

Edgar Filing: EMAZING INTERACTIVE, INC. - Form 10QSB

EMAZING INTERACTIVE, INC.
Form 10QSB
August 14, 2007

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended June 30, 2007

OR

TRANSITION REPORT UNDER SECTION 13 OF 15(D) OF THE EXCHANGE ACT OF 1934

From the transition period from _____ to _____.

Commission File Number 333-138111

EMAZING INTERACTIVE, INC.

(Exact name of small business issuer as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

20-4672080

(IRS Employer Identification No.)

101 C North Greenville, Suite 255, Allen, Texas 75002

(Address of principal executive offices)

(972) 894-8796

(Issuer's telephone number)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No .

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

As of June 30, 2007, there were 5,583,500 shares of Common Stock of the issuer outstanding.

Edgar Filing: EMAZING INTERACTIVE, INC. - Form 10QSB

TABLE OF CONTENTS

PART I FINANCIAL STATEMENTS

Item 1	Financial Statements	2
Item 2	Management's Discussion and Analysis or Plan of Operation	10

PART II OTHER INFORMATION

Item 1	Legal Proceedings	17
Item 2	Changes in Securities	17
Item 3	Default upon Senior Securities	17
Item 4	Submission of Matters to a Vote of Security Holders	17
Item 5	Other Information	17
Item 6	Exhibits and Reports on Form 8-K	17

EMAZING INTERACTIVE, INC.
BALANCE SHEET
JUNE 30, 2007
(UNAUDITED)

ASSETS

Current assets		
Cash		\$ 32,370
Prepaid expenses		14,103

Total current assets		46,473
Fixed assets		
Computer equipment		19,950
Gaming software		48,488
Less: Accumulated depreciation		(22,894)

Total fixed assets		45,544

TOTAL ASSETS		\$ 92,017
		=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities

Edgar Filing: EMAZING INTERACTIVE, INC. - Form 10QSB

Accounts payable and accrued expenses	\$ 43,068
Other current liabilities	13,619

Total liabilities	56,687

Stockholders' deficit:	
Common stock, \$.001 par value, 50,000,000 shares authorized, 5,583,500 shares issued and outstanding	5,584
Additional paid in capital	153,017
Accumulated deficit	(123,271)

Total Stockholders' Equity	35,330

 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	 \$ 92,017
	=====

See Accompanying Notes to Financial Statements

2

EMAZING INTERACTIVE, INC.
STATEMENT OF OPERATIONS
THREE AND SIX MONTHS ENDED
JUNE 30, 2007 AND THE PERIOD APRIL 11 (INCEPTION)
TO JUNE 30, 2006
(UNAUDITED)

	Three Months Ended June 30,	Three Months Ended June 30,	Six Months Ended June 30,	Period Ended June 30,
	----- 2007 -----	----- 2006 -----	----- 2007 -----	----- 2006 -----
Revenue	\$ 8,452	\$ 4,301	\$ 9,889	\$ 4,301
Operating expenses:				
Depreciation	4,506	4,507	9,012	4,507
General and administrative:				
Accounting and professional	10,926	20,240	14,586	20,240
Computer expenses	1,564	20,019	1,854	20,019
Licenses and fees	733	3,126	745	3,126
Marketing	2,767	0	2,767	0
Office and other expenses	3,582	2,480	4,703	2,480

Edgar Filing: EMAZING INTERACTIVE, INC. - Form 10QSB

Telephone	5,844	8,263	10,953	8,263
Travel expense	8,399	1,758	7,937	1,758
	-----	-----	-----	-----
Total operating expenses	38,321	60,393	52,557	60,393
(Loss) from operations	(29,869)	(56,092)	(42,668)	(56,092)
Other (expense) :				
Interest income	423	0	786	0
	-----	-----	-----	-----
Net (loss)	\$ (29,446)	\$ (56,092)	\$ (41,882)	\$ (56,092)
	=====	=====	=====	=====
Net loss per share:				
Basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
	=====	=====	=====	=====
Weighted average shares outstanding:				
Basic and diluted	5,520,043	5,209,375	5,520,043	5,209,375
	=====	=====	=====	=====

See Accompanying Notes to Financial Statements

3

EMAZING INTERACTIVE, INC.

