

Marketing Acquisition Corp  
Form 10-K  
January 27, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

Form 10-K

---

(Mark one)

**Annual Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2008

**Transition Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934**

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

---

Commission File Number: 0-52072

**Marketing Acquisition Corporation**  
(Exact Name of Registrant as Specified in Its Charter)

Nevada  
(State of Incorporation)

62-1299374  
(I. R. S. Employer ID  
Number)

174 FM 1830, Argyle, Texas 76226  
(Address of Principal Executive Offices)

(972) 233-0300  
(Registrant's Telephone Number)

12890 Hilltop Road, Argyle, Texas 76226  
(Former Name or Former Address, if changed since last Report)

---

Securities registered pursuant to Section 12 (b) of the Act - None  
Securities registered pursuant to Section 12(g) of the Act: - Common Stock - \$0.001 par value

Indicate by check mark if the registrant is a well known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes [ ] No [ X ]

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

Yes [ ] No [ X ]

Indicate by check mark whether the registrant has (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 the Company was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [ X ] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the 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 the 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

X

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):

Yes [X] No [ ]

he aggregate market value of voting and non-voting common equity held by non-affiliates as of January 27, 2009 was approximately \$ 95.135 based upon 186,539 shares held by non-affiliates and a closing market price of \$0.51 per share on January 27, 2009, as quoted on [www.bigcharts.com](http://www.bigcharts.com).

As of January 27, 2009, there were 1,853,207 shares of Common Stock issued and outstanding.



## Marketing Acquisition Corporation

## Index to Contents

	<u>Page Number</u>
<b>Part I</b>	
Item 1	3
Item 1A	6
Item 2	9
Item 3	10
Item 4	10
<b>Part II</b>	
Item 5	10
Item 6	11
Item 7	11
Item 7A	16
Item 8	F-1
Item 9	16
Item 9A	16
<b>Part III</b>	
Item 10	17
Item 11	20
Item 12	20
Item 13	21
Item 14	21
<b>Part IV</b>	
Item 15	22
<b>Signatures</b>	<b>34</b>



**Caution Regarding Forward-Looking Information**

Certain statements contained in this annual filing, including, without limitation, statements containing the words "believes", "anticipates", "expects" and words of similar import, constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such factors include, among others, the following: international, national and local general economic and market conditions; demographic changes; the ability of the Company to sustain, manage or forecast its growth; the ability of the Company to successfully make and integrate acquisitions; existing government regulations and changes in, or the failure to comply with, government regulations; adverse publicity; competition; fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans; business disruptions; the ability to attract and retain qualified personnel; and other factors referenced in this and previous filings.

Given these uncertainties, readers of this Form 10-K and investors are cautioned not to place undue reliance on such forward-looking statements. The Company disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future events or developments.

**PART I**

**Item 1 - Business**

**General**

Marketing Acquisition Corporation (the "Company") was originally incorporated on July 26, 1990 in accordance with the laws of the State of Florida as Marketing Educational Corp.

The Company was originally formed for the purpose of direct marketing of certain educational materials and photography packages. The educational materials marketed by the Company consisted of encyclopedias, learning books, educational audio and video tapes which were designed to be used in various combinations to accommodate the educational levels and needs of families with children of all ages.

On June 13, 2006, the Company changed its state of incorporation from Florida to Nevada by means of a merger with and into a Nevada corporation formed on June 8, 2006 solely for the purpose of effecting the reincorporation. The Articles of Incorporation and Bylaws of the Nevada corporation are the Articles of Incorporation and Bylaws of the surviving corporation. Such Articles of Incorporation modified the Company's capital structure to allow for the issuance of up to 100,000,000 shares of \$0.001 par value common stock and up to 50,000,000 shares of \$0.001 par value preferred stock.

During 1991, the Company completed a public offering of 150,000 units of common stock, through a Registration Statement on Form S-18 (Registration No.33-37039-A). Each unit consisted of one share of common Stock, one Class A Common Stock Purchase Warrant and one Class B Common Stock Purchase Warrant. Each Class A Common Stock Purchase Warrant entitled the holder thereof to purchase two shares of Common Stock and each Class B Common Stock Purchase Warrant entitled the holder to purchase one Share of Common Stock. It was anticipated that the registration of the common stock underlying the Class A and Class B Common Stock Purchase Warrants would generate working capital for the Company. There was no exercise of any Class A or Class B Common Stock Purchase Warrants. On August 5, 1992, pursuant to notice given to all Warrant holders (as disclosed on a Current Report on Form 8-K filed August 12, 1992), the Company gave a 30-day exercise period notice and notice to redeem all outstanding warrants at a price of \$0.0005 per Warrant. The Company realized no gross or net proceeds as a result of

Edgar Filing: Marketing Acquisition Corp - Form 10-K

this Registration Statement on Form S-18.

Effective at the close of business on September 30, 1992, as reported in a Current Report on Form 8-K, filed October 7, 1992, the Company experienced a change in management. As a result of this event, the Company effectively liquidated all operations and assets and became a dormant entity at that point in time. The Company suspended its reporting under the Securities Exchange Act of 1934, as amended, (Exchange Act) due to a lack of operating capital.

Since September 30, 1992, the Company has had virtually no operations, assets or liabilities.

## Edgar Filing: Marketing Acquisition Corp - Form 10-K

On April 16 and April 27, 2004, the Company, in two separate transactions, sold a total of 20,000,000 shares of restricted, unregistered common stock to Glenn A. Little, the Company's former sole officer and director and former controlling stockholder, pursuant to two separate subscription agreements for 10,000,000 shares each, for gross proceeds of \$20,000. The Company relied upon Section 4(2) of the Securities Act of 1933, as amended, (Securities Act) for an exemption from registration of these shares and no underwriter was used in this transaction.

The Company stopped filing periodic reports in compliance with the Exchange Act during 1992. Due to the absence of certain accounting records, it was impossible to complete required filings from that point through March 2005. On April 15, 2005, the Company filed a Form 10-SB in order to disclose the Company's current status. The U. S. Securities and Exchange Commission (the Commission), while acknowledging the intent of the filing, took the position that filing was improper and the filing was withdrawn. The Company then voluntarily requested a revocation of the registration and, on February 15, 2006, the Commission entered an order pursuant to Section 12(j) of the Exchange Act revoking the registration of the Company's securities which revocation cancelled the Company's filing obligations from previous periods. The Company has had no operations since 1992 and, accordingly, may now be deemed to be a shell company, that is, a dormant or inactive company that has indicated that its sole business plan is to engage in a merger or other acquisition with an unidentified company or companies, or other entity or person.

On June 21, 2006, the Company filed a Registration Statement on Form 10-SB to re-register the Company's common stock under Section 12 of the Exchange Act.

On March 20, 2007, the Company entered into a Subscription Agreement (Agreement) with Halter Financial Investments, L.P., a Texas limited partnership (HFI). Other than in respect to this transaction, HFI had had no other material relationship with the Company or any of the Company's then officers, directors or affiliates or any associate of any such officer or director. Pursuant to the Agreement, the Company sold to HFI 60,000,000 pre-reverse split shares (1,250,000 post-reverse split shares) of its common stock at a purchase price of \$0.001 per share. The Company relied upon Section 4(2) of the Securities Act for an exemption from registration of these shares and no underwriter was used in this transaction.

On April 23, 2007, the Company's Board of Directors unanimously approved and recommended that the stockholders approve, and the Company's majority stockholder approved, an amendment to our Articles of Incorporation to effect a reverse stock split of our issued and outstanding shares of common stock on a 1 for 48 share basis, with no stockholder being reversed to less than a round lot of 100 shares with fractional shares rounded up to the nearest whole share:

	Shares prior to reverse split	Shares after reverse split
	1	100
	10	100
	100	100
	1,000	100
	5,000	105



The effect of the reverse split reduced the total number of issued and outstanding shares from 84,033,600 to 1,853,207 shares, after giving effect to both the special provisions discussed above and the rounding for fractional shares. The reverse stock split did not change the par value of our common stock nor change the number of authorized shares of our common stock. The effect of this action is reflected in the Company's financial statements as of the first day of the first period presented.

### **Business Plan**

Our current business plan is to seek and identify a privately-held operating company desiring to become a publicly held company by combining with us through a reverse merger or acquisition type transaction. Private companies wishing to have their securities publicly traded may seek to merge or effect an exchange transaction with a shell company with a significant stockholder base. As a result of the merger or exchange transaction, the stockholders of the private company will hold a majority of the issued and outstanding shares of the shell company. Typically, the directors and officers of the private company become the directors and officers of the shell company. Often the name of the private company becomes the name of the shell company.

We have no capital and must depend on HFI to provide us with the necessary funds to implement our business plan. We intend to seek opportunities demonstrating the potential of long-term growth as opposed to short-term earnings. However, at the present time, we have not identified any business opportunity that we plan to pursue, nor have we reached any agreement or definitive understanding with any person concerning an acquisition or merger.

