSTONE TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Financial Statements
December 31, 2009

(1) Presentation and Significant Accounting Policies

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

Organization

Tombstone Technologies, Inc. (referenced as "we," "us," "our" in the accompanying notes) was incorporated in the State of Colorado on April 29, 2005. We were organized to engage in the business of manufacturing and selling personalized playing cards. We changed our name in 2008 from Tombstone Cards, Inc. to Tombstone Technologies, Inc. to reflect our current operations (See also Note 5).

We have had limited operations since inception. Those operations originally focused on the structure and capital formation of the Company and on the manufacturing and marketing of customized playing cards, however, during the third quarter of 2008, our board of directors made the decision to revise our business plan to direct the Company's efforts and resources toward the development, marketing and licensing of software targeting the local printers industry. We are no longer promoting our customized playing cards and we have abandoned, for all intents and purposes, the customized playing card business.

We are currently offering the following products to local printers:

- o OIEPrint - a platform independent, browser-based RIA that supports template driven design and provides high-resolution PDF files to the printer.
- o OIEPrint Store - an advanced e-commerce solution that supports multiple customization options (e.g. paper color, paper weight, paper finish, collating, binding, shipping, etc.) and dependent variables (e.g. If you choose "A," you cannot choose "B" but can choose "C")
- o OIEPrint VDP - an easy-to-use tool for linking database mining with custom printing and 1:1 marketing.

There is no assurance of market acceptance, or that, if accepted, the new products will be profitable.

Basis of Presentation

Development Stage Company

The Company emerged from the development stage in 2007 while conducting its customized playing cards operations. During 2008, our board of directors made the decision to revise our business plan to direct the Company's efforts and resources toward the development, marketing and licensing of software targeting the local printers industry. As a result, effective January 1, 2009, the Company re-entered the development stage. Accordingly, the Company's activities have been accounted for as those of a development stage company as of and for the year ended December 31, 2009.

Going Concern and Management's Plan

The Company's audited financial statements for the year ended December 31, 2009 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 has retained deficits totaling \$1,210,777, has incurred losses from operations since inception, and has a deficit in working capital totaling \$100,053 at December 31, 2009. These factors raise substantial doubt about the Company's ability to continue as a going concern.

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

TOMBSTONE TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Financial Statements
December 31, 2009

We have plans in place for dealing with the effects of the above adverse conditions and events. We launched our first two products during the 3rd quarter of 2009. In addition to the proceeds from the sale of our products, we raised \$100,000 through the sale of convertible promissory notes payable.

During the first quarter of 2009, we commenced the offering of convertible promissory notes convertible into shares of our common stock. Such notes had a term of one year, an interest rate of 8% per annum (to be paid on a quarterly basis) and were convertible into shares of the Company's common stock at a rate of \$0.10 per share. As of July 24, 2009, we raised \$100,000 in proceeds from the offering. During the year ended December 31, 2009, we paid \$4,744 in interest to the holders of the Convertible Promissory Notes.

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.

Proposed Acquisition

On January 19, 2010, the Company announced that it has entered into an agreement to acquire the assets of Hunt Global Resources, Inc., a Houston based company focused on the use of new technologies to maximize the value of its natural resources projects. The transaction is in the form of a reverse acquisition wherein Hunt Global Resources will be the surviving company when the transaction is complete. The closing of the acquisition is subject to the completion of audited financial statements of Hunt Global Resources, Inc. At the time of this filing, such audited financial statements have not been produced.

Significant Accounting Policies

Use of Estimates

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

Cash and Cash Equivalents

We consider all highly liquid securities with original maturities of three months or less when acquired to be cash equivalents. We had no cash equivalents at December 31, 2009 and 2008.

Accounts Receivable:

The allowance for doubtful accounts, which is \$1,508 and \$-0- at December 31, 2009 and 2008, respectively, is based on an assessment of the collectability of customer accounts. We review the allowance by considering factors such as historical experience, credit quality, and age of the accounts receivable balances, and current economic conditions that may affect a customer's ability to pay.