Statement of Changes in Stockholders' Equity

June 30, 2007

	Common Stock		Paid-in	Retained
	Shares	Amount	Capital	Earnings (Deficit)
	-----	-----	-----	-----
Beginning Stockholder's Equity	0	\$ 0	\$ 0	\$ 0
Issuance of Common Stock for:				
Assets	5,000,000	5,000	25,600	
Services	250,000	250	1,000	
Cash	100,000	100	9,900	

Edgar Filing: EMAZING INTERACTIVE, INC. - Form 10QSB

Net (Loss)	0	0	0	(81,389)
	-----	-----	-----	-----
Ending Stockholder's Equity at Dec 31, 2006	5,350,000	\$ 5,350	\$ 36,500	\$ (81,389)
Issuance of Common Stock for:				
Cash	227,500	228	113,523	0
Conversion of debt for stock	6,000	6	2,994	
Net (Loss)	0	0	0	(41,882)
	-----	-----	-----	-----
Ending Stockholders' Equity at June 30, 2007	5,583,500	5,584	\$ 153,017	\$ (123,271)
	-----	-----	-----	-----

See Accompanying Notes to Financial Statements

4

EMAZING INTERACTIVE, INC.
STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2007 AND THE PERIOD APRIL 11 (INCEPTION) TO JUNE
30, 2006
(UNAUDITED)

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (41,882)	\$ (56,092)
Adjustments to reconcile net deficit to cash used by operating activities:		
Depreciation and amortization	9,012	4,507
Change in assets and liabilities:		
Other assets	(14,103)	0
Accounts payable-related party	(10,329)	18,307
Accounts payable and accrued expenses	(17,150)	46,728
	-----	-----
CASH FLOWS USED IN OPERATING ACTIVITIES	(74,452)	13,450
	-----	-----
CASH FLOWS USED IN INVESTING ACTIVITIES		
Software upgrade	(10,000)	(38,488)

Edgar Filing: EMAZING INTERACTIVE, INC. - Form 10QSB

Computer equipment	0	(15,600)
	-----	-----
CASH FLOWS USED IN INVESTING ACTIVITIES	(10,000)	(54,088)
CASH FLOWS FROM FINANCING ACTIVITIES		
Sale of common stock for cash	113,751	10,000
Conversion of debt to stock	3,000	0
Issuance of stock for assets	0	30,600
Issuance of stock for services	0	1,250
	-----	-----
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	116,751	41,850
NET INCREASE (Decrease) IN CASH	32,299	1,212
Cash, beg. of period	71	0
	-----	-----
Cash, end of period	\$ 32,370	\$ 1,212
	=====	=====

SUPPLEMENTAL CASH FLOW INFORMATION

Interest paid	\$ --	\$ --
Income taxes paid	\$ --	\$ --

See Accompany Notes to Financial Statements

5

EMAZING INTERACTIVE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities, History and Organization:

Emazing Interactive, Inc. (The "Company") operates as an online gaming facilitator through its subsidiary Emazing Gaming, LLC. The Company is located in Allen, Texas and was incorporated on April 11, 2006 under the laws of the State of Texas. On October 2, 2006, the Company converted its corporate charter to domicile in Nevada.

Significant Accounting Policies:

The Company's management selects accounting principles generally accepted in the United States of America and adopts methods for their application. The application of accounting principles requires the estimating, matching and timing of revenue and expense. Below is a summary of certain significant accounting policies selected by management.

Basis of Presentation:

Edgar Filing: EMAZING INTERACTIVE, INC. - Form 10QSB

The Company prepares its financial statements on the accrual basis of accounting.

Cash and Cash Equivalents:

All highly liquid investments with original maturities of three months or less are stated at cost which approximates market value.

Fixed Assets:

Fixed assets are depreciated over their useful lives of three years. Repairs and maintenance is charged to expense as incurred.

Principles of Consolidation:

The financial statements include the accounts of Emazing Gaming, LLC, an operating subsidiary. All significant intercompany transactions and balances have been eliminated.