Timothy P. Halter, our sole officer and director, will be primarily responsible for investigating combination opportunities. However, we believe that business opportunities may also come to our attention from various sources, including HFI, professional advisors such as attorneys, and accountants, securities broker-dealers, venture capitalists, members of the financial community, and others who may present unsolicited proposals. We have no plan, understanding, agreements, or commitments with any individual for such person to act as a finder of opportunities for us.

No direct discussions regarding the possibility of a combination are currently ongoing and we can give no assurances that we will be successful in finding or acquiring a desirable business opportunity, given the limited funds that are expected to be available to us for implementation of our business plan. Furthermore, we can give no assurances that any acquisition, if it occurs, will be on terms that are favorable to us or our current stockholders.

We do not propose to restrict our search for a candidate to any particular geographical area or industry, and therefore, we are unable to predict the nature of our future business operations. Our management's discretion in the selection of business opportunities is unrestricted, subject to the availability of such opportunities, economic conditions, and other factors.

Any entity which has an interest in being acquired by, or merging into us, is expected to be an entity that desires to become a public company and establish a public trading market for its securities. In connection with such a merger or acquisition, it is anticipated that an amount of common stock constituting control of us would be issued by us.

We do not foresee that we will enter into a merger or acquisition transaction with any business with which HFI or Timothy P. Halter is currently affiliated.

### **Investigation and Selection of Business Opportunities**

Certain types of business acquisition transactions may be completed without requiring us to first submit the transaction to our stockholders for their approval. If the proposed transaction is structured in such a fashion our stockholders (other than HFI our majority stockholder) will not be provided with financial or other information relating to the candidate prior to the completion of the transaction.

If a proposed business combination or business acquisition transaction is structured that requires our stockholder approval, and we are a reporting company, we will be required to provide our stockholders with information as applicable under Regulations 14A and 14C under the Exchange Act.

The analysis of business opportunities will be undertaken by or under the supervision of Timothy P. Halter, our president and sole director. In analyzing potential merger candidates, our management will consider, among other things, the following factors:

- \* Potential for future earnings and appreciation of value of securities;
- \* Perception of how any particular business opportunity will be received by the investment community and by our stockholders;
- \* Eligibility of a candidate, following the business combination, to qualify its securities for listing on a national exchange or on a national automated securities quotation system, such as NASDAQ.
- \* Historical results of operation;
- \* Liquidity and availability of capital resources;
- \* Competitive position as compared to other companies of similar size and experience within the industry segment as well as within the industry as a whole;
- \* Strength and diversity of existing management or management prospects that are scheduled for recruitment;
- \* Amount of debt and contingent liabilities; and
- \* The products and/or services and marketing concepts of the target company.

There is no single factor that will be controlling in the selection of a business opportunity. Our management will attempt to analyze all factors appropriate to each opportunity and make a determination based upon reasonable investigative measures and available data. Potentially available business opportunities may occur in many different industries and at various stages of development, all of which will make the task of comparative investigation and analysis of such business opportunities extremely difficult and complex. Because of our limited capital available for investigation and our dependence on one person, Timothy P. Halter, we may not discover or adequately evaluate adverse facts about the business opportunity to be acquired.

We are unable to predict when we may participate in a business opportunity. We expect, however, that the analysis of specific proposals and the selection of a business opportunity may take several months.

Prior to making a decision to participate in a business transaction, we will generally request that we be provided with written materials regarding the business opportunity containing as much relevant information as possible, including, but not limited to, a description of products, services and company history; management resumes; financial information; available projections, with related assumptions upon which they are based; an explanation of proprietary products and services; evidence of existing patents, trademarks, or service marks, or rights thereto; present and proposed forms of compensation to management; a description of transactions between such company and its affiliates during the relevant periods; a description of present and required facilities; an analysis of risks and competitive conditions; a financial plan of operation and estimated capital requirements; audited financial statements, or if audited financial statements are not available, unaudited financial statements, together with reasonable assurance that audited financial statements would be able to be produced to comply with the requirements of a Current Report on Form 8-K to be filed with the Commission upon consummation of the business combination.

We believe that various types of potential candidates might find a business combination with us to be attractive. These include candidates desiring to create a public market for their securities in order to enhance liquidity for current stockholders, candidates which have long-term plans for raising capital through public sale of securities and believe that the prior existence of a public market for their securities would be beneficial, and candidates which plan to acquire additional assets through issuance of securities rather than for cash, and believe that the development of a public market for their securities will be of assistance in that process. Companies, which have a need for an immediate cash infusion, are not likely to find a potential business combination with us to be a prudent business transaction alternative.

### **Employees**

The Company currently has no employees. Management of the Company expects to use consultants, attorneys and accountants as necessary, and does not anticipate a need to engage any full-time employees so long as it is seeking and evaluating business opportunities. The need for employees and their availability will be addressed in connection with the decision whether or not to acquire or participate in specific business opportunities.

### **Item 1A - Risk Factors**

The Company's business and plan of operation is subject to numerous risk factors, including, but not limited to, the following:

#### **Limited Operating History Makes Potential Difficult to Assess**

The Company has limited financial resources and no operating activities. The Company will, in all likelihood, continue to sustain operating expenses without corresponding revenues, at least until the consummation of a business combination. This will most likely result in the Company incurring a net operating loss which will increase continuously until the Company can consummate a business combination with a target company. There is no assurance that the Company can identify such a target company and consummate such a business combination.

#### **There Is No Agreement for a Business Combination and No Minimum Requirements for a Business Combination**

The Company has no current arrangement, agreement or understanding with respect to engaging in a business combination with a specific entity. There can be no assurance that the Company will be successful in identifying and evaluating suitable business opportunities or in concluding a business combination. No particular industry or specific

business within an industry has been selected for a target company. The Company has not established a specific length of operating history or a specified level of earnings, assets, net worth or other criteria which it will require a target company to have achieved, or without which the Company would not consider a business combination with such business entity. Accordingly, the Company may enter into a business combination with a business entity having no significant operating history, losses, limited or no potential for immediate earnings, limited assets, negative net worth or other negative characteristics. There is no assurance that the Company will be able to negotiate a business combination on terms favorable to the Company.

**No Assurance of Success or Profitability**

There is no assurance that the Company will acquire a favorable business opportunity. Even if the Company should become involved in a business opportunity, there is no assurance that it will generate revenues or profits, or that the market price of the Company's outstanding shares will be increased thereby.



### **Type of Business Acquired**

The business to be acquired may wish to avoid effecting its own public offering and the accompanying expense, delays, and uncertainties. Because of the Company's limited capital, it is more likely than not that any acquisition by the Company will involve other parties whose primary interest is the acquisition of control of a publicly traded Company. Moreover, any business opportunity acquired may be currently unprofitable or present other negative factors.

### **Lack of Diversification**

Because of the limited financial resources that the Company has, it is unlikely that the Company will be able to diversify its acquisitions or operations. The Company's probable inability to diversify its activities into more than one area will subject the Company to economic fluctuations within a particular business or industry and therefore increase the risks associated with the Company's operations.

### **Dependence upon Management; Limited Participation of Management**

Because management consists of only one person, while seeking a business combination, Timothy P. Halter, the President of the Company, will be the only person responsible in conducting the day-to-day operations of the Company. The Company does not benefit from multiple judgments that a greater number of directors or officers would provide, and the Company will rely completely on the judgment of its one officer and director when selecting a target company. Mr. Halter anticipates devoting only a limited amount of time per month to the business of the Company. Mr. Halter has not entered into a written employment agreement with the Company and he is not expected to do so. The Company does not anticipate obtaining key man life insurance on Mr. Halter. The loss of the services of Mr. Halter would adversely affect development of the Company's business and its likelihood of continuing operations.

### **Conflicts of Interest**

The Company's sole officer and director has other business interests to which he currently devotes attention, and is expected to continue to do so. As a result, conflicts of interest may arise that can be resolved only through their exercise of judgment in a manner which is consistent with his fiduciary duties to the Company.

It is anticipated that the Company's principal stockholder may actively negotiate or otherwise consent to the purchase of a portion of their common stock as a condition to, or in connection with, a proposed merger or acquisition transaction. In this process, the Company's principal stockholder may consider his own personal pecuniary benefit rather than the best interest of other Company stockholders. Depending upon the nature of a proposed transaction, Company stockholders other than the principal stockholder may not be afforded the opportunity to approve or consent to a particular transaction.

### **Possible Need for Additional Financing**

The Company has very limited funds, and such funds, may not be adequate to take advantage of any available business opportunities. Even if the Company's currently available funds prove to be sufficient to pay for its operations until it is able to acquire an interest in, or complete a transaction with, a business opportunity, such funds will clearly not be sufficient to enable it to exploit the opportunity. Thus, the ultimate success of the Company will depend, in part, upon its availability to raise additional capital. In the event that the Company requires modest amounts of additional capital to fund its operations until it is able to complete a business acquisition or transaction, such funds, are expected to be provided by the principal stockholder. The Company has not investigated the availability, source, or terms that might govern the acquisition of the additional capital which is expected to be required in order to exploit a business opportunity, and will not do so until it has determined the level of need for such additional financing. There is no assurance that additional capital will be available from any source or, if available, that it can be obtained on

terms acceptable to the Company. If not available, the Company's operations will be limited to those that can be financed with its modest capital.