Equipment

Equipment is recorded at cost. Expenditures that extend the useful lives of equipment are capitalized. Repairs, maintenance and renewals that do not extend the useful lives of the equipment are expensed as incurred. Depreciation is provided on the straight-line method over 3 years.

F-8

TOMBSTONE TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Financial Statements
December 31, 2009

Capitalized Software Development Costs

Software development costs include payments made to independent software developers under agreement.

Software development costs are capitalized once the technological feasibility of a software program is established and such costs are determined to be recoverable. Technological feasibility is evaluated on a program-by-program basis. We evaluate the future recoverability of capitalized amounts on a quarterly basis. The recoverability of capitalized software development costs is evaluated based on the expected performance of the specific program for which the costs relate.

Significant management judgments and estimates are utilized in the assessment of when technological feasibility is established, as well as in the ongoing assessment of the recoverability of capitalized costs.

Capitalized software development costs are amortized over their useful lives (3 years) commencing when the software was placed into service.

Long-lived assets

Long-lived assets include property and equipment, equity investments and intangible assets. Whenever events or changes in circumstances indicate that the carrying amounts of long-lived assets may not be recoverable, we estimate the future cash flows, undiscounted and without interest charges, expected to result from the use of those assets and their eventual disposition. If the sum of the expected future cash flows is less than the carrying amount of those assets, we recognize an impairment loss based on the excess of the carrying amount over the fair value of the assets. No impairments have been recognized for the years ended December 31, 2009 and 2008.

Revenue Recognition

Revenue is recognized on the accrual basis in the month services are performed. Total revenues for the years ended December 31, 2009 and 2008 were \$1,508 and \$-0-, respectively.

Financial Instruments

The Company has determined, based on available market information and appropriate valuation methodologies, that the fair value of its financial instruments approximates carrying value. The carrying amounts of cash and cash equivalents, and accounts payable approximate fair value due to the short-term maturity of the instruments.

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

Income Taxes

We account for income taxes under the provisions of Accounting Standards Codification ("ASC") ASC-740 "Accounting for Income Taxes". ASC-740 requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

In addition ASC-740 seeks to reduce the diversity in practice associated with certain aspects of the recognition and measurement related to accounting for income taxes and has analyzed filing positions in all of the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions. We have identified our federal tax return and our state tax return in Colorado as "major" tax jurisdictions, as defined. We believe that our income tax filing positions and deductions will be sustained on audit and do not anticipate any adjustments that will result in a material

F-9

TOMBSTONE TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Financial Statements
December 31, 2009

adverse effect on our financial condition, results of operations, or cash flow. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to ASC-740. We did not record a cumulative effect adjustment related to the adoption of ASC-740.

Advertising Costs

All advertising costs are expensed as incurred. Advertising expenses were \$1,875 and \$9,574, respectively, for the years ended December 31, 2009 and 2008, respectively.

Earnings (Loss) per Common Share

Basic earnings per share are computed by dividing income available to common shareholders (the numerator) by the weighted-average number of common shares (the denominator) for the period. The computation of diluted earnings per share is similar to basic earnings per share, except that the denominator is increased to include the number of additional common shares that would have been outstanding if potentially dilutive common shares had been issued.

At December 31, 2009 and 2008, there were no variances between basic and diluted loss per share as the impact of options and warrants outstanding to purchase a total of shares of our common stock (1,689,999 shares of our common stock at December 31, 2009 and 5,020,000 shares of our common stock at December 31, 2008) would have been anti-dilutive.

Share-Based Awards

Share based compensation awards are recognized using an estimate of value in accordance with the fair value method. Under the fair value recognition provisions of this statement, stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense on a straight-line basis over the requisite service period, which generally is the vesting period. The Company elected the modified-prospective method, under which

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

prior periods are not revised for comparative purposes. The valuation method applies to new grants and to grants that were outstanding as of the effective date and are subsequently modified.

New Accounting Standards

In June 2009, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 105, "Generally Accepted Accounting Principles" (formerly Statement of Financial Accounting Standards ("SFAS") No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles"). ASC 105 establishes the FASB ASC as the single source of authoritative nongovernmental U.S. GAAP. The standard is effective for interim and annual periods ending after September 15, 2009. We adopted the provisions of the standard on September 30, 2009, which did not have a material impact on our financial statements.

