

EFFECTIVE PROFITABLE SOFTWARE, INC.
Form SB-2/A
December 19, 2006

SECURITIES AND EXCHANGE COMMISSION

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**AMENDMENT NO. 1 TO FORM SB-2
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**
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EFFECTIVE PROFITABLE SOFTWARE, INC.
(Exact Name of Small Business Issuer in its Charter)

DELAWARE
(State of Incorporation)

000-50494
(Primary Standard
Classification Code)

98-0412432
(IRS Employer ID No.)

**1 Inwood Circle, Suite 209
Little Rock, Arkansas 72211
(501) 223-3310**

Address and Telephone Number of Registrant's Principal
Executive Offices and Principal Place of Business)

**Gary Moore
1 Inwood Circle, Suite 209
Little Rock, Arkansas 72211
(501) 223-3310**

(Name, Address and Telephone Number of Agent for Service)

Copies of communications to:
**GREGG E. JACLIN, ESQ.
ANSLOW & JACLIN, LLP
195 Route 9 South, Suite 204
Manalapan, NJ 07726
TELEPHONE NO.: (732) 409-1212
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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective. If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the following box and list the Securities Act registration Statement number of the earlier effective

registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class Of Securities to be Registered	Amount to be Registered	Proposed Maximum Aggregate Offering Price per share	Proposed Maximum Aggregate Offering Price	Amount of Registration fee
Common Stock, par value \$0.0001	1,450,000	\$.10	\$145,000	\$15.03

The offering price has been estimated solely for the purpose of computing the amount of the registration fee in accordance with Rule 457(c). Our common stock is not traded on any national exchange and in accordance with Rule 457, the offering price was determined by the price shareholders were sold to our shareholders in a private placement memorandum. The price of \$0.10 is a fixed price at which the selling security holders will sell their shares until our common stock is quoted on the OTC Bulletin Board at which time the shares may be sold at prevailing market prices or privately negotiated prices. There can be no assurance that a market maker will agree to file the necessary documents with the National Association of Securities Dealers, which operates the OTC Electronic Bulletin Board, nor can there be any assurance that such an application for quotation will be approved.

PRELIMINARY PROSPECTUS SUBJECT TO COMPLETION DATED DECEMBER 19, 2006

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the securities act of 1933 or until the registration statement shall become effective on such date as the commission, acting pursuant to said section 8(a), may determine.

**EFFECTIVE PROFITABLE SOFTWARE, INC.
1,450,000 SHARES OF
COMMON STOCK**

The selling shareholders named in this prospectus are offering all of the shares of common stock offered through this prospectus. Our common stock is presently not traded on any market or securities exchange. The 1,450,000 shares of our common stock will be sold by selling security holders at a fixed price of \$.10 per share until our shares are quoted on the OTC Bulletin Board and thereafter at prevailing market prices or privately negotiated prices. There can be no assurance that a market maker will agree to file the necessary documents with the National Association of Securities Dealers, which operates the OTC Electronic Bulletin Board, nor can there be any assurance that such an application for quotation will be approved. We have agreed to bear the expenses relating to the registration of the shares for the selling security holders.

THE COMPANY IS CONSIDERED TO BE IN UNSOUND FINANCIAL CONDITION. PERSONS SHOULD NOT INVEST UNLESS THEY CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENTS.

THE PURCHASE OF THE SECURITIES OFFERED THROUGH THIS PROSPECTUS INVOLVES A HIGH DEGREE OF RISK. YOU SHOULD CAREFULLY CONSIDER THE FACTORS DESCRIBED UNDER THE HEADING "RISK FACTORS" BEGINNING ON PAGE 2.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The Date Of This Prospectus Is: December 19, 2006

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ABOUT OUR COMPANY

We were incorporated in the State of Delaware under the name Modena 2, Inc. on December 3, 2003 to engage in any lawful corporate undertaking, including, but not limited to, selected mergers and acquisitions. On September 8, 2004, pursuant to an agreement between us, Chris Penner, Don Bratcher and Gary Moore (“Agreement”), Gary Moore and Don Bratcher purchased all of our issued and outstanding shares of common stock for \$26,000. We had been in the developmental stage since inception and have no operations to date other than issuing shares.