Earnings (Loss) per Share:

Earnings (loss) per share (basic) is calculated by dividing the net income (loss) by the weighted average number of common shares outstanding for the period covered. As the Company has no potentially dilutive securities, fully diluted earnings (loss) per share is identical to earnings (loss) per share (basic).

6

NOTE 1 - CONTINUED

Website Software Development Costs:

The Company adopted EITF 00-02, "Accounting for website developments costs". In accordance with EITF 00-02, the costs incurred for the (i) website application and infrastructure development; (ii) graphics development; and (iii) content development, which took the website to a functional stage where it could receive server and gaming orders, were capitalized and are being amortized over three years. Maintenance expenses or costs that do not result in new revenue producing features or functions, such as updating information and products or maintenance of the website or promotion of the website using search engines, are expensed as incurred. Prior to this development, Emazing had no website. For the period ended June 30, 2007, \$290 has been expensed and \$48,488 capitalized.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Edgar Filing: EMAZING INTERACTIVE, INC. - Form 10QSB

NOTE 2 - FIXED ASSETS

Fixed assets at June 30, 2007 are as follows:

Computer equipment	\$ 19,950
Gaming software	48,488
Less: Accumulated Depreciation	(22,894)

Total Fixed Assets	\$ 45,544
	=====

Depreciation expense was \$4,506 for the three months ended June 30, 2007 and \$4,507 for the three months ended June 30, 2006. Depreciation expense was \$9,012 for the six months ended June 30, 2007 and \$4,507 for the period ended June 30, 2006.

7

NOTE 3 - COMMON STOCK

The Company is authorized to issue 50,000,000 common shares at a par value of \$0.001 per share. These shares have full voting rights. At June 30, 2007, there were 5,583,500 shares outstanding.

NOTE 4 - INCOME TAXES

The Company has adopted Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes (SFAS No. 109), which requires the use of the liability method in the computation of income tax expense and the current and deferred income taxes payable. Under SFAS No. 109, income tax expense consists of taxes payable for the year and the changes during the year in deferred assets and liabilities. Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases and financial reporting bases of assets and liabilities. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Since the realization of any deferred tax benefits is contingent upon future earnings, no deferred tax asset has been accrued since the likelihood of future earnings has not been demonstrated.

The Company had net losses for the six months ended June 30, 2007 and the year ended December 31, 2006, and therefore incurred no tax liabilities. The net operating losses and their expiration dates are as follows:

Period Ended	Net (Loss)	Expiration Date

Edgar Filing: EMazing INTERACTIVE, INC. - Form 10QSB

June 30, 2007	(\$41,882)	2027
December 31, 2006	(\$81,389)	2026

8

NOTE 5 - FINANCIAL CONDITION AND GOING CONCERN

Emazing has an accumulated deficit through June 30, 2007 totaling \$123,271 and had working capital of (\$10,214). Because of this accumulated loss, Emazing will require additional working capital to develop its business operations. Emazing intends to raise additional working capital either through private placements, public offerings and/or bank financing. See liquidity and capital resource discussion per Item 2 below. There are no assurances that Emazing will be able to either (1) achieve a level of revenues adequate to generate sufficient cash flow from operations; or (2) obtain additional financing through either private placement, public offerings and/or bank financing necessary to support Emazing's working capital requirements. To the extent that funds generated from any private placements, public offerings and/or bank financing are insufficient, Emazing will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on terms acceptable to Emazing. If adequate working capital is not available Emazing may not continue its operations.

Emazing faces many factors in its ability to continue as a going concern, including but not limited to, the promotion of its gaming website, competition from larger and better capitalized companies, and its ability to create traffic to its website and virtual store. To date, much of Emazing's activities have been focused on advertising and promotion to create its identity in the community, and its continued existence is dependent upon the gaming public purchasing more time on its gaming servers.

Should the above concerns materialize, it is conceivable that Emazing would have to suspend or discontinue operations. Management believes that the efforts it has made to promote its site will continue for the foreseeable future. These conditions raise substantial doubt about Emazing's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might be necessary should Emazing be unable to continue as a going concern.