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

(2) Related Party Transactions

The Company was indebted to two officers for accrued but unpaid compensation totalling \$36,000 at December 31, 2008. During the year ended December 31, 2009,

F-10

TOMBSTONE TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Financial Statements
December 31, 2009

the Company issued to two officers a total of 360,000 shares of common stock in lieu of the accrued salaries. The fair value of the common stock on the transaction date was \$.20 per share. As a result, the Company recorded \$36,000 against the accrued salaries and \$36,000 as stock based compensation.

During the year ended December 31, 2009, the Company issued a former officer a total of 123,000 shares of common stock in lieu of salaries valued at \$12,300. In addition, \$12,300 was charged to stock based compensation to reflect the fair value of the common stock on the transaction date (\$0.20 per share).

(3) Balance Sheet Components

Property and equipment

At December 31, 2009 and 2008, major classes of property and equipments were:

	December 31,	
	2009	2008
Furniture and fixtures.....	\$ 1,421	\$ 1,421
Office equipment.....	24,612	24,612
Leased equipment.....	6,768	6,768
Less: accumulated depreciation.....	(27,122)	(15,210)
	\$ 5,679	\$ 17,591
	\$ 5,679	\$ 17,591

Depreciation expense (including depreciation on leased equipment of \$2,256 and

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

\$2,256) was \$11,912 and \$10,237, respectively, for the years ended December 31, 2009 and 2008.

Future minimum lease payments on the leased equipment total \$1,925 (all due in 2010).

Intangible Assets

At December 31, 2009 and 2008, amortized software development costs were:

	December 31,	
	2009	2008
Deferred Charges:		
OEI Print.....\$	-	\$ 26,725
OEI Storefront.....	-	26,725
Software Development Costs:		
OEI Print.....	55,589	--
OEI Storefront.....	55,588	--
Accumulated Amortization	(18,530)	--
	\$ 92,647	\$ 53,450
	=====	=====

Future amortization of software development costs follows:

F-11

TOMBSTONE TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Financial Statements
December 31, 2009

December 31,		
2010.....	\$	37,059
2011.....		37,059
2012.....		18,529
	\$	92,647
		=====

On May 15, 2008, Tombstone entered into an Intellectual Property Transfer Agreement with InDis Baltic, a Lithuania company, to purchase all of the rights, title and interest in and to the technology, intellectual property and the proprietary technology contained in the computer software known as OIEPrint. OIEPrint was developed as part of a development agreement between Tombstone and InDis Baltic. As part of the Intellectual Property Transfer Agreement, Tombstone agreed to pay the following:

1. \$7,500 immediately upon mutual acceptance of Transfer Agreement,
2. \$7,500 upon final acceptance of the Technology,
3. 140,000 shares of restricted common stock of Tombstone upon final acceptance of the Technology, and

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

4. \$10,000 in 90 days from the final acceptance of the Technology.

On March 3, 2009, Tombstone issued 140,000 shares of restricted common stock of Tombstone to InDis Baltic as indicated in the above agreement and recorded it as a deferred charge. On June 30, 2009, Tombstone recorded half of the final payment \$5,000 for OIEPrint, which is a deferred charge in the accompanying financial statements. On July 6, 2009, Tombstone issued 25,000 shares of common stocks to InDis Baltic as the other half of the final payment in an agreement signed on July 6, 2009.

As a result of the final payment being made the intellectual property has been transferred to Tombstone. At that time, the Company capitalized the deferred charges in connection with OIEPrint as intangible assets and began to amortize them accordingly. At December 31, 2009, intangible assets had a net value of \$92,647.

We are amortizing the software development costs over their useful lives (3 years) based on when the software was placed into service.

The provisional patent was written off during the quarter ended March 31, 2009.

(4) 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.

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.

F-12

TOMBSTONE TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Financial Statements
December 31, 2009

If the convertible notes would have been converted on December 31, 2009, the intrinsic value of the stock would have exceeded the principle value of the notes by \$350,000.