On May 10, 2005, pursuant to a Stock Purchase Agreement and Share Exchange between us and EPS, Inc., an Arkansas corporation, and the shareholders of EPS, we purchased all of the outstanding shares of EPS from the EPS shareholders for the issuance of 10,156,000 shares of our stock to the EPS shareholders. Pursuant to the Agreement, EPS became a wholly owned subsidiary of the Company. Pursuant to the terms of the Agreement, we filed Articles of Amendment with the State of Delaware changing our name to Effective Profitable Software, Inc. Two of our current majority shareholders and , Gary Moore and Don Bratcher, were also the majority shareholders of EPS, Inc., making this a related party transaction.

Based on the acquisition of EPS we changed our business focus to become a financial markets evaluation software company which focuses on bringing affordable evaluation tools to the general public. We are based in Little Rock, Arkansas and are led by Don Bratcher, Gary Moore and Richard Torti. We use in house proprietary software for evaluation of markets, stocks, commodities, and other financial instruments. We have developed an evaluation system we call the “Timing Wave.” At the center of the system is a 100% mechanical, unemotional timing model .

On May 20, 2005, our directors and shareholders approved a 5-1 forward split of our outstanding common shares increasing the amount of shares owned by these shareholders to 50,780,000 shares.

Terms of the Offering

The selling shareholders named in this prospectus are offering all of the shares of common stock offered through this prospectus. The selling stockholders are selling shares of common stock covered by this prospectus for their own account.

We will not receive any of the proceeds from the resale of these shares. The offering price of \$.10 was determined by the price shares were sold to our shareholders in a private placement memorandum and is a fixed price at which the selling security holders may sell their shares until our common stock is quoted on the OTC Bulletin Board, at which time the shares may be sold at prevailing market prices or privately negotiated prices. There can be no assurance that a market maker will agree to file the necessary documents with the National Association of Securities Dealers, which operates the OTC Electronic Bulletin Board, nor can there be any assurance that such an application for quotation will be approved. We have agreed to bear the expenses relating to the registration of the shares for the selling security holders.

The report of our independent registered public accounting firm on our December 31, 2005 audited financial statements contains an explanatory paragraph expressing uncertainty with respect to our ability to continue as a going concern. As reflected in the accompanying audited financial statements, we are in the development stage. We have no operations and have had recurring losses since inception and an accumulated deficit of \$161,565. Accordingly, there is

substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is dependent on our ability to raise additional capital and implement our business plan. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

We believe that actions presently being taken to obtain additional funding and implement our strategic plans provide the opportunity for us to continue as a going concern.

Summary Financial Data

The following summary financial data should be read in conjunction with “Management’s Discussion and Analysis,” “Plan of Operation” and the Financial Statements and Notes thereto, included elsewhere in this prospectus. The statement of operations data and balance sheet data for the nine months ended September 30, 2006 and September 30, 2005 are from our unaudited financial statements. The statement of operations data and balance sheet data for the year ended December 31, 2005 and the period from February 23, 2004 to December 31, 2004 are from our audited financial statements.

	For the Nine Months Ended		For the Year	For the period	From
	September 30, 2006	September 30, 2005	Ended	February 23, 2004 to	Inception
	(unaudited)	(unaudited)	December 31, 2005	December 31, 2004	(February 23, 2004) to September 30, 2006
STATEMENT OF OPERATIONS					
Revenues	-	-	-	-	-
Total Operating Expenses	40,829	34,199	42,475	109,466	192,770
Total Other Income (expenses)	(1,269)	(5,288)	(9,009)	(615)	(10,813))
Net Loss	(42,098)	(39,487)	(51,484)	(110,081)	203,663

	For the Period	
	Ended	For the Year
	September 30, 2006	Ended
	(unaudited)	December 31, 2005
BALANCE SHEET DATA		
Cash	9,927	2,335
Total Assets	14,889	8,540
Total Liabilities	56,389	42,772
Stockholders’ Equity (Deficiency)	(41,500)	(34,232)

BALANCE SHEET DATA

Cash	9,927	2,335
Total Assets	14,889	8,540
Total Liabilities	56,389	42,772
Stockholders’ Equity (Deficiency)	(41,500)	(34,232)

Where You Can Find Us

Our executive offices are located at 1 Innwood Circle, Suite 209 Little Rock, Arkansas 72211. Our phone number is (501) 223-3310.

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the material risks described below and the other information in this prospectus before investing in our common stock. Below we have disclosed all material risks related to our company and our stock. If any of the following risks occur, our business, operating results and financial condition could be seriously harmed. Please note that throughout this prospectus, the words “we”, “our” or “us” refer to the Company and not to the selling stockholders.