**Dependence Upon Outside Advisors**

To supplement the business experience of its officer and director, the Company may be required to employ accountants, technical experts, appraisers, attorneys, or other consultants or advisors. The selection of any such advisors will be made by the Company's officer, without any input by stockholders. Furthermore, it is anticipated that such persons may be engaged on an as needed basis without a continuing fiduciary or other obligation to the Company. In the event the officer of the Company considers it necessary to hire outside advisors, he may elect to hire persons who are affiliates, if those affiliates are able to provide the required services.



### **Regulation of Penny Stocks**

The Commission has adopted a number of rules to regulate “penny stocks.” Such rules include Rule 3a51-1 and Rules 15g-1 through 15g-9 under the Exchange Act. Because the securities of the Company may constitute “penny stocks” within the meaning of the rules (as any equity security that has a market price of less than \$5.00 per share or with an exercise price of less than \$5.00 per share, largely traded on the OTC Bulletin Board or the “Pink Sheets”, the rules would apply to the Company and to its securities. The Commission has adopted Rule 15g-9 which established sales practice requirements for certain low price securities. Unless the transaction is exempt, it shall be unlawful for a broker or dealer to sell a penny stock to, or to effect the purchase of a penny stock by, any person unless prior to the transaction: (I) the broker or dealer has approved the person’s account for transactions in penny stock pursuant to this rule and (ii) the broker or dealer has received from the person a written agreement to the transaction setting forth the identity and quantity of the penny stock to be purchased. In order to approve a person’s account for transactions in penny stock, the broker or dealer must: (a) obtain from the person information concerning the person’s financial situation, investment experience, and investment objectives; (b) reasonably determine that transactions in penny stock are suitable for that person, and that the person has sufficient knowledge and experience in financial matters that the person reasonably may be expected to be capable of evaluating the risks of transactions in penny stock; (c) deliver to the person a written statement setting forth the basis on which the broker or dealer made the determination (I) stating in a highlighted format that it is unlawful for the broker or dealer to affect a transaction in penny stock unless the broker or dealer has received, prior to the transaction, a written agreement to the transaction from the person; and (ii) stating in a highlighted format immediately preceding the customer signature line that (iii) the broker or dealer is required to provide the person with the written statement; and (iv) the person should not sign and return the written statement to the broker or dealer if it does not accurately reflect the person’s financial situation, investment experience, and investment objectives; and (d) receive from the person a manually signed and dated copy of the written statement. It is also required that disclosure be made as to the risks of investing in penny stock and the commissions payable to the broker-dealer, as well as current price quotations and the remedies and rights available in cases of fraud in penny stock transactions. Statements, on a monthly basis, must be sent to the investor listing recent prices for the Penny Stock and information on the limited market. Stockholders should be aware that, according to Commission Release No. 34-29093, 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 differential 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 level, along with the resulting inevitable collapse of those prices and with consequent investor losses. The Company’s management is aware of the abuses that have occurred historically in the penny stock market. Although the Company 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 the Company’s securities.

### **There May Be a Scarcity of and/or Significant Competition for Business Opportunities and Combinations**

The Company is and will continue to be an insignificant participant in the business of seeking mergers with and acquisitions of business entities. A large number of established and well-financed entities, including venture capital firms, are active in mergers and acquisitions of companies which may be merger or acquisition target candidates for the Company. Nearly all such entities have significantly greater financial resources, technical expertise and managerial capabilities than the Company and, consequently, the Company will be at a competitive disadvantage in identifying possible business opportunities and successfully completing a business combination. Moreover, the Company will also compete in seeking merger or acquisition candidates with other public shell companies, some of which may also have funds available for use by an acquisition candidate.

**Reporting Requirements May Delay or Preclude Acquisition**

Pursuant to the requirements of Section 13 of the Exchange Act, the Company is required to provide certain information about significant acquisitions including audited financial statements of the acquired company. Obtaining audited financial statements are the economic responsibility of the target company. The additional time and costs that may be incurred by some potential target companies to prepare such financial statements may significantly delay or essentially preclude consummation of an otherwise desirable acquisition by the Company. Acquisition prospects that do not have or are unable to obtain the required audited statements may not be appropriate for acquisition so long as the reporting requirements of the Exchange Act are applicable. Notwithstanding a target company's agreement to obtain audited financial statements within the required time frame, such audited financials may not be available to the Company at the time of effecting a business combination. In cases where audited financials are unavailable, the Company will have to rely upon unaudited information that has not been verified by outside auditors in making its decision to engage in a transaction with the business entity. This risk increases the prospect that a business combination with such a business entity might prove to be an unfavorable one for the Company.

### **Lack of Market Research or Marketing Organization**

The Company has neither conducted, nor have others made available to it, market research indicating that demand exists for the transactions contemplated by the Company. In the event demand exists for a transaction of the type contemplated by the Company, there is no assurance the Company will be successful in completing any such business combination.

### **Probable Change in Control of the Company and/or Management**

In conjunction with completion of a business acquisition, it is anticipated that the Company will issue an amount of the Company's authorized but unissued common stock that represents the greater majority of the voting power and equity of the Company, which will, in all likelihood, result in stockholders of a target company obtaining a controlling interest in the Company. The resulting change in control of the Company will likely result in removal of the present officer and director of the Company and a corresponding reduction in or elimination of his participation in the future affairs of the Company.

### **Possible Dilution of Value of Shares upon Business Combination**

A business combination normally will involve the issuance of a significant number of additional shares. Depending upon the value of the assets acquired in such business combination, the per share value of the Company's common stock may increase or decrease, perhaps significantly.

### **Additional Risks—Doing Business in a Foreign Country**

The Company may effectuate a business combination with a merger target whose business operations or even headquarters, place of formation or primary place of business are located outside the United States of America. In such event, the Company may face the significant additional risks associated with doing business in that country. In addition to the language barriers, different presentations of financial information, different business practices, and other cultural differences and barriers that may make it difficult to evaluate such a merger target, ongoing business risks result from the international political situation, uncertain legal systems and applications of law, prejudice against foreigners, corrupt practices, uncertain economic policies and potential political and economic instability that may be exacerbated in various foreign countries.

### **Taxation**

Federal and state tax consequences will, in all likelihood, be major considerations in any business combination that the Company may undertake. Currently, such transactions may be structured so as to result in tax-free treatment to both companies, pursuant to various federal and state tax provisions. The Company intends to structure any business combination so as to minimize the federal and state tax consequences to both the Company and the target entity; however, there can be no assurance that such business combination will meet the statutory requirements of a tax-free reorganization or that the parties will obtain the intended tax-free treatment upon a transfer of stock or assets. A non-qualifying reorganization could result in the imposition of both federal and state taxes, which may have an adverse effect on both parties to the transaction.

### **Item 2 - Properties**

The Company currently maintains a mailing address at 174 FM 1830, Argyle, Texas 76226. The Company's telephone number there is (972) 233-0300. Other than this mailing address, the Company does not currently maintain any other office facilities, and does not anticipate the need for maintaining office facilities at any time in the foreseeable future. The Company pays no rent or other fees for the use of the mailing address as these offices are used virtually full-time by other businesses of the Company's sole officer and director.

It is likely that the Company will not establish an office until it has completed a business acquisition transaction, but it is not possible to predict what arrangements will actually be made with respect to future office facilities.

**Item 3 - Legal Proceedings**

The Company is not a party to any pending legal proceedings, and no such proceedings are known to be contemplated.

**Item 4 - Submission of Matters to a Vote of Security Holders**

The Company has not conducted any meetings of stockholders during the preceding quarter or periods subsequent thereto.

**PART II****Item 5 - Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

The Company's securities are eligible for trading on the OTC Bulletin Board under the Commission's Rule 15c2-11, Subsection (a)(5). The Company's trading symbol is MAQC. As of the date of this report, there have been limited and sporadic trades of the Company's securities.

As of December 31, 2008, there were a total of 1,853,207 shares of our common stock held by approximately 364 stockholders of record. There are no shares of our preferred stock outstanding at the date of this report.

The following table sets forth the quarterly average high and low closing bid prices per share for the Common Stock:

	High	Low
Fiscal year ended December 31, 2007		
Quarter ended March 31, 2007	\$ 12.50	\$ 12.50
Quarter ended June 30, 2007	87.50	1.01
Quarter ended September 30, 2007	1.90	1.01
Quarter ended December 31, 2007	1.26	0.51
Fiscal year ended December 31, 2008		
Quarter ended March 31, 2008	\$ 1.25	\$ 1.25
Quarter ended June 30, 2008	2.05	1.01
Quarter ended September 30, 2008	1.25	1.01
Quarter ended December 31, 2008	1.01	0.51

The source for the high and low closing bids quotations is the National Quotation Bureau, Inc. and does not reflect inter-dealer prices, such quotations are without retail mark-ups, mark-downs or commissions, and may not represent actual transactions and have not been adjusted for stock dividends or splits. The reported closing price of the Company's common stock, based on the last reported trade on December 31, 2008 was \$0.51 per share.