NOTE 6 - RELATED PARTY TRANSACTIONS

Amounts due related parties were \$13,619 at June 30, 2007.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS

THIS REPORT CONTAINS FORWARD LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT OF 1933, AS AMENDED AND SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. THE COMPANY'S ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH ON THE FORWARD LOOKING STATEMENTS AS A RESULT OF THE RISKS SET FORTH IN THE COMPANY'S FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION, GENERAL ECONOMIC CONDITIONS, AND CHANGES IN THE ASSUMPTIONS USED IN MAKING SUCH FORWARD LOOKING STATEMENTS.

General

We are a gaming organization that is working with prominent marketing services connected to the gaming scene. We specialize in providing marketing awareness of products and services of our customers to millions of on-line gaming players and enthusiasts.

To date, our business development activities have primarily been concentrated in web server access and company branding in hosting web based e-games. This activity is structured whereby our partners and sponsors are provided premium web site exposure identifying their company, name, and product offerings.

We generate revenues through our partnerships and sponsors. Sponsoring EMG GAMING will bring a product and/or brand name into the spotlight of gamers worldwide. Our customer's brand will be synonymous with the youthful intelligent image that pro-gaming has. Our customers have prime advertising space on our website, IRC channel every hour 24/7 and clothes, which we will wear at competitive events all year round. It is primarily through our fee structure for web server access that we generate revenue. Although our web site creates product awareness for our sponsors and partners, our revenue is generated by fees which our partners and sponsors remit to us for that exposure. In the E-Gaming industry, partners and sponsors will pay top dollar for a popular gaming web site as they can maximize their product and name exposure.

We also generate revenue through EMazing Servers, a "Game Server" rental company whereby we rent game servers for players to play a computer game of their choice. We rent game servers for over 32 different games, the most popular being Half Life's Counter Strike and variations of this game. We rent by the hour, day or month. This rental program is unique for our type of service as most companies choose to rent by the month. We feel this gives us a competitive advantage over our competition.

We have three standard packages designed for our prospective partners. Our "Gold" package is aimed to give maximum publicity to our prospective partners, forcing their product into the world of pro-Gaming and showing everybody that their company really cares about the gamers. The Silver" package is aimed at companies with a lower budget that are looking to get their product noticed. The "Bronze" package is for companies with limited budgets but still want involvement in the eSports industry. Following is a chart outlining the benefits of our partnerships/sponsors at the Gold, Silver and Bronze levels.

GOLD PARTNER FEATURES	SILVER PARTNER FEATURES	BRONZE PARTNER FEATURES
1. High priority branding on our website, clothing, computer cases and IRC channel	1. Branding on our website and IRC	1. Branding on IRC for limited time
2. High priority advertising on television, radio, eSports websites and magazine interviews	2. Limited advertising on television, radio, eSports and magazine special features	2. Listed as a supporter a limited time
3. Main sponsor image, banner description of company on our website	3. Listed as an official supporter on our website with a rotational banner and a small logo	3. Special features neg
4. Special features on your products: e.g. news and reviews	4. Special features on your products: e.g. news and reviews	
5. Product/brand endorsement on our website and at events	5. Product endorsement on on our website and limited endorsement at events	
6. Availability for press attendances and media events. Product testing and feedback Price: \$5,000.00 per month	Price: \$2,500.00 per month	Price: One time pay \$1,500.00+

During 2006, we filed and had approved form SB-1 to raise funds. A portion of the proceeds of the offering are being used to further develop E-Gaming software and lease server capacity and access through server lease agreements. The development of software is the key aspect of our business model in that it is through the game itself that a company such as ours achieves notoriety and industry following thereby affording us the opportunity to promote our sponsors and partners on a fee structured basis. This software development is the game itself and as it achieves acceptance and favorability (more players playing it) the more our company positions it self as a provider of leading edge E-Gaming programs. Part and parcel to this is providing access to the game itself on the World Wide Web. To achieve this, we lease servers or portals, web based access points to allow E-Game players to access our web site and therefore our on-line games. These servers are a major source of revenue for us as we charge access fees to these servers.