WE HAVE A LIMITED OPERATING HISTORY THAT YOU CAN USE TO EVALUATE US, AND THE LIKELIHOOD OF OUR SUCCESS MUST BE CONSIDERED IN LIGHT OF THE PROBLEMS, EXPENSES, DIFFICULTIES, COMPLICATIONS AND DELAYS FREQUENTLY ENCOUNTERED BY A SMALL DEVELOPING COMPANY.

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We were incorporated in Delaware in November 2003. We have no significant assets, financial resources and limited revenues to date. The likelihood of our success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered by a small developing company starting a new business enterprise and the highly competitive environment in which we will operate. Since we have a limited operating history, we cannot assure you that our business will be profitable or that we will ever generate sufficient revenues to meet our expenses and support our anticipated activities.

WE MAY REQUIRE ADDITIONAL FUNDS TO ACHIEVE OUR CURRENT BUSINESS STRATEGY AND OUR INABILITY TO OBTAIN ADDITIONAL FINANCING WILL INHIBIT OUR ABILITY TO EXPAND OR EVEN MAINTAIN OUR BUSINESS OPERATIONS.

We may need to raise additional funds through public or private debt or sale of equity to achieve our current business strategy. The financing we need may not be available when needed. Even if this financing is available, it may be on terms that we deem unacceptable or are materially adverse to your interests with respect to dilution of book value, dividend preferences, liquidation preferences, or other terms. Our inability to obtain financing will inhibit our ability to implement our development strategy, and as a result, could require us to diminish or suspend our development strategy and possibly cease our preliminary operations.

If we are unable to obtain financing on reasonable terms, we could be forced to delay, scale back or eliminate certain product and service development programs. In addition, such inability to obtain financing on reasonable terms could have a negative effect on our business, operating results, or financial condition to such extent that we are forced to restructure, file for bankruptcy, sell assets or cease preliminary operations, any of which could put your investment dollars at significant risk.

GARY MOORE, DON BRATCHER AND RICHARD TORTI'S CONTROL MAY PREVENT YOU FROM CAUSING A CHANGE IN THE COURSE OF OUR COMPANY AND MAY AFFECT THE MARKET PRICE OF OUR COMMON STOCK.

Gary Moore, Don Bratcher and Richard Torti beneficially own approximately 88% of our common stock. Accordingly, for as long as these individuals continue to collectively own more than 50% of our common stock, they will be able to elect our entire board of directors, control all matters that require a stockholder vote (such as mergers, acquisitions and other business combinations) and exercise a significant amount of influence over our management and operations. Therefore, regardless of the number of our common shares sold, your ability to cause a change in the course of our operations is eliminated. As such, the value attributable to the right to vote is limited. This concentration of ownership could result in a reduction in value to the common shares you own because of the ineffective voting power, and could have the effect of preventing us from undergoing a change of control in the future.

DON BRATCHER AND RICHARD TORTI, TWO OF OUR OFFICERS, HAVE A CONFLICT OF INTEREST BASED ON THEIR INVOLVEMENT IN OTHER BUSINESS INTERESTS WHICH WILL PREVENT THEM FROM DEVOTING THEIR FULL-TIME TO OUR OPERATIONS WHICH MAY AFFECT OUR OPERATIONS.

Don Bratcher and Richard Torti may have a conflict of interest based in that they are involved in working for other businesses while they are also part of our management team. Therefore, it is possible that a conflict of interest with regard to their time may arise if and their other activities may prevent them from devoting enough time to our operations which could slow our operations and may reduce our financial results because of the slow down in operations. Although Mr. Bratcher and Mr. Torti plan to only devote 5-10 hours a week each to our business, the time they must spend on their duties to the other companies may not allow them to devote the time we require to commence our operations.

TO DATE, WE HAVE NOT GENERATED ANY REVENUE. IF WE ARE UNABLE TO GENERATE SIGNIFICANT REVENUES FROM OUR OPERATIONS, WE MAY BE UNABLE TO EXPAND OUR SERVICES AND MAY BE FORCED TO CEASE OPERATIONS.