**Common Stock**

Our authorized capital stock consists of 100,000,000 shares of \$0.001 par value common stock and 50,000,000 shares of \$0.001 par value preferred stock. Each share of common stock entitles a stockholder to one vote on all matters upon which stockholders are permitted to vote. No stockholder has any preemptive right or other similar right to purchase or subscribe for any additional securities issued by us, and no stockholder has any right to convert the common stock into other securities. No shares of common stock are subject to redemption or any sinking fund provisions. All the outstanding shares of our common stock are fully paid and non-assessable. Subject to the rights of the holders of the preferred stock, if any, our stockholders of common stock are entitled to dividends when, as and if declared by our board from funds legally available therefore and, upon liquidation, to a pro-rata share in any distribution to stockholders. We do not anticipate declaring or paying any cash dividends on our common stock in the foreseeable future.

**Preferred Stock**

The Company is also authorized to issue up to 50,000,000 shares of \$0.001 par value Preferred Stock and no shares are issued and outstanding as of the date of this Report.

Pursuant to our Articles of Incorporation, our board has the authority, without further stockholder approval, to provide for the issuance of up to 50 million shares of our preferred stock in one or more series and to determine the dividend rights, conversion rights, voting rights, rights in terms of redemption, liquidation preferences, the number of shares constituting any such series and the designation of such series. Our Board has the power to afford preferences, powers and rights (including voting rights) to the holders of any preferred stock preferences, such rights and preferences being senior to the rights of holders of common stock. No shares of our preferred stock are currently outstanding. Although we have no present intention to issue any shares of preferred stock, the issuance of shares of preferred stock, or the issuance of rights to purchase such shares, may have the effect of delaying, deferring or preventing a change in control of our company.

### **Restricted Securities**

We currently have 1,666,668 outstanding shares which may be deemed restricted securities as defined in Rule 144. We do not intend to issue any securities prior to consummating a reverse merger transaction. The securities we issue in a merger transaction will most likely be restricted securities.

Generally, restricted securities can be resold under Rule 144 once they have been held for the required statutory period, provided that the securities satisfies the current public information requirements of the Rule.

### **Dividends**

Dividends, if any, will be contingent upon the Company's revenues and earnings, if any, and capital requirements and financial conditions. The payment of dividends, if any, will be within the discretion of the Company's Board of Directors. The Company presently intends to retain all earnings, if any, and accordingly the Board of Directors does not anticipate declaring any dividends prior to a business combination.

### **Transfer Agent**

Our independent stock transfer agent is Securities Transfer Corporation, located in Frisco, Texas. The mailing address and telephone number are: 2591 Dallas Parkway, Suite 102, Frisco, Texas 75034; (469) 633-0101.

### **Reports to Stockholders**

The Company plans to furnish its stockholders with an annual report for each fiscal year ending December 31 containing financial statements audited by its registered independent public accounting firm. In the event the Company enters into a business combination with another Company, it is the present intention of management to continue furnishing annual reports to stockholders. Additionally, the Company may, in its sole discretion, issue unaudited quarterly or other interim reports to its stockholders when it deems appropriate. The Company intends to maintain compliance with the periodic reporting requirements of the Exchange Act.

### **Item 6 - Selected Financial Data**

Not applicable



**Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations**

**(1) Caution Regarding Forward-Looking Information**

Certain statements contained in this annual filing, including, without limitation, statements containing the words "believes", "anticipates", "expects" and words of similar import, constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such factors include, among others, the following: international, national and local general economic and market conditions; demographic changes; the ability of the Company to sustain, manage or forecast its growth; the ability of the Company to successfully make and integrate acquisitions; existing government regulations and changes in, or the failure to comply with, government regulations; adverse publicity; competition; fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans; business disruptions; the ability to attract and retain qualified personnel; and other factors referenced in this and previous filings.

Given these uncertainties, readers of this Form 10-K and investors are cautioned not to place undue reliance on such forward-looking statements. The Company disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future events or developments.

## **(2) General**

The Company was originally incorporated as Marketing Educational Corp. on July 26, 1990 in accordance with the Laws of the State of Florida.

The Company was originally formed for the purpose of direct marketing of certain educational materials and photography packages. The educational materials marketed by the Company consisted of encyclopedias, learning books, educational audio and video tapes which were designed to be used in various combinations to accommodate the educational levels and needs of families with children of all ages.

Effective at the close of business on September 30, 1992, as reported on a Form 8-K, filed October 7, 1992, the Company experienced a change in management. As a result of this event, the Company effectively liquidated all operations and assets and became a dormant entity at that point. The Company suspended its reporting under the Exchange Act due to a lack of operating capital.

Since September 30, 1992, the Company has had virtually no operations, assets or liabilities.

On April 15, 2005, the Company filed a Form 10-SB in order to disclose the Issuer's current status. The Commission, while acknowledging the intent of the filing, took the position that filing was improper and the filing was withdrawn. The Company then voluntarily requested a revocation of the registration and, on February 15, 2006, the Commission entered an order pursuant to Section 12(j) of the Exchange Act revoking the registration of the Company's securities which revocation cancelled the Company's filing obligations from previous periods. The Company has had no operations since 1992 and, accordingly, may now be deemed to be a shell company, that is, a dormant or inactive company that has indicated that its sole business plan is to engage in a merger or other acquisition with an unidentified company or companies, or other entity or person.

On June 21, 2006, the Company filed a Registration Statement on Form 10-SB to re-register the Company's common stock under Section 12 of the Exchange Act.

The Company's current principal business activity is to seek a suitable reverse acquisition candidate through acquisition, merger or other suitable business combination method.

## **(3) Results of Operations**

The Company had no revenue for either of the years ended December 31, 2008 or 2007, respectively.

General and administrative expenses for each of the years ended December 31, 2008 and 2007 were approximately \$7,600 and \$13,700, respectively. These expenses were directly related to the maintenance of the corporate entity and the preparation and filing of periodic reports pursuant to the Exchange Act. It is anticipated that future expenditure levels will increase as the Company intends to fully comply with its periodic reporting requirements. Earnings per share for the respective years ended December 31, 2008 and 2007 were \$(0.00) and \$(0.01) based on the

weighted-average shares issued and outstanding at the end of each respective period.

It is anticipated that future expenditure levels will remain in line relatively consistent until such time that the Company completes a business combination transaction. Upon completion of a business combination transaction, it is anticipated that the Company's expenses will increase significantly.

The Company does not expect to generate any meaningful revenue or incur operating expenses for purposes other than fulfilling the obligations of a reporting company under the Exchange Act unless and until such time that the Company begins meaningful operations.

#### **(4) Plan of Business**

##### **General**

The Company's current purpose is to seek, investigate and, if such investigation warrants, merge or acquire an interest in business opportunities presented to it by persons or companies who or which desire to seek the perceived advantages of a Exchange Act registered corporation. As of the date of this registration statement, the Company has no

particular acquisitions in mind and has not entered into any negotiations regarding such an acquisition, and neither the Company's officer and director nor any promoter and affiliate has engaged in any negotiations with any representatives of the owners of any business or company regarding the possibility of a merger or acquisition between the Company and such other company.

Pending negotiation and consummation of a combination, the Company anticipates that it will have, aside from carrying on its search for a combination partner, no business activities, and, thus, will have no source of revenue. Should the Company incur any significant liabilities prior to a combination with a private company, it may not be able to satisfy such liabilities as are incurred.

If the Company's management pursues one or more combination opportunities beyond the preliminary negotiations stage and those negotiations are subsequently terminated, it is foreseeable that such efforts will exhaust the Company's ability to continue to seek such combination opportunities before any successful combination can be consummated. In that event, the Company's common stock will become worthless and holders of the Company's common stock will receive a nominal distribution, if any, upon the Company's liquidation and dissolution.

### **Management**

The Company is a shell corporation, and currently has no full-time employees. Timothy P. Halter is the Company's sole officer, director, and controlling stockholder. All references herein to management of the Company are to Mr. Halter. Mr. Halter, as president of the Company, has agreed to allocate a limited portion of his time to the activities of the Company without compensation. Potential conflicts may arise with respect to the limited time commitment by Mr. Halter and the potential demands of the Company's activities.

The amount of time spent by Mr. Halter on the activities of the Company is not predictable. Such time may vary widely from an extensive amount when reviewing a target company to an essentially quiet time when activities of management focus elsewhere, or some amount in between. It is impossible to predict with any precision the exact amount of time Mr. Halter will actually be required to spend to locate a suitable target company. Mr. Halter estimates that the business plan of the Company can be implemented by devoting less than 5 hours per month but such figure cannot be stated with precision.