BUSINESS OPERATIONS:

GOVERNMENT REGULATION:

At the present time, there are no Federal Government regulations on computer

Edgar Filing: EMAZING INTERACTIVE, INC. - Form 10QSB

games over the internet or on dedicated servers.

OUR QUALIFICATIONS

Our qualifications are our reputation and experience in the industry. G. Edward Hancock, President, and our contract workers and volunteers have over 50 years combined experience in the E-Gaming industry.

11

INDUSTRY & COMPETITION:

Market Analysis Summary:

Gamers are just as fanatical about pro-gaming teams as football fans are with their NFL teams. They watch their matches, attend events, emulate what they wear, buy the hardware they use, and follow the new trends players bring about. Counter-Strike 1.6 is the world renowned FPS (First Person Shooter) game and is the #1 online action game in the world. Counter-Strike 1.6 offers the most competition and biggest prize pots in the gaming industry. With all the new advancements within the eSports community it also brings about new games, such as Counter-Strike Source. Source is the newest addition to the Counter-Strike family bringing amazing graphics, new maps, and different techniques than Counter-Strike 1.6. The graphics on this engine are amazing and offer high quality details to this game as well. Bringing in this game offers computer companies and hardware companies more sales due to gamers needing a better computer to run the video game.

(Source:http://www.csnation.net/articles.php/cssguide_200/)

Online gaming has emerged as one of the biggest growing industries in the new millennium. The Far East has played a significant role in paving the way for recognition for online gamers. Multiplayer online games have generated over 1 billion dollars in revenue for the first time, in 2004. A large proportion of this figure has come from player subscription games such as Everquest and Star Wars Galaxies, but a significant amount has also come from the first person shooter game sales. This figure does not include the emergence of sponsored players and teams as has been seen in Asia over the last 18 months with many players earning above \$100,000 in sponsorship deals. These players have become cult figures in their respective countries and "national heroes". The way it stands now, is that this status will start migrating to the already maturing gaming markets such as the US, where global events here now command higher earnings for the winners. Typical earnings of a team range between \$20k and \$40k for the larger events, though this is small compared to the events of Asia.

These events have caused an influx from many large companies wanting to gain access to this emerging market. Names such as Nike, Pepsi, Red Bull, and Oakley have begun their sponsorship programs globally with an emphasis on the US Market. Gaming leagues and competitions such as WSVG, CPL, ESWC, WCG and WEG have become very popular in the US and the world, culminating in the Asian model for sponsored clans and players increasingly hugely as a result. News of these events is starting to hit mainstream television and press with news of the winning tournaments being broadcasted on channels such as:

1. BBC News Online
2. CNN
3. ABC
4. Fox News
5. MTV
6. Fuse Network
7. CBC Television in Canada
8. Many major online news services such as Yahoo, MSN, Reuters

As more mainstream media becomes involved in promoting gaming events, this allows more companies outside the gaming community to get involved as named above.

Besides these news sites and television, there are various ways to follow events. These methods include online radio, such as TSN (www.tsncentral.com), streaming video and in-game viewing tools such as HalfLife-TV. These programs allow the viewer to watch the actual in game action from the point of view of any player they like or if preferred a map overview. Over 30,000 people watched the last CPL (www.thecpl.com) finals on HalfLife-TV alone.

(Source: <http://www20.tomshardware.com/game/200408071/cyberathlete-14.html>)

OUR BUSINESS STRATEGY

We are EMG (EMAZING GAMING), a gaming organization that is working with prominent marketing services connected to the gaming scene. Currently, the entire team consists of contract workers including management, sales, technical development, press and our primary team / players department. We are comprised of people who have specific gaming experience, a pre-requisite for employment with our company is experience in the gaming world. Combined, our organization holds well over 50 years of experience in management alone.

Management consists primarily of our President and CEO. As CEO, he is responsible for coordinating and leading the entire organization to achieve optimal results and goals. This includes directing contract consultants and measuring results. He also manages the budget to satisfy needs for traveling and accommodations to PR events and tournaments. Additionally, our CEO is responsible for strategic thinking and placement within the E-Gaming industry, constantly looking for new opportunities. As such, he is instrumental in building and maintaining sponsor and partner relationships.