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If we are unable to generate significant revenues from our operations, we could be forced to delay, scale back or eliminate certain services and product development programs. We intend to Market our TimingWave software to investors through trading platforms. Trading Platforms are software or internet sites which provide quotes on stocks, bonds and commodities. The platforms have various time frames which display the price action of a market from as short as a minute and real time and as long as the entire price history of a stock or a commodity. A trading platform will also provide indicators either standard with a software package or offered as additional trading tools (subscribers pay an additional fee) that range from complicated moving averages, trading bands, point and figure charts, Gann angles, re-trace formulas etc. When a stock, bond, or commodity is displayed, the price action is also displayed on a chart created by the trading platform. Customers can add various indicators that evaluate a particular market at that moment in time giving a technical reading of overbought, oversold, neutral. Speculators, Investors, Hedgers use these indicators to determine positions in the markets. The Timingwave indicator will be built on several different trading platforms.

If we fail to generate significant revenues in the future, then we will not able to expand our services. This failure to expand may hurt our ability to raise additional capital which could have a negative effect on our business, operating results, or financial condition to such extent that we are forced to restructure, file for bankruptcy, sell assets or cease operations, any of which could put your investment dollars at significant risk.

WE DO NOT CURRENTLY HAVE AGREEMENTS WITH ANY CUSTOMERS TO OFFER OUR PRODUCT TO THEIR CLIENTS. IF WE ARE UNABLE TO OFFER OUR SERVICE THROUGH EXISTING COMPANIES, WE WILL BE UNABLE TO GENERATE REVENUE.

We currently have an arrangement with one company, Rosenthal & Collins, a Chicago based futures company, to test our software. There is no guarantee that they will find our software acceptable. We do not have any similar arrangements with any other company. At this time, our ability to generate revenue is speculative due to the fact that we do not have any agreements in place to offer our services to the public.

WE ARE IN AN INTENSELY COMPETITIVE INDUSTRY AND ANY FAILURE TO TIMELY IMPLEMENT OUR BUSINESS PLAN COULD DIMINISH OR SUSPEND OUR DEVELOPMENT AND POSSIBLY CEASE OUR OPERATIONS.

The intellectual property industry is highly competitive, and has few barriers to entry. We can provide no assurance that additional competitors will not enter into the industry. There are other companies that currently offer similar services that have established user bases that are significantly larger than ours, and that have access to greater capital. If we are unable to efficiently and effectively institute our business plan as a result of intense competition or a saturated market, we may not be able to continue the development and enhancement of our web site and become profitable.

IF WE ARE UNABLE TO HIRE AND RETAIN KEY PERSONNEL, THEN WE MAY NOT BE ABLE TO IMPLEMENT OUR BUSINESS PLAN.

We depend on the services of our officer and directors and our success depends on the continued efforts of such individuals to manage our business operations. At the present time, Gary Moore, our President and Chief Executive Officer devotes approximately 60 hours per week to the business affairs of the Company. Don Bratcher, our Chief Financial Officer, devotes five to ten hours per week to the business affairs of the Company. The loss of the services of the President could have a negative effect on our business, financial condition and results of operations. In addition, our success in expanding our business operations is largely dependent on our ability to hire highly qualified personnel in the future as needed in accordance with our plan of operations. In addition, we may lose employees or consultants that we hire due to higher salaries and fees being offered by competitors or other businesses in the industry.

OUR AUDITOR HAS EXPRESSED SUBSTANTIAL DOUBT AS TO OUR ABILITY TO CONTINUE AS A GOING CONCERN

Based on our financial history since inception, our auditor has expressed substantial doubt as to our ability to continue as a going concern. We are a development stage company that has not generated any revenue to date. We have incurred net losses of \$203,663, and an accumulated deficit of \$203,663.

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If we cannot generate sufficient revenues from our services, we may not be able to implement our business plan and may be forced to cease our business activities.

THERE IS CURRENTLY NO PUBLIC MARKET FOR THE COMMON STOCK OF THE COMPANY AND THERE IS NO ASSURANCE OF A PUBLIC MARKET OR THAT THE COMMON STOCK WILL EVER TRADE ON A RECOGNIZED EXCHANGE. THEREFORE, YOU MAY BE UNABLE TO LIQUIDATE YOUR INVESTMENT IN OUR STOCK.

There is no established public trading market for our common stock. Our shares are not and have not been listed or quoted on any exchange or quotation system. There can be no assurance that a market maker will agree to file the necessary documents with the National Association of Securities Dealers, which operates the OTC Electronic Bulletin Board, nor can there be any assurance that such an application for quotation will be approved or that a regular trading market will develop or that if developed, will be sustained. In the absence of a trading market, an investor may be unable to liquidate their investment.

FUTURE SALES BY OUR STOCKHOLDERS MAY NEGATIVELY AFFECT OUR STOCK PRICE AND OUR ABILITY TO RAISE FUNDS IN NEW STOCK OFFERINGS.