The following is a summary of convertible promissory notes at December 31, 2009 and December 31, 2008:

	December 31, 2009 ----		December 31, 2008 ----
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	\$	-
	=====		=====

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

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.

(5) Discontinued Operations- Playing Card Component

Our playing card component lost \$46,976 during the first two quarters of 2008. During the third quarter of 2008, the Board of Directors resolved to abandon the manufacture and marketing of customized playing cards and to concentrate on the development, marketing and licensing of software for the local printers industry. All inventory and unamortized web site costs were written off as of the year ended December 31, 2008.

(6) Shareholders' Equity

Preferred Stock

The Company has authorized 1,000,000 shares of preferred stock. To date there have been no issuance of preferred stock. Upon issuance the Board of Directors will determine the terms and conditions.

Common Stock

The Company is authorized to issue 100,000,000 shares of no par value common stock.

Common Stock Options and Warrants

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

F-13

TOMBSTONE TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Financial Statements
December 31, 2009

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 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. The simplified method is utilized due to our limited operating history.

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 determine 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

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

prescribed by authoritative guidance, the fair value calculated for 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 and warrants outstanding for the year ended December 31, 2009 is as shown in the table below.

	Number of Shares	Price Per Share	Price Per Share
Outstanding at January 1, 2008	4,570,000	\$0.75 - \$1.00	\$0.77
Granted.....	600,000	-	-
Expired.....	--	--	N/A
Cancelled/Expired.....	(150,000)	--	--
Outstanding at January 1, 2009.....	5,020,000	\$0.65 - \$1.50	\$2.56
Granted.....	129,999	\$0.10 - \$0.20	\$0.15
Expired.....	--	--	--
Cancelled/Expired.....	(3,460,000)	\$2.00 - \$5.00	\$3.50
Outstanding at December 31, 2009.....	1,689,999	\$0.10 - \$1.50	\$0.65
Exercisable at December 31, 2009	1,689,999	\$0.10 - \$1.50	\$0.65

New Stock Options Granted

During 2008, we granted to consultants, options to purchase 600,000 shares of our common stock at an exercise prices ranging from \$0.65 per share to \$1.50 per share, in exchange for consulting services. The options vested immediately and expired from 2009 to 2013. Our Board of Directors, utilizing appropriate software, estimated the fair value of the options at values ranging from \$0.001 per share to \$0.2981 per share, or \$52,863, which was recorded as stock compensation cost included in general and administrative expenses in the accompanying financial statements at December 31, 2008.

Using the Black-Scholes option-pricing software, the Board of Directors assumed the following in estimating the fair value of the warrant at the grant date:

	From	To
Risk-free interest rate.....	0.70%	2.37%
Dividend yield.....	0.00%	0.00%
Volatility factor.....	22.00%	50.00%
Weighted average expected life.....	0.07	5.00%

F-14

TOMBSTONE TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Financial Statements
December 31, 2009

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

During the second quarter of 2009, we granted to two consultants and one officer, options to purchase 129,999 shares of our common stock at an exercise price of \$0.10 to \$0.20 per share, in exchange for services. The option to purchase 129,999 shares of our common stock vested immediately on the grant date in April and their terms have been extended until August, 2012. Our Board of Directors valued our common stock at \$0.20 and \$0.26 per share on the grant date. We, utilizing appropriate option pricing software, estimated the fair value of the options at \$0.05 to \$0.26 per share for an aggregate grant-date fair value of \$8,009. We recorded stock-based compensation in the accompanying financial statements for the year ended December 31, 2009. The fair values of grants made in the year ended December 31, 2009 were computed using the following assumptions for our stock option plans:

	From	To
Risk-free interest rate	0.16%	0.41%
Dividend Yield	0.00%	0.00%
Volatility Factor	25.00%	25.00%
Weighted Average Expected Life	0.07	2.67 yrs

Options and Warrants Expired

During the year ended December 31, 2009, options and warrants exercisable for 3,460,000 shares of the Company's common stock cancelled/expired.