The sales department handles contacts to other companies and controls all marketing possibilities. They make proper detailed statistics and documentation on the amount of exposures that the partner in question receives. These workers are on contract.

The technical development area works with the organizations' technical structure, which includes the website, design material, marketing channels, and technical equipment. Also provides technical solutions and services with the integration of the partners' products and the popularity/demand of the latest hardware. These workers are on contract.

Team/Players: The current team of players are the backbone to the organization. The team practices and competes in order to keep EMG ORGANIZATION as a world leading organization. The team is the primary marketing channel for sponsors and the organization. The team wears branded clothing and as they perform and succeed spectators and other participants are drawn to play the same games. These workers are on contract. Amazing Gaming currently sponsors eight teams of which three require consistent financial support. These three teams travel throughout the United States (1.6 Counter-Strike and DOD team) and the United Kingdom (Counter Strike team).

Press department: This department works to provide the public with the latest updates regarding the team and e-sports through our website and other means of communication. The department also provides detailed coverage of the teams' progress in tournaments and leagues. These workers are on contract.

EMG GAMING has three major financial objectives to reach its goal as the best and highest-ranking Professional Counter-Strike team in the world:

1. Maintain Equipment on the Cutting Edge - It goes without saying that when competing in the technologically advanced arena of professional gaming, you want to remain on the leading edge of the technology curve. Faster machines, graphics cards, and other equipment can mean the difference between winning and losing at this level.
2. Ability to Travel to Tournaments - There is no use in being professional if one can't afford to travel to the various events and tournaments here at home and abroad. Travel and accommodations represent a significant portion of our costs.
3. Ability to Train - Professional gamers train for up to 12 hours per day, every day to stay at the top of their game. This does not allow much time for work, and often professional gamers are forced to drop out because they need financial stability to survive. A monthly living allowance would not only allow us to focus on training, but it would also bring greater stability to the team members.

EMazing utilizes their website, emazinggaming.com, as the portal to which e-games are accessed on the World Wide Web. Through links on the website we are able to better manage our visitors, game selection, and visitor profiles, effectively providing us the ability to ultimately understand our customers and their playing habits from which we can then develop more challenging and exciting game content.

All games currently provided by EMazing are third party developed. Through the proceeds of this offering, we will use a portion of the proceeds to develop our own game portfolio. Game development is a capital and time intensive process, usually taking 18-24 months to take a game from concept form to fee based web play. It is our intent to be an industry leading game developer as well as content provider through our interactive website.

The Company is in discussions with CAL, the Cyber Athletic League, which is the largest cyber league in the world with over 550,000 registered participants, to sponsor a new game, 'Condition Zero'. Emazing would provide server space and CAL the participants. The benefit to Emazing is the free advertising and marketing that results from the relationship. This will provide us with significant exposure that we expect will generate significant traffic on our web-site and therefore increased revenue.

CAL provides the leagues and divisions of the most popular games. They are a free-to-play league, and by playing through them, teams gain seating for the CPL, Cyber Professional League, which is a branch of CAL that is a paid, professional tournament league. The standings in CPL are used to seed teams in events that CPL/CAL sponsor.

Edgar Filing: EMazing INTERACTIVE, INC. - Form 10QSB

Industry and Competitors

The Industry:

The eSports industry is highly competitive. eSports is technologically based and through the medium of the internet is readily accessible to most anyone with a computer and a credit card. Barriers to entry are high due to server costs (owned and/or leased), travel expenses, and general living expenses. The more successful and enthusiastic eSport competitors are reliant on sponsors and partners to generate funds to undergird living, travel and equipment maintenance costs. Although highly competitive, it is also highly fragmented. eSports is worldwide in scope and difficult to assess from a competitive standpoint as games are often hot and therefore streaky in play before another company puts out a more desirable game program. Even so, server capacity, speed and graphics generally determine the amount of play a game will generate.