Sales of our common stock in the public market following this offering could lower the market price of our common stock. Sales may also make it more difficult for us to sell equity securities or equity-related securities in the future at a time and price that our management deems acceptable or at all. Of the 53,480,000 shares of common stock outstanding as of December 19, 2006, 1,450,000 shares are, or will be, freely tradable without restriction upon the effective date of this registration statement, unless held by our "affiliates". The remaining 52,030,000 shares of common stock, which will be held by existing stockholders, including the officers and directors, are "restricted securities" and may be resold in the public market only if registered or pursuant to an exemption from registration. Some of these shares may be resold under Rule 144.

WE HAVE BEEN INFORMED THAT THE DISCLOSURES IN EACH PERIODIC REPORT APPEAR TO INDICATE THAT MATERIAL WEAKNESSES IN DISCLOSURE CONTROL EXISTED PRIOR TO THE EVALUATION DATE.

Management believes that the disclosure controls and procedures are now adequate, but the SEC has expressed continued concern over these material weaknesses and how they may affect the reliability of our financials and the overall viability of our company.

USE OF PROCEEDS

The selling stockholders are selling shares of common stock covered by this prospectus for their own account. We will not receive any of the proceeds from the resale of these shares. We have agreed to bear the expenses relating to the registration of the shares for the selling security holders.

DETERMINATION OF OFFERING PRICE

Since our shares are not listed or quoted on any exchange or quotation system, the offering price of the shares of common stock was arbitrarily determined. The offering price was determined by the price shares were sold to our shareholders in a private placement memorandum undertaken by our subsidiary EPS, Inc. pursuant to Regulation D Rule 506 of the Securities Act of 1933 which was completed in December 2004.

The offering price of the shares of our common stock has been determined arbitrarily by us and does not necessarily bear any relationship to our book value, assets, past operating results, financial condition or any other established

criteria of value. Although our common stock is not listed on a public exchange, we will be filing to obtain a listing on the Over The Counter Bulletin Board (OTCBB) concurrently with the filing of this prospectus. In order to be quoted on the Bulletin Board, a market maker must file an application on our behalf in order to make a market for our common stock. There can be no assurance that a market maker will agree to file the necessary documents with the National Association of Securities Dealers, which operates the OTC Electronic Bulletin Board, nor can there be any assurance that such an application for quotation will be approved.

In addition, there is no assurance that our common stock will trade at market prices in excess of the initial public offering price as prices for the common stock in any public market which may develop will be determined in the marketplace and may be influenced by many factors, including the depth and liquidity of the market for the common stock, investor perception of us and general economic and market conditions.

DILUTION

The common stock to be sold by the selling shareholders is common stock that is currently issued. Accordingly, there will be no dilution to our existing shareholders.

PENNY STOCK CONSIDERATIONS

Our common stock will be penny stock; therefore, trading in our securities is subject to penny stock considerations. Broker-dealer practices in connection with transactions in “penny stocks” are regulated by certain penny stock rules adopted by the Securities and Exchange Commission.

Penny stocks generally are equity securities with a price of less than \$5.00 (other than securities registered on certain national securities exchanges or quoted on the NASDAQ system). Penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document that provides information about penny stocks and the risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer’s account. The broker-dealer must also make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser’s written agreement to the transaction. These requirements may have the effect of reducing the level of trading activity, if any, in the secondary market for a security that becomes subject to the penny stock rules. The additional burdens imposed upon broker-dealers by such requirements may discourage broker-dealers from effecting transactions in our securities, which could severely limit their market price and liquidity of our securities. These requirements may restrict the ability of broker-dealers to sell our common stock and may affect your ability to resell our common stock.

SELLING SHAREHOLDERS

The shares being offered for resale by the selling stockholders consist of the 1,450,000 shares of our common stock held by 37 shareholders. Such shareholders include the holders of the shares sold in the Regulation D Rule 506 offering which was completed by EPS, Inc. in April 2005 and the shares which were subsequently issued to these shareholders pursuant to the terms of the Stock Purchase Agreement and Share Exchange between us and EPS, Inc. Such shareholders also include individuals who received such shares for services rendered to EPS, Inc. and subsequently received shares of our common stock in the Share Exchange. Such shareholders also include Anslow & Jaclin, LLP who received compensation for legal services.