### **Search for Business Opportunities**

The Company's search will be directed toward small and medium-sized enterprises, which have a desire to become reporting corporations and which are able to provide audited financial statements. The Company does not propose to restrict its search for investment opportunities to any particular geographical area or industry, and may, therefore, engage in essentially any business, to the extent of its limited resources. The Company's discretion in the selection of business opportunities is unrestricted, subject to the availability of such opportunities, economic conditions, and other factors. No assurance can be given that the Company will be successful in finding or acquiring a desirable business opportunity, and no assurance can be given that any acquisition, which does occur, will be on terms that are favorable to the Company or its current stockholders.

The Company may merge with a company that has retained one or more consultants or outside advisors. In that situation, the Company expects that the business opportunity will compensate the consultant or outside advisor. As of the date of this filing, there have been no discussions, agreements or understandings with any party regarding the possibility of a merger or acquisition between the Company and such other company. Consequently, the Company is unable to predict how the amount of such compensation would be calculated at this time.

The Company will not restrict its search to any specific kind of firm, but may acquire a venture, which is in its preliminary or development stage, one which is already in operation, or in a more mature stage of its corporate existence. The acquired business may need to seek additional capital, may desire to have its shares publicly traded, or may seek other perceived advantages which the Company may offer. The Company does not intend to obtain funds to finance the operation of any acquired business opportunity until such time as the Company has successfully consummated the merger or acquisition transaction. There are no loan arrangements or arrangements for any financing whatsoever relating to any business opportunities.

### **Evaluation of Business Opportunities**

The analysis of business opportunities will be under the supervision of the Company's sole officer and director, who is not a professional business analyst. In analyzing prospective business opportunities, management will consider such matters as available technical, financial and managerial resources; working capital and other financial

requirements; history of operations, if any; prospects for the future; nature of present and expected competition; the quality and experience of management services which may be available and the depth of that management; the potential for further research, development, or exploration; specific risk factors not now foreseeable, but which then may be anticipated to impact the proposed activities of the Company; the potential for growth or expansion; the potential for profit; the perceived public recognition or acceptance of products, services, or trades; name identification; and other relevant factors. In many instances, it is anticipated that the historical operations of a specific business opportunity may not necessarily be indicative of the potential for the future because of a variety of factors, including, but not limited to, the possible need to expand substantially, shift marketing approaches, change product emphasis, change or substantially augment management, raise capital and the like. To the extent possible, the Company intends to utilize written reports and personal investigation to evaluate the above factors. Prior to making a decision to participate in a business opportunity, the Company will generally request that it be provided with written materials regarding the business opportunity containing as much relevant information as possible, including, but not limited to, such items as a description of products, services and company history; management resumes; financial information; available projections, with related assumptions upon which they are based; an explanation of proprietary products and services; evidence of existing patents, trademarks, or service marks, or rights thereto; present and proposed forms of compensation to management; a description of transactions between such company and its affiliates during the relevant periods; a description of present and required facilities; an analysis of risks and competitive conditions; a financial plan of operation and estimated capital requirements; audited financial statements, or if they are not available at that time, unaudited financial statements, together with reasonable assurance that audited financial statements would be able to be produced within a required period of time; and the like.

The Company is currently subject to the reporting requirements of the Exchange Act. Under the Exchange Act, any merger or acquisition candidate will become subject to the same reporting requirements of the Exchange Act as the Company following consummation of any merger or acquisition. Thus, in the event the Company successfully completes the acquisition of or merger with an operating business entity, that business entity must provide audited financial statements for at least two most recent fiscal years or, in the event the business entity has been in business for less than two years, audited financial statements will be required from the period of inception. Acquisition candidates that do not have or are unable to obtain the required audited statements will not be considered appropriate for acquisition.

Management believes that various types of potential merger or acquisition candidates might find a business combination with the Company to be attractive. These include acquisition candidates desiring to create a public market for their shares in order to enhance liquidity for current stockholders, acquisition candidates which have long-term plans for raising capital through public sale of securities and believe that the possible prior existence of a public market for their securities would be beneficial, and acquisition candidates which plan to acquire additional assets through issuance of securities rather than for cash, and believe that the possibility of development of a public market for their securities will be of assistance in that process. Acquisition candidates, who have a need for an immediate cash infusion, are not likely to find a potential business combination with the Company to be an attractive alternative. Nevertheless, the Company has not conducted market research and is not aware of statistical data which would support the perceived benefits of a merger or acquisition transaction for the owners of a business opportunity. The Company is unable to predict when it may participate in a business opportunity. It expects, however, that the analysis of specific proposals and the selection of a business opportunity may take several months or more. There can also be no assurances that we are able to successfully pursue a business opportunity. In that event, there is a substantial risk to the Company that failure to complete a business combination will significantly restrict its business operation and force management to cease operations and liquidate the Company.

##### **(5) Liquidity and Capital Resources**

Edgar Filing: Marketing Acquisition Corp - Form 10-K

At December 31, 2008 and 2007, respectively, the Company had working capital of \$34,700 and \$42,300, respectively.

In a prior period, the Company and its then-controlling stockholder, Glenn A. Little, have acknowledged that outside funds would be necessary to support the corporate entity and comply with the periodic reporting requirements of the Exchange Act. Accordingly, Mr. Little agreed to lend the Company up to \$20,000 with a maturity period not to exceed two (2) years from the initial funding date at an interest rate of 6.0% per annum. Mr. Little advanced an aggregate of \$10,000 to the Company with a scheduled maturity date of September 2008. In December 2008, the Company paid Mr. Little an aggregate \$11,415.34 to retire the aforementioned debt and all accrued interest.

On March 20, 2007, the Company entered into a Subscription Agreement with HFI. Other than in respect to this transaction, HFI had had no other material relationship with the Company or any of the Company's then officers, directors or affiliates or any associate of any such officer or director. Pursuant to the agreement, the Company sold to HFI 60,000,000 pre-reverse split shares (1,250,000 post-reverse split shares) of its common stock at a purchase price of \$0.001 per share. The Company relied upon Section 4(2) of the Securities Act for an exemption from registration of these shares and no underwriter was used in this transaction.

The Company's ultimate existence is dependent upon its ability to generate sufficient cash flows from operations to support its daily operations as well as provide sufficient resources to retire existing liabilities and obligations on a timely basis. Further, the Company faces considerable risk in its business plan and a potential shortfall of funding due to our inability to raise capital in the equity securities market. If no additional operating capital is received during the next twelve months, the Company will be forced to rely on existing cash in the bank and additional funds loaned by management and/or significant stockholders.

The Company's business plan is to seek an acquisition or merger with a private operating company which offers an opportunity for growth and possible appreciation of our stockholders' investment in the then issued and outstanding common stock. However, there is no assurance that the Company will be able to successfully consummate an acquisition or merger with a private operating company or, if successful, that any acquisition or merger will result in the appreciation of our stockholders' investment in the then outstanding common stock.

The Company anticipates offering future sales of equity securities. However, there is no assurance that the Company will be able to obtain additional funding through the sales of additional equity securities or, that such funding, if available, will be obtained on terms favorable to or affordable by the Company.

The Company's Articles of Incorporation authorize the issuance of up to 50,000,000 shares of preferred stock and 100,000,000 shares of common stock. The Company's ability to issue preferred stock may limit the Company's ability to obtain debt or equity financing as well as impede potential takeover of the Company, which takeover may be in the best interest of stockholders. The Company's ability to issue these authorized but unissued securities may also negatively impact our ability to raise additional capital through the sale of our debt or equity securities.

In the event that insufficient working capital to maintain the corporate entity and implement our business plan is not available, the Company's majority stockholder intends to maintain the corporate status of the Company and provide all necessary working capital support on the Company's behalf. However, no formal commitments or arrangements to advance or loan funds to the Company or repay any such advances or loans exist. There is no legal obligation for either management or significant stockholders to provide additional future funding.

Further, the Company is at the mercy of future economic trends and business operations for the Company's majority stockholder to have the resources available to support the Company.

In such a restricted cash flow scenario, the Company would be unable to complete its business plan steps, and would, instead, delay all cash intensive activities. Without necessary cash flow, the Company may become dormant during the next twelve months, or until such time as necessary funds could be raised in the equity securities market.

While the Company is of the opinion that good faith estimates of the Company's ability to secure additional capital in the future to reach its goals have been made, there is no guarantee that the Company will receive sufficient funding to sustain operations or implement any future business plan steps.

The Company's need for capital may change dramatically as a result of any business acquisition or combination transaction. There can be no assurance that the Company will identify any such business, product, technology or company suitable for acquisition in the future. Further, there can be no assurance that the Company would be successful in consummating any acquisition on favorable terms or that it will be able to profitably manage the business, product, technology or company it acquires.

The Company has no current plans, proposals, arrangements or understandings with respect to the sale or issuance of additional securities prior to the location of a merger or acquisition candidate. Accordingly, there can be no assurance that sufficient funds will be available to the Company to allow it to cover the expenses related to such activities.