RESULTS FOR THE FISCAL QUARTER ENDED June 30, 2007

Our fiscal quarter ended on June 30, 2007. Any reference to the end of the fiscal quarter refers to the end of the second fiscal quarter for the period discussed herein. The Company began operations on April 11, 2006 so there is only comparative data for the quarter ending June 30.

REVENUE. Revenue for the three months ended June 30, 2007, was \$8,452 compared to \$4,301 for the three months ended June 30, 2006. The increase in revenue is attributed to the impact that the success of the 'Teams' have had in the World Cyber Games and other competitions, and the new server structure. During the quarter, we rolled out the new server use structure to capitalize on the short nature of time commitment in the industry vs. renting server space for a whole month, week or day. This impact is also reflected in the expenses. Revenue for the six months ended June 30, 2007 was \$9,889. Sales were low in the first quarter as we reprogrammed our servers for the aforementioned server structure.

EXPENSES. Total expenses for the three months ended June 30 2007, were \$38,321 compared to expenses for the three months ended June 30, 2006 of \$60,393. Expenses were down versus 2006 as in 2006 we had initial audit fees (\$8,000), computer set-up expenses (\$18,000) and filing fees (\$2,600); these were partially off-set by increases marketing expenses of \$2,800 and travel of \$6,600. Total expenses for the six months ended June 30, 2007 were \$52,557. Accounting and professional fees of \$14,500, server expenses of \$8,000 and travel expenses of \$10,000 make up most of the expenses.

NET INCOME (LOSS). Net loss for the three months ended June 30, 2007 was \$29,446 compared to the three months ended June 30, 2006 of \$56,092. The decrease in loss correlates to the decrease in expenses as discussed above. The net loss for the six months ended June 30, 2007 was \$41,882.

LIQUIDITY AND NET CAPITAL RESOURCES. Emazing filed on Form SB-1, a registration statement with the U.S. Securities & Exchange Commission in order to raise funds to develop their business. The registration statement became effective on December 21, 2006 and Emazing has raised funds under that registration statement at \$0.50 per share. As of August 14, 2007, Emazing has raised \$116,750 by selling 233,500 shares.

Edgar Filing: EMAZING INTERACTIVE, INC. - Form 10QSB

Employees

June 30, 2007, the Company had one employee.

ITEM 3. CONTROLS AND PROCEDURES

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in company reports filed or submitted under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed under the Exchange Act is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer (the "Certifying Officers"), as appropriate to allow timely decisions regarding required disclosure.

As required by Rules 13a-15(e) and 15d-15(e) under the Exchange Act, the Certifying Officers carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of March 31 2007. Their evaluation was carried out with the participation of other members of the Company's management. Based upon their evaluation, the Certifying Officers concluded that the Company's disclosure controls and procedures were effective.

The Company's internal control over financial reporting is a process designed by, or under the supervision of, the Certifying Officers and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of the Company's financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the Company's assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Company's financial statements in accordance with generally accepted accounting principles, and that the Company's receipts and expenditures are being made only in accordance with the authorization of the Company's Board of Directors and management; and 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 its financial statements. There has been no change in the Company's internal control over financial reporting that occurred in the quarter ended March 31 2007, that has materially affected, or is reasonably likely to affect, the Company's internal control over financial reporting.

16

PART II

Items No. 1, 2, 3, 4, 5 - Not Applicable.

Item No. 6 - Exhibits and Reports on Form 8-K

(a) Report on Form 8-A12G was filed on September 22, 2006 to register our

Edgar Filing: EMAZING INTERACTIVE, INC. - Form 10QSB

securities under Section 12(g) of the Act. No reports on Form 8-K were filed during the three months ended September 30, 2006.

(b) Exhibits

Exhibit Number	Name of Exhibit
31.1	Certification of Chief Executive Officer, pursuant to Rule 13a-14(a) of the Exchange Act, as enacted by Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer, pursuant to Rule 13a-14(a) of the Exchange Act, as enacted by Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Chief Financial Officer, pursuant to 18 United States Code Section 1350, as enacted by Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

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

EMAZING INTERACTIVE, INC.

By /s/ G. Edward Hancock

G. Edward Hancock, President, CFO

Date: August 14, 2007