The following table sets forth the name of the selling stockholders, the number of shares of common stock beneficially owned by each of the selling stockholders as of December 19, 2006 and the number of shares of common stock being offered by the selling stockholders. The shares being offered hereby are being registered to permit public secondary trading, and the selling stockholders may offer all or part of the shares for resale from time to time. However, the selling stockholders are under no obligation to sell all or any portion of such shares nor are the selling stockholders obligated to sell any shares immediately upon effectiveness of this prospectus. All information with respect to share ownership has been furnished by the selling stockholders.

Name of selling stockholder	Shares of Stock owned prior to offering	Shares of Common stock to be sold	Shares of common stock owned after Offering	Percent of common owned after offering (1)
Anslow, Richard I.	250,000	100,000	150,000	*
Baste, Randy	5,000	5,000	0	*
Blackwood, Jr., Robert A.	5,000	5,000	0	*
Bratcher, Don	15,250,000	100,000	15,150,000	28.33%
Braziel, John R.	5,000	5,000	0	*
Carden, Jimmy	1,250,000	100,000	1,150,000	2.15%
Compton, John M.	5,000	5,000	0	*
DeWese, Randy O.	5,000	5,000	0	*
DeWese, Richard	5,000	5,000	0	*
Eubanks III, Robert M.	5,000	5,000	0	*
France, Mindy	5,000	5,000	0	*
Good III, Henry	300,000	100,000	200,000	*
Good, David M.	5,000	5,000	0	*
Good, Dr. Henry	10,000	10,000	0	*
Halinski, Jr., Richard T.	5,000	5,000	0	*
Islom, Amanda	5,000	5,000	0	*
Jaclin, Gregg E.	250,000	100,000	150,000	*
Joyce, Jr., William D.	1,005,000	100,000	905,000	1.69%
Kemp, William R.	5,000	5,000	0	*
Kennedy, Brad	5,000	5,000	0	*
Leathers, Joan	250,000	100,000	150,000	*
Moore, Eunice	1,250,000	100,000	1,150,000	2.15%
Moore, Gary	15,250,000	100,000	15,150,000	28.33%
Moore, Randy	5,000	5,000	0	*
Nesslerodt, D.A.	5,000	5,000	0	*
Reddy, R. N.	10,000	10,000	0	*
Rife, Dan	5,000	5,000	0	*
Sands, Charlotte	275,000	100,000	175,000	*
Sands, Spencer	25,000	25,000	0	*
Sluss, Belinda	500,000	100,000	400,000	*
Snyder, Dale H.	5,000	5,000	0	*
Thommann, Ralph	5,000	5,000	0	*
Torti, Richard	15,000,000	100,000	14,900,000	27.86%
Torti, Richy	1,250,000	100,000	1,150,000	2.15%
Umar, Emre	5,000	5,000	0	*
Watts, Judy	5,000	5,000	0	*
Webb, James V.	5,000	5,000	0	*

* Less than one (1) percent

(1) Based on 53,480,000 shares issued and outstanding as of December 19, 2006.

To our knowledge, except as noted below, none of the selling shareholders or their beneficial owners:

- has had a material relationship with us other than as a shareholder at any time within the past three years; or
- has ever been one of our officers or directors or an officer or director of our predecessors or affiliates
- are broker-dealers or affiliated with broker-dealers.

The following sets forth the relationships between the selling shareholders and our principal shareholders and officers and directors:

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1. Eunice Moore is the mother of Gary Moore
2. Amanda Islom is the niece of Gary Moore
3. Spencer Sands is the nephew of Gary Moore
4. Randy Moore is the cousin of Gary Moore
5. Jimmy Carden is the uncle of Gary Moore
6. Charlotte Sands is the sister of Gary Moore
7. Richie Torti is the (adult) son of Richard Dick Torti
8. Richard Dewese is the (adult) stepson of Richard Torti
9. Randy Dewese is the (adult) stepson of Ricard Torti
10. Anslow and Jaclin, LLP is the Company's legal counsel

John Compton, Dan Rife, Robbie Blackwood, and Randy Baste are affiliated with broker-dealers but purchased their shares in us outside of their affiliation with the broker-dealers. They purchased their shares in the ordinary course of business and at the time of the purchase of the securities to be resold, they had no agreements or understandings, directly or indirectly, with any person to distribute the securities.