Regardless of whether the Company's cash assets prove to be inadequate to meet the Company's operational needs, the Company might seek to compensate providers of services by issuances of stock in lieu of cash.

**(6) Critical Accounting Policies**

Our financial statements and related public financial information are based on the application of accounting principles generally accepted in the United States (GAAP). GAAP requires the use of estimates; assumptions, judgments and subjective interpretations of accounting principles that have an impact on the assets, liabilities, revenue and expense amounts reported. These estimates can also affect supplemental information contained in our external disclosures including information regarding contingencies, risk and financial

condition. We believe our use of estimates and underlying accounting assumptions adhere to GAAP and are consistently and conservatively applied. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ materially from these estimates under different assumptions or conditions. We continue to monitor significant estimates made during the preparation of our financial statements.

Our significant accounting policies are summarized in Note D of our financial statements. While all these significant accounting policies impact our financial condition and results of operations, we view certain of these policies as critical. Policies determined to be critical are those policies that have the most significant impact on our financial statements and require management to use a greater degree of judgment and estimates. Actual results may differ from those estimates. Our management believes that given current facts and circumstances, it is unlikely that applying any other reasonable judgments or estimate methodologies would cause effect on our consolidated results of operations, financial position or liquidity for the periods presented in this report.

#### **Item 7A - Quantitative and Qualitative Disclosures about Market Risk**

The carrying amount of cash, accounts receivable, accounts payable and notes payable, as applicable, approximates fair value due to the short term nature of these items and/or the current interest rates payable in relation to current market conditions.

Interest rate risk is the risk that the Company's earnings are subject to fluctuations in interest rates on either investments or on debt and is fully dependent upon the volatility of these rates. The Company does not use derivative instruments to moderate its exposure to interest rate risk, if any.

Financial risk is the risk that the Company's earnings are subject to fluctuations in interest rates or foreign exchange rates and are fully dependent upon the volatility of these rates. The Company does not use derivative instruments to moderate its exposure to financial risk, if any.

#### **Item 8 - Financial Statements and Supplementary Data**

The required financial statements begin on page F-1 of this document.

#### **Item 9 - Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None

#### **Item 9A - Controls and Procedures**

**Disclosure Controls and Procedures.** Our management, under the supervision and with the participation of our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), has evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15 promulgated under the Exchange Act as of the end of the period covered by this Annual Report. Based on such evaluation, our CEO and CFO have concluded that, as of the end of the period covered by this Annual Report, our disclosure controls and procedures are effective. Disclosure controls and

procedures are controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms and include controls and procedures designed to ensure that information we are required to disclose in such reports is accumulated and communicated to management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

**Management's Annual Report on Internal Control over Financial Reporting.** Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act.

Internal control over financial reporting is defined under the Exchange Act as a process designed by, or under the supervision of, our CEO and CFO and effected by our board of directors, management and other personnel, 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 and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitation, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluations 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 and procedures may deteriorate. Accordingly, even an effective system of internal control over financial reporting will provide only reasonable assurance with respect to financial statement preparation.

Our management, with the participation of our CEO and CFO, evaluated the effectiveness of the Company's internal control over financial reporting as of December 31, 2008. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework. Based on this evaluation and those criteria, our management, with the participation of our CEO and CFO, concluded that, as of December 31, 2008, our internal control over financial reporting was effective.

This Annual Report does not include an attestation report of our registered public accounting firm regarding our internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only management's report in this Annual Report.

**Changes in Internal Control over Financial Reporting.** There have not been any changes in our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f)) that occurred during the quarter ended December 31, 2008 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### PART III

#### Item 10 - Directors, Executive Officers and Corporate Governance

The directors and executive officers serving the Company are as follows:

<u>Name</u>	<u>Age</u>	<u>Position Held and Tenure</u>
Timothy P. Halter	42	President, Chief Executive Officer Chief Financial Officer and Director

The director named above will serve until the next annual meeting of the Company's stockholders or until any successors are duly elected and have qualified. Directors will be elected for one-year terms at the annual stockholders meeting. Officers will hold their positions at the pleasure of the board of directors, absent any employment agreement, of which none currently exists or is contemplated. There is no arrangement or understanding between any of the

directors or officers of the Company and any other person pursuant to which any director or officer was or is to be selected as a director or officer, and there is no arrangement, plan or understanding as to whether non-management stockholders will exercise their voting rights to continue to elect the current directors to the Company's board. There are also no arrangements, agreements or understandings between non-management stockholders that may directly or indirectly participate in or influence the management of the Company's affairs.

The sole director and officer will devote his time to the Company's affairs on an as needed basis, which, depending on the circumstances, could amount to as little as two hours per month, or more than forty hours per month, but more than likely encompass less than four (4) hours per month. There are no agreements or understandings for the officer or director to resign at the request of another person, and he is not acting on behalf of, and will not act at the direction of, any other person.

**Biographical Information**

Timothy P. Halter - Since 1995, Mr. Halter has been the president and the sole stockholder of Halter Financial Group, Inc., a Dallas, Texas based consulting firm specializing in the area of mergers, acquisitions and corporate finance. In September 2005, Mr. Halter and other minority partners formed HFI. HFI conducts no business operations.

Mr. Halter currently serves as a director of DXP Enterprises, Inc., a public corporation (NASDAQ: DXPE), and is the sole officer and director of BTHC VIII, Inc., BTHC X, Inc., BTHC XIV, Inc. and BTHC XV, Inc., each a Delaware corporation. Each of the afore-referenced companies is current in the filing of their periodic reports with the Commission. Except for DXP Enterprises, each of the afore-referenced companies for which Mr. Halter acts as an officer and director may be deemed shell corporations. Mr. Halter will devote as much of his time to our business affairs as may be necessary to implement our business plan.

### **Indemnification of Officers and Directors.**

We have the authority under the Nevada General Corporation Law to indemnify our directors and officers to the extent provided for in such statute. Set forth below is a discussion of Nevada law regarding indemnification which we believe discloses the material aspects of such law on this subject. The Nevada law provides, in part, that a corporation may indemnify a director or officer or other person who was, is or is threatened to be made a named defendant or respondent in a proceeding because such person is or was a director, officer, employee or agent of the corporation, if it is determined that such person:

- \* conducted himself in good faith;
- \* reasonably believed, in the case of conduct in his official capacity as a director or officer of the corporation, that his conduct was in the corporation's best interest and, in all other cases, that his conduct was at least not opposed to the corporation's best interests; and
- \* in the case of any criminal proceeding, had no reasonable cause to believe that his conduct was unlawful.

A corporation may indemnify a person under the Nevada law against judgments, penalties, including excise and similar taxes, fines, settlement, unreasonable expenses actually incurred by the person in connection with the proceeding. If the person is found liable to the corporation or is found liable on the basis that personal benefit was improperly received by the person, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding, and shall not be made in respect of any proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of his duty to the corporation. The corporation may also pay or reimburse expenses incurred by a person in connection with his appearance as witness or other participation in a proceeding at a time when he is not a named defendant or respondent in the proceeding.

Our Articles of Incorporation provides that none of our directors shall be personally liable to us or our stockholders for monetary damages for an act or omission in such directors' capacity as a director; provided, however, that the liability of such director is not limited to the extent that such director is found liable for (a) a breach of the directors' duty of loyalty to us or our stockholders, (b) an act or omission not in good faith that constitutes a breach of duty of the director to us or an act or omission that involves intentional misconduct or a knowing violation of the law, (c) a transaction from which the director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office, or (d) an act or omission for which the liability of the director is expressly provided under Nevada law. Limitations on liability provided for in our Articles of Incorporation do not restrict the availability of non-monetary remedies and do not affect a director's responsibility under any other law, such as the federal securities laws or state or federal environmental laws.

We believe that these provisions will assist us in attracting and retaining qualified individuals to serve as executive officers and directors. The inclusion of these provisions in our Articles of Incorporation may have the effect of reducing a likelihood of derivative litigation against our directors and may discourage or deter stockholders or

management from bringing a lawsuit against directors for breach of their duty of care, even though such an action, if successful, might otherwise have benefitted us or our stockholders.

Our Bylaws provide that we will indemnify our directors to the fullest extent provided by Nevada General Corporation Law and we may, if and to the extent authorized by our board of directors, so indemnify our officers and other persons whom we have the power to indemnify against liability, reasonable expense or other matters.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities is asserted by such director, officer, or controlling person in connection with the securities being registered, we will (unless in the opinion of our counsel the matter has been settled by controlling precedent) submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.



### **Compliance With Section 16(a) of the Exchange Act**

Section 16(a) of the Exchange Act requires our executive officers and directors and person who own more than 10% of our common stock to file reports regarding ownership of and transactions in our securities with the Commission and to provide us with copies of those filings. Based solely on our review of the copies received by or a written representation from certain reporting persons we believe that during fiscal year ended December 31, 2008, we believe that all eligible persons are in compliance with the requirements of Section 16(a).