Amendment to Stock Option Plan

On May 27, 2009, our Board of Directors approved an amendment to the Company's Employee/Consultant Stock option plan to increase the number of shares authorized from 1,000,000 to 1,500,000.

Modification to Existing Options

The Board also modified 1,029,999 outstanding stock options under the Company's Employee/Consultant Stock Option Plan and 660,000 placement agent warrants, common stock only, by extending their terms until August 31, 2012. Based on the grant-date fair value estimated in accordance with the provisions of FASB ASC 718-20, the fair value of the incremental cost increase for the modified options totaled \$10,374, which has been recognized as stock-based compensation expense in the accompanying financial statements for the year ended December 31, 2009.

The fair values of modifications made during the year ended December 31, 2009 were computed using the following assumptions for our stock option plans:

Risk-Free interest rate	1.50%
Dividend yield	0.00%
Volatility Factor	25.00%
Weighted average expected life	2.29 years

(7) Income Taxes

A reconciliation of U.S. statutory federal income tax rate to the effective rate follows:

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

TOMBSTONE TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Financial Statements
December 31, 2009

	Year Ended December 31,	
	2009	2008
	-----	-----
U.S. statutory federal rate	32.98%	25.00%
State income tax rate	3.10%	5.00%
Permanent difference - Contributed Services	0.00%	-1.90%
Net operating loss for which no tax benefit is currently available	-36.08%	-28.10%
	-----	-----
	0.00%	0.00%
	=====	=====

At December 31, 2009, deferred tax assets consisted of a net tax asset of \$442,296 due to operating loss carryforwards of \$1,210,777 which was fully allowed for, in the valuation allowance of \$442,296. The valuation allowance offsets the net deferred tax asset for which there is no assurance of recovery. The change in the valuation allowance for the years ended December 31, 2009 and 2008 totaled \$105,274 and \$140,845, respectively. The net operating loss carryforward expires through the year 2029.

The valuation allowance is evaluated at the end of each year, considering positive and negative evidence about whether the deferred tax asset will be realized. At that time, the allowance will either be increased or reduced; reduction could result in the complete elimination of the allowance if positive evidence indicates that the value of the deferred tax assets is no longer impaired and the allowance is no longer required.

Should the Company undergo an ownership change as defined in Section 382 of the Internal Revenue Code, the Company's tax net operating loss carryforwards generated prior to the ownership change will be subject to an annual limitation, which could reduce or defer the utilization of these losses.

(8) Subsequent Events

The Company has evaluated its activities through March 26, 2010, the date the financial statements were issued, and found no reportable subsequent events, other than those mentioned below.

Conversion of Convertible Promissory Notes

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.

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

Proposed Acquisition

On January 19, 2010, the Company announced that it has entered into an agreement to acquire the assets of Hunt Global Resources, Inc., a Houston based company focused on the use of new technologies to maximize the value of its natural resources projects. The transaction is in the form of a reverse acquisition wherein Hunt Global Resources will be the surviving company when the transaction is complete. The closing of the acquisition is subject to the completion of audited financial statements of Hunt Global Resources, Inc. At the time of this filing, such audited financial statements have not been produced.

On February 10, 2010, the Company received \$5,000 from Hunt Global Resources, Inc. to be used toward the payment of certain professional fees.

F-16

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Tombstone Technologies, Inc.

Dated: March 26, 2010

By: /s/ John N. Harris

John N. Harris,
President, Chief Executive Officer
and Director

By: /s/ Neil A. Cox

Neil A. Cox,
Chief Financial Officer and Chairman
of the Board

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Dated: March 26, 2010

/s/ John N. Harris

John N. Harris, President, Chief Executive
Officer and Director

/s/ Neil A. Cox

Neil A. Cox, Chief Financial Officer and
Chairman of the Board

/s/ William H. Reilly

William H. Reilly, Chief Operating Officer,
Chief Technology Officer and Director

34

EXHIBIT 21

LIST OF SUBSIDIARIES
LIST OF TOMBSTONE TECHNOLOGIES, INC. SUBSIDIARIES

None.

35