To our knowledge, none of our shareholders other than John Compton, Dan Rife, Robbie Blackwood, and Randy Baste are broker-dealers or affiliated with broker-dealers

Absent circumstances indicating that a change in the selling security holders is material, the change may be reflected by the filing of a Rule 424(b) prospectus supplement describing such a change and setting forth the information required by Item 507 of Regulation S-B. This assumes the change does not involve increasing the number of shares or dollar amount registered. Such changes may include, but are not limited to, changes to reflect the transfer of shares by a shareholder to another investor or changes in the name of the selling security holder. We will file a post-effective amendment to disclose changes in the security holders which occur after the effectiveness of the registration statement.

PLAN OF DISTRIBUTION

The selling security holders may sell some or all of their shares at a fixed price of \$.10 per share until our shares are quoted on the OTC Bulletin Board and thereafter at prevailing market prices or privately negotiated prices. Prior to being quoted on the OTCBB, shareholders may sell their shares in private transactions to other individuals. Although our common stock is not listed on a public exchange, we will be filing to obtain a listing on the Over The Counter Bulletin Board (OTCBB) concurrently with the filing of this prospectus. In order to be quoted on the Bulletin Board, a market maker must file an application on our behalf in order to make a market for our common stock. There can be no assurance that a market maker will agree to file the necessary documents with the National Association of Securities Dealers, which operates the OTC Electronic Bulletin Board, nor can there be any assurance that such an application for quotation will be approved. There can be no assurance that a market maker will agree to file the necessary documents with the National Association of Securities Dealers, which operates the OTC Electronic Bulletin Board, nor can there be any assurance that such an application for quotation will be approved. However, sales by selling security holder must be made at the fixed price of \$.10 until a market develops for the stock.

Once a market has been developed for our common stock, the shares may be sold or distributed from time to time by the selling stockholders directly to one or more purchasers or through brokers or dealers who act solely as agents, at market prices prevailing at the time of sale, at prices related to such prevailing market prices, at negotiated prices or at

fixed prices, which may be changed. The distribution of the shares may be effected in one or more of the following methods:

- o ordinary brokers transactions, which may include long or short sales,
- o transactions involving cross or block trades on any securities or market where our common stock is trading,
- o market where our common stock is trading,
- o through direct sales to purchasers or sales effected through agents,
- o any combination of the foregoing.

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In addition, the selling stockholders may enter into hedging transactions with broker-dealers who may engage in short sales, if short sales were permitted, of shares in the course of hedging the positions they assume with the selling stockholders. The selling stockholders may also enter into option or other transactions with broker-dealers that require the delivery by such broker-dealers of the shares, which shares may be resold thereafter pursuant to this prospectus. The selling shareholders may be deemed to be underwriters with respect to the shares that they are offering for resale.

Brokers, dealers, or agents participating in the distribution of the shares may receive compensation in the form of discounts, concessions or commissions from the selling stockholders and/or the purchasers of shares for whom such broker-dealers may act as agent or to whom they may sell as principal, or both (which compensation as to a particular broker-dealer may be in excess of customary commissions). Neither the selling stockholders nor we can presently estimate the amount of such compensation. We know of no existing arrangements between the selling stockholders and any other stockholder, broker, dealer or agent relating to the sale or distribution of the shares. Prior to the involvement of any broker-dealer in the offering, such broker-dealer must seek and obtain clearance of the underwriting compensation and arrangements from the NASD Corporate Finance.

We will not receive any proceeds from the sale of the shares of the selling security holders pursuant to this prospectus. We have agreed to bear the expenses of the registration of the shares, including legal and accounting fees, and such expenses are estimated to be approximately \$55,015.

Notwithstanding anything set forth herein, no NASD member will charge commissions that exceed 8% of the total proceeds of the offering.

Regulation M

We have informed the Selling Shareholders that Regulation M promulgated under the Securities Exchange Act of 1934 may be applicable to them with respect to any purchase or sale of our common stock. In general, Rule 102 under Regulation M prohibits any person connected with a distribution of our common stock from directly or indirectly bidding for, or purchasing for any account in which it has a beneficial interest, any of the Shares or any right to purchase the Shares, for a period of one business day before and after completion of its participation in the distribution.

During any distribution period, Regulation M prohibits the Selling Shareholders and any other persons engaged in the distribution from engaging in any stabilizing bid or purchasing our common stock except for the purpose of preventing or retarding a decline in the open market price of the common stock. None of these persons may effect any stabilizing transaction to facilitate any offering at the market. As the Selling Shareholders will be offering and selling our common stock at the market, Regulation M will prohibit them from effecting any stabilizing transaction in contravention of Regulation M with respect to the shares.

