

Verdant Technology CORP
Form 10-Q
November 17, 2008

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

FORM 10-Q

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**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE
ACT OF 1934**

For the quarterly period ended: **September 30, 2006**

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: **000-50993**

Verdant Technology Corporation

(Exact name of registrant as specified in its charter)

Delaware

20-1680252

*(State or other jurisdiction
of incorporation or organization)*

*(I.R.S. Employer
Identification No.)*

Two Allen Center, 1200 Smith Street, Suite 1600, Houston, Texas 77002

(Address of Principal Executive Office) (Zip Code)

(713) 546-9000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer

Accelerated filer

Non-accelerated filer

(Do not check if a
smaller
reporting company)

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 number of shares outstanding of Common Stock, \$0.001 par value at **November 17, 2008** was **67,502,887**.

DOCUMENTS INCORPORATED BY REFERENCE

None

VERDANT TECHNOLOGY CORPORATION

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Definitions

Acronyms and defined terms used in this text include the following:

APB

Accounting Principles Board

ARB

Accounting Review Board

Aureus

Aureus, LLC, a Florida limited liability company (formerly Packet Solutions LLC)

EITF

Emerging Issues Task Force

EnviroTank

EnviroTank International, LLC, a Louisiana limited liability company and a wholly owned subsidiary (as of May 18, 2006)

EnviroTank

Technology

a crude oil recovery unit/tank cleaning system, designed to deal with the problem of sludge buildup on the bottom of crude oil storage tanks.

FASB

Financial Accounting Standards Board

FSP

FASB Staff Position

JSW

Jewett, Schwartz, Wolfe & Associates

Legkow Technology

A concept utilizing surfactants and emulsions in the treatment and processing of crude oil, waste oils and oil slops

Q3-2006

the three months ended September 30, 2006

QTD2006

the nine months ended September 30, 2006

SAB

Staff Accounting Bulletin

SEC

Securities Exchange Commission

SFAS or FAS

Statement of Financial Accounting Standards

SynChem

SynChem Technologies, LLC, a Florida limited liability company, licensors of the V003 Technology and a wholly owned subsidiary (as of June 16, 2006)

V003 Technology

A 100% biodegradable, non-toxic, non-corrosive, proprietary compound that removes paraffin and asphaltene blockage at the well site

Verdant, VTC or

Company

Verdant Technology Corporation, Delaware corporation

Verdant, Inc.

Verdant, Inc. an affiliate through common ownership and directors

Forward-Looking Statements

Certain sections of this Quarterly Report discuss matters that are not historical facts, but expressions of management's expectations, estimates, projections and assumptions, are forward-looking statements. Words such as expects, intends, anticipates, plans, believes, scheduled, estimates and variations of these words and similar expressions are intended to identify forward-looking statements, which include but are not limited to projections of revenues, plans, projections, earnings, product performance, cash flows, contracts, potential market, commercial viability of our technology, production and investment returns. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results and trends may differ materially from what is forecast in forward-looking statements due to a variety of factors, including, without limitation:

General U.S. and international political and economic conditions;

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Changing priorities in the regulatory environment;

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The ability of the Company to secure contracts for its products and services;

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The ability to protect our proprietary technology; and

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The ability to raise sufficient capital to successfully commercialize our technology.

All forward-looking statements speak only as of the date of this report. All subsequent written and oral forward-looking statements attributable to the company or any person acting on the company's behalf are qualified by the cautionary statements in this section. The Company does not undertake any obligation to update or publicly release any revisions to forward-looking statements to reflect events, circumstances or changes in expectations after the date of this report.

PART I FINANCIAL INFORMATION

General

The accompanying condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q. Therefore, they do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flow, and stockholders' deficit in conformity with generally accepted accounting principles in the United States of America. Except as disclosed herein, there has been no material change in the information disclosed in the notes to the consolidated financial statements included in the Company's annual report on Form 10-KSB for the year ended December 31, 2005. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the quarter ended September 30, 2006 are not necessarily indicative of the results that can be expected for the year ended December 31, 2006 or December 31, 2008.

ITEM 1.**FINANCIAL STATEMENTS.****VERDANT TECHNOLOGY CORPORATION****(FKA HeartSTAT Technology, Inc.)****BALANCE SHEETS**

<u>ASSETS</u>	September 30, 2006 (Unaudited)	December 31, 2005 (Audited)
CURRENT ASSETS		
Cash	\$ 295	\$
Accounts Receivable	45,000	
TOTAL CURRENT ASSETS	45,295	
LONG-LIVED ASSETS		
TOTAL ASSETS	\$ 45,295	\$
 <u>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</u>		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 991,013	\$ 15,696
Due to Related Parties	27,068	27,068
TOTAL CURRENT LIABILITIES	1,018,081	42,764
LONG TERM NOTES PAYABLE - RELATED PARTIES		
TOTAL LIABILITIES	1,018,081	42,764
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' DEFICIENCY		
Common Stock, \$.001 par value:		
Authorized 80,000,000 shares; issued and outstanding, 77,602,887 shares (2006) and (2005)	77,603	67,403
Additional Paid In Capital	7,787,181	203,381

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Accumulated Deficit	(1,337,570)	(313,548)
Subscription Receivable	(7,500,000)	
TOTAL SHAREHOLDERS' DEFICIENCY	(972,786)	(42,764)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	\$ 45,295	\$

The accompanying notes are an integral part of these financial statements

VERDANT TECHNOLOGY CORPORATION**(FKA HeartSTAT Technology, Inc.)****CONSOLIDATED STATEMENTS OF REVENUE AND EXPENSE**

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2006	2005	2006	2005
REVENUES	\$	\$	\$	\$
OPERATING EXPENSES				
General and Administrative	51,262	4,549	191,672	13,604
Consulting R&D Fees				
Corporate Management Fees	115,373	15,000	353,833	45,000
Legal and Professional Fees	150,644	15,467	478,517	20,756
TOTAL OPERATING EXPENSES	317,278	35,016	1,024,022	79,360
LOSS FROM OPERATIONS	(317,279)	(35,016)	(1,024,022)	(79,360)
OTHER EXPENSES (INCOME)				
NET LOSS	\$ (317,279)	\$ (35,016)	\$ (1,024,022)	\$ (79,360)
Basic and Fully Diluted Net Loss Per Share	\$ (0.00)	\$ (0.00)	\$ (0.02)	\$ (0.00)
Weighted Average Shares Outstanding	67,958,322	48,402,887	67,590,066	48,402,887

The accompanying notes are an integral part of these financial statements

VERDANT TECHNOLOGY CORPORATION**(FKA HeartSTAT Technology, Inc.)****CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY**

For the Nine Months Ended September 30, 2006 and For the Year Ended December 31, 2005

	Common Stock	Common Shares	Additional Paid In Capital	Subscription Receivables	Accumulated Deficit	Total Shareholders Deficiency
Balances, December 31, 2004 (Audited)	48,402,887	\$ 48,403	\$	\$	\$ (283,221)	\$ (234,818)
Common stock transactions:						
Shares issued:						
To retire debt	40,000,000	40,000	203,381			243,381
Shares issued:						
Divestiture of HeartStat Technology	(20,000,000)	(20,000)				(20,000)
Settlement with former CEO	(1,000,000)	(1,000)			(90,000)	(10,000)
Net loss for YTD					(21,327)	(21,327)
Balances, December 31, 2005 (Audited)	67,402,887	67,403				