### **Conflicts of Interest**

The sole officer of the Company will not devote more than a small portion of his time to the affairs of the Company. There will be occasions when the time requirements of the Company's business conflict with the demands of the officer's other business and investment activities. Such conflicts may require that the Company attempt to employ additional personnel. There is no assurance that the services of such persons will be available or that they can be obtained upon terms favorable to the Company.

The officer, director and principal stockholder of the Company may actively negotiate for the purchase of a portion of their common stock as a condition to, or in connection with, a proposed merger or acquisition transaction. It is anticipated that a substantial premium may be paid by the purchaser in conjunction with any sale of shares by the Company's officer, director and principal stockholder made as a condition to, or in connection with, a proposed merger or acquisition transaction. The fact that a substantial premium may be paid to the Company's sole officer and director to acquire his shares creates a conflict of interest for him and may compromise his state law fiduciary duties to the Company's other stockholders. In making any such sale, the Company's sole officer and director may consider his own personal pecuniary benefit rather than the best interests of the Company and the Company's other stockholders, and the other stockholders are not expected to be afforded the opportunity to approve or consent to any particular buy-out transaction involving shares held by Company management.

The Company has adopted a policy under which any consulting or finders fee that may be paid to a third party for consulting services to assist management in evaluating a prospective business opportunity would be paid in stock rather than in cash. Any such issuance of stock would be made on an ad hoc basis. Accordingly, the Company is unable to predict whether, or in what amount, such stock issuance might be made.

It is not currently anticipated that any salary, consulting fee, or finders fee shall be paid to any of the Company's directors or executive officers, or to any other affiliate of the Company except as described under Executive Compensation above.

Although management has no current plans to cause the Company to do so, it is possible that the Company may enter into an agreement with an acquisition candidate requiring the sale of all or a portion of the Common Stock held by the Company's current stockholders to the acquisition candidate or principals thereof, or to other individuals or business entities, or requiring some other form of payment to the Company's current stockholders, or requiring the future employment of specified officers and payment of salaries to them. It is more likely than not that any sale of securities by the Company's current stockholders to an acquisition candidate would be at a price substantially higher than that originally paid by such stockholders. Any payment to current stockholders in the context of an acquisition involving the Company would be determined entirely by the largely unforeseeable terms of a future agreement with an unidentified business entity.

### **Involvement on Certain Material Legal Proceedings During the Past Five (5) Years**

## Edgar Filing: Marketing Acquisition Corp - Form 10-K

- (1) No director, officer, significant employee or consultant has been convicted in a criminal proceeding, exclusive of traffic violations or is subject to any pending criminal proceeding.
- (2) No bankruptcy petitions have been filed by or against any business or property of any director, officer, significant employee or consultant of the Company nor has any bankruptcy petition been filed against a partnership or business association where these persons were general partners or executive officers.

(3) No director, officer, significant employee or consultant has been permanently or temporarily enjoined, barred, suspended or otherwise limited from involvement in any type of business, securities or banking activities.

(4) No director, officer or significant employee has been convicted of violating a federal or state securities or commodities law.

### Item 11 - Executive Compensation

The current management and oversight of the Company requires less than five (5) hours per month. As the Company's sole officer and director is engaged in other full-time income producing activities, the Company's sole officer or director has received any compensation from the Company. In future periods, subsequent to the consummation of a business combination transaction, the Company anticipates that it will pay compensation to its officer(s) and/or director(s).

#### SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Change in Pension Value and Nonqualified Non-Equity Deferred		Incentive Plan Compensation Earnings (\$)	All Other Compensation (\$)	Compensation Total (\$)
Timothy P. Halter, Principal Executive Officer	2008	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
	2007	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-

The Company has no other executive compensation issues which would require the inclusion of other mandated table disclosures.

### Item 12 - Security Ownership of Certain Beneficial Owners and Management

The following table sets forth, as of the date of this Annual Report, the number of shares of Common Stock owned of record and beneficially by executive officers, directors and persons who hold 5% or more of the outstanding Common Stock of the Company. Also included are the shares held by all executive officers and directors as a group.

## Edgar Filing: Marketing Acquisition Corp - Form 10-K

Name and address <sup>(2)</sup>	Shares Beneficially Owned <sup>(1)</sup>	
	Number of Shares	Percentage <sup>(3)</sup>
Timothy P. Halter <sup>(4)(5)</sup> 174 FM 1830 Argyle, TX 76226	1,250,000	67.45%
Halter Financial Investments, L. P. 174 FM 1830 Argyle, TX 76226	1,250,000	67.45%
Glenn A. Little 211 West Wall Midland, Texas 79701	416,668	22.48%
All Directors and Executive Officers (1 person)	1,250,000	67.45%

(1) On January 27, 2009, there were 1,853,207 shares of our common stock outstanding and no shares of preferred stock issued and outstanding. We have no outstanding stock options or warrants.

(2) Under applicable Commission rules, a person is deemed the "beneficial owner" of a security with regard to which the person directly or indirectly, has or shares (a) the voting power, which includes the power to vote or direct the voting of the security, or (b) the investment power, which includes the power to dispose, or direct the disposition, of the security, in each case irrespective of the person's economic interest in the security. Under Commission rules, a person is deemed to beneficially own securities which the person has the right to acquire within 60 days through the exercise of any option or warrant or through the conversion of another security.

- (3) In determining the percent of voting stock owned by a person on December 31, 2008 (a) the numerator is the number of shares of common stock beneficially owned by the person, including shares the beneficial ownership of which may be acquired within 60 days upon the exercise of options or warrants or conversion of convertible securities, and (b) the denominator is the total of (i) the 1,853,207 shares of common stock outstanding on December 31, 2008, and (ii) any shares of common stock which the person has the right to acquire within 60 days upon the exercise of options or warrants or conversion of convertible securities. Neither the numerator nor the denominator includes shares which may be issued upon the exercise of any other options
- (4) Mr. Halter is our president and director. He also is a member of Halter Financial Investments GP, LLC, the general partner of Halter Financial Investments L.P.
- (5) Mr. Halter is deemed to beneficially own the shares owned by Halter Financial Investments, L.P.

### Changes in Control

There are currently no arrangements which may result in a change in control of the Company.

### Item 13 - Certain Relationships and Related Transactions, and Director Independence

On March 20, 2007, the Company entered into a Subscription Agreement with HFI. Other than in respect to this transaction, HFI had had no other material relationship with the Company or any of the Company's then officers, directors or affiliates or any associate of any such officer or director. Pursuant to the agreement, the Company sold to HFI 60,000,000 pre-reverse split shares (1,250,000 post-reverse split shares) of its common stock at a purchase price of \$0.001 per share. The Company relied upon Section 4(2) of the Securities Act for an exemption from registration of these shares and no underwriter was used in this transaction. As a result of the closing of this stock purchase transaction, HFI owns 67.45% of the total outstanding shares of the Company's capital stock and 67.45% total voting power of all outstanding voting securities.

The Company currently maintains a mailing address at 174 FM 1830, Argyle, Texas 76226. The Company's telephone number there is (972) 233-0300. Other than this mailing address, the Company does not currently maintain any other office facilities, and does not anticipate the need for maintaining office facilities at any time in the foreseeable future. The Company pays no rent or other fees for the use of the mailing address as these offices are used virtually full-time by other businesses of the Company's sole officer and director.

**Item 14 - Principal Accountant Fees and Services**

The Company paid or accrued the following fees in each of the prior two fiscal years to its principal accountant, S. W. Hatfield, CPA of Dallas, Texas.

	Year ended December 31, 2008	Year ended December 31, 2007
1. Audit fees	\$ 4,450	\$ 5,975
2. Audit-related fees	--	--
3. Tax fees	700	--
4. All other fees	--	--
Totals	\$ 5,150	\$ 5,975

We have considered whether the provision of any non-audit services, currently or in the future, is compatible with S. W. Hatfield, CPA maintaining its independence and have determined that these services do not compromise their independence.

Financial Information System Design and Implementation: S. W. Hatfield, CPA did not charge the Company any fees for financial information system design and implementation fees.

The Company has no formal audit committee. However, the entire Board of Directors (Board) is the Company's defacto audit committee. In discharging its oversight responsibility as to the audit process, the Board obtained from the independent auditors a formal written statement describing all relationships between the auditors and the Company that might bear on the auditors' independence as required by the appropriate Professional Standards issued by the Public Company Accounting Oversight Board, the U. S. Securities and Exchange Commission and/or the American Institute of Certified Public Accountants. The Board discussed with the auditors any relationships that may impact their objectivity and independence, including fees for non-audit services, and satisfied itself as to the auditors' independence. The Board also discussed with management, the internal auditors and the independent auditors the quality and adequacy of the Company's internal controls.

The Company's principal accountant, S. W. Hatfield, CPA, did not engage any other persons or firms other than the principal accountant's full-time, permanent employees.

### Item 15 - Exhibits, Financial Statement Schedules

#### Exhibit

#### Number

3i.1	Articles of Incorporation (*)
3i.2	Articles of Merger (*)
3.2	By-Laws (*)
4.1	Specimen of Certificate of Common Stock (**)
31.1	Certification pursuant to Section 302 of Sarbanes-Oxley Act of 2002.
32.1	Certification pursuant to Section 906 of Sarbanes-Oxley Act of 2002.

- (\*) Incorporated by reference to the Company's Registration Statement on Form 10-SB (File No. 0-52072) on June 21, 2006.  
(\*\*) Incorporated by reference to the Company's Registration Statement on Form S-18 (File No. 0-19276) on March 26, 1991

(Financial statements follow on next page)

**Marketing Acquisition Corporation**

**Contents**

	<u>Page</u>
Report of Registered Independent Certified Public Accounting Firm	F-2
Financial Statements	
Balance Sheets as of December 31, 2008 and 2007	F-3
Statements of Operations and Comprehensive Loss  for the years ended December 31, 2008 and 2007	F-4
Statements of Changes in Stockholders' Equity  for the years ended December 31, 2008 and 2007	F-5
Statements of Cash Flows for the years ended December 31, 2008 and 2007	F-6
Notes to Financial Statements	F-7





**Letterhead of S. W. Hatfield, CPA**

**Report of Registered Independent Certified Public Accounting Firm**

Board of Directors and Stockholders  
Marketing Acquisition Corporation

We have audited the accompanying balance sheets of Marketing Acquisition Corporation (a Nevada corporation) as of December 31, 2008 and 2007 and the related statements of operations and comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the each of the two years ended December 31, 2008 and 2007, respectively. 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 audits 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 also 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 audit provides 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 Marketing Acquisition Corporation as of December 31, 2008 and 2007 and the results of its operations and its cash flows for the each of the two years ended December 31, 2008 and 2007, respectively, in conformity with generally accepted accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note C to the financial statements, the Company has no viable operations or significant assets and is dependent upon significant shareholders to provide sufficient working capital to maintain the integrity of the corporate entity. These circumstances create substantial doubt about the Company's ability to continue as a going concern and are discussed in Note C. The financial statements do not contain any adjustments that might result from the outcome of these uncertainties.

/s/ S. W. Hatfield, CPA  
S. W. HATFIELD, CPA

Dallas, Texas  
January 22, 2009



## Marketing Acquisition Corporation

## Balance Sheets

December 31, 2008 and 2007

	December 31, 2008	December 31, 2007
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash on hand and in bank	\$ 34,651	\$ 53,127
<b>Total Current Assets</b>	34,651	53,127
<b>Total Assets</b>	\$ 34,651	\$ 53,127
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</u></b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable - trade	\$ --	\$ --
Note payable to stockholder	--	10,000
Accrued interest payable to stockholder	--	840
<b>Total Current Liabilities</b>	--	10,840
<b>Long-Term Liabilities</b>	--	--
<b>Total Liabilities</b>	--	10,840
<b>Commitments and Contingencies</b>		
<b>Shareholders' Equity (Deficit)</b>		
Preferred stock - \$0.001 par value. 50,000,000 shares authorized None issued and outstanding	--	--
Common stock - \$0.001 par value. 100,000,000 shares authorized. 1,853,207 and 603,207 shares issued and outstanding, respectively	1,853	1,853
Additional paid-in capital	542,111	542,111
Accumulated deficit	(509,313)	(501,677)
<b>Total Shareholders' Equity (Deficit)</b>	34,651	42,287
<b>Total Liabilities and Shareholders' Equity</b>	\$ 34,651	\$ 53,127

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

**Marketing Acquisition Corporation**  
**Statements of Operations and Comprehensive Loss**  
Years ended December 31, 2008 and 2007

	Year ended December 31, 2008	Year ended December 31, 2007
<b>Revenues</b>	\$ --	\$ --
<b>Expenses</b>		
General and administrative expenses	7,060	13,683
<b>Income (Loss) from operations</b>	(7,060)	(13,683)
<b>Other Income (Expense)</b>		
Interest expense	(576)	(600)
Interest income	--	51
<b>Income (Loss) before provision for income taxes</b>	(7,636)	(14,232)
<b>Provision for income taxes</b>	--	--
<b>Net Loss</b>	(7,636)	(14,232)
<b>Other Comprehensive Income</b>	--	--
<b>Comprehensive Loss</b>	\$ (7,636)	\$ (14,232)
Earnings per share of common stock outstanding computed on net loss - basic and fully diluted	\$ (0.00)	\$ (0.01)
Weighted-average number of shares outstanding - basic and fully diluted	1,853,207	1,586,084

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



**Marketing Acquisition Corporation**  
**Statement of Changes in Shareholders' Equity**  
Years ended December 31, 2008 and 2007

	Common Stock Shares	Common Stock Amount	Additional paid-in capital	Accumulated deficit	Total
<b>Balances at</b>					
<b>January 1, 2007</b>	24,033,600	\$ 24,034	\$ 459,930	\$ (487,445)	\$ (3,481)
Effect of April 23, 2007 reverse stock split	(23,430,393)	(23,431)	23,431	--	--
	603,207	603	483,361	(487,445)	(3,481)
Sale of common stock	1,250,000	1,250	58,750	--	60,000
Net loss for the year	--	--	--	(14,232)	(14,232)
<b>Balances at</b>					
<b>December 31, 2007</b>	1,853,207	1,853	542,111	(501,677)	42,287
Net loss for the year	--	--	--	(7,636)	(7,636)
<b>Balances at</b>					
<b>December 31, 2008</b>	1,853,207	\$ 1,853	\$ 542,111	\$ (509,313)	\$ 34,651

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





**Marketing Acquisition Corporation**  
**Statements of Cash Flows**  
Years ended December 31, 2008 and 2007

	Year ended December 31, 2008	Year ended December 31, 2007
<b>Cash Flows from Operating Activities</b>		
Net income (loss) for the period	\$ (7,636)	\$ (14,232)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization	--	--
Increase (Decrease) in Accrued interest payable	(840)	600
<b>Net cash used in operating activities</b>	<b>(8,476)</b>	<b>(13,632)</b>
<b>Cash Flows from Investing Activities</b>		
	--	--
<b>Cash Flows from Financing Activities</b>		
Proceeds from sale of common stock	--	60,000
Repayment of loan from former officer	(10,000)	--
<b>Net cash provided by financing activities</b>	<b>(10,000)</b>	<b>60,000</b>
<b>Increase (Decrease) in Cash</b>	<b>(18,476)</b>	<b>46,368</b>
Cash at beginning of period	53,127	6,759
<b>Cash at end of period</b>	<b>\$ 34,651</b>	<b>\$ 53,127</b>
<b>Supplemental Disclosure of Interest and Income Taxes Paid</b>		
Interest paid for the year	\$ 1,416	\$ --
Income taxes paid for the year	\$ --	\$ --

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

**Marketing Acquisition Corporation**  
**Notes to Financial Statements**  
December 31, 2008 and 2007

**Note A - Organization and Description of Business**

Marketing Acquisition Corporation (Company) was originally incorporated on July 26, 1990 in accordance with the Laws of the State of Florida as Marketing Educational Corporation. The Company changed its corporate name to Marketing Acquisition Corporation on February 28, 2006.

On June 13, 2006, the Company changed its state of incorporation from Florida to Nevada by means of a merger with and into a Nevada corporation formed on June 8, 2006 solely for the purpose of effecting the reincorporation. The Articles of Incorporation and Bylaws of the Nevada corporation are the Articles of Incorporation and Bylaws of the surviving corporation. Such Articles of Incorporation modified the Company's capital structure to allow for the issuance of up to 100,000,000 shares of \$0.001 par value common stock and up to 50,000,000 shares of \$0.001 par value preferred stock.

The Company was originally formed for the purpose of direct marketing of certain educational materials and photography packages. The educational materials marketed by the Company consisted of encyclopedias, learning books, educational audio and video tapes which were designed to be used in various combinations to accommodate the educational levels and needs of families with children of all ages. During the year ended December 31, 1992, the Company sold or otherwise disposed of all assets and operations in order to settle then-outstanding indebtedness.

Since December 31, 1992, the Company has had no operations, significant assets or liabilities.

The Company's current business plan is to locate and combine with an existing, privately-held company which is profitable or, in management's view, has growth potential, irrespective of the industry in which it is engaged. A combination may be structured as a merger, consolidation, exchange of the Company's common stock for stock or assets or any other form which will result in the combined enterprise's becoming a publicly-held corporation.

**Note B - Preparation of Financial Statements**

The Company follows the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and has a year-end of December 31.

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

Management further acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system of internal accounting control is designed to assure, among other items, that 1) recorded transactions are valid; 2) valid transactions are recorded; and 3) transactions are recorded in the proper period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the Company for the respective periods being presented

**Note C - Going Concern Uncertainty**

The Company was originally