We also have advised the Selling Shareholders that they should be aware that the anti-manipulation provisions of Regulation M under the Exchange Act will apply to purchases and sales of shares of common stock by the Selling Shareholders, and that there are restrictions on market-making activities by persons engaged in the distribution of the shares. Under Regulation M, the Selling Shareholders or their agents may not bid for, purchase, or attempt to induce any person to bid for or purchase, shares of our common stock while such Selling Shareholders are distributing shares covered by this prospectus. Regulation M may prohibit the Selling Shareholders from covering short sales by purchasing shares while the distribution is taking place, despite any contractual rights to do so under the Agreement. We have advised the Selling Shareholders that they should consult with their own legal counsel to ensure compliance with Regulation M.

LEGAL PROCEEDINGS

The issuer is not a party to any current or contemplated litigation. No director, nominee for director, or executive officer has appeared as a party in any legal proceeding material to an evaluation of his ability or integrity during the past five years.

DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

Our directors and officers, as of December, 2006, are set forth below. The directors hold office for their respective term and until their successors are duly elected and qualified. Vacancies in the existing Board are filled by a majority vote of the remaining directors. The officers serve at the will of the Board of Directors.

Name	Age	Position	Date Appointed
Gary Moore	52	President; Chief Executive Officer; Director	September 8, 2004
Don Bratcher	54	Vice President; Chief Financial Officer; Director	September 8, 2004
Richard Torti	52	Vice President	October 15, 2004

Business Experience

Set forth below is the name of our director and officer, all positions and offices with us held, the period during which he has served as such, and the business experience during at least the last five years:

GARY MOORE has been our President and Chief Executive Officer, as well as a member of the Board of Directors since September 8, 2004. He brings to the Company more than 25 years experience in the banking industry. Since its inception, Mr. Moore has been responsible for the development and infrastructure of EPS, our wholly owned subsidiary, which is a market evaluation software company. From 2001- 2003 he was a partner and a co-founder of AMDS in Memphis Tennessee which is a merchant service provider for credit card processing. He sold his interest in AMDS to his partners in June 2003. Prior to such time from 1986-1999 he was the head government bond trader for Union Planter Bank where he managed bond positions and traded over a billion bonds monthly. In 2000-2001, he was also employed in the mortgage division of Union Planters where his responsibilities included correspondent banking and developing relationships with regional banks. He received his degree in Journalism/Public Relations from the University of Memphis in 1976. From 2003 to the present, Mr. Moore has worked exclusively developing the TimingWave formula into software application. Mr. Moore devotes about 60 hours a week to his work at the Company, 100% of his time.

DON BRATCHER has been our Chief Financial Officer as well as a member of our Board of Directors since September 8, 2004. He has over 25 years experience in finance and has served in various capacities at both small and large companies. Until August of 1993, Mr. Bratcher worked as a Senior Examiner for the Arkansas Insurance Department. In that capacity, he was responsible for the supervision and participation in the examination of domestic and foreign insurance companies to determine financial condition and compliance with Arkansas insurance law. He is presently self-employed doing Futures and Options Trading. In addition, since 1993 he has acted as Examiner In-Charge and Examiner on behalf of various state insurance departments for financial condition examinations of insurance companies participating in all phases of the examination process on an independent contractor basis. In such capacity he performed in-house desk audits and financial analysis of both domestic and foreign insurers. Mr. Bratcher is a Certified Financial Examiner and Member of the Arkansas Society of Certified Public Accountants. Mr. Bratcher devotes 5-10 hours per week to the business, about 5% of his time.

RICHARD TORTI has been our Vice President since October 15, 2004. He has over 25 years of experience in the banking and securities industries and has served in various capacities in profit and loss management, operations, compliance strategic planning and business development. He has been employed by the Arkansas Dept. of Insurance since May 1, 2005 as a senior examiner. Prior to that position he was self-employed as a contract consultant and in such capacity in banking, investments and business management. In addition, from 1999 until 2001 he was the Vice President/Manager of Capital Markets for Union Bank of California in Los Angeles. In such capacity he management

capital markets department with full profit and loss responsibility with an emphasis on strengthening the bank's overall market share with its customer base by building referral channels for cross selling opportunities with other department. From 1994 to 1999 he was the Senior Vice President and Midwest Manager of Bank of America/Nations Bank where he directed bank relationships managers in developing customer programs. Mr. Torti has a Series 65 license and has active life and health insurances licenses. He received his Master of Business in Finance as well as his Bachelor of Business Administration in Investments and Accounting from Memphis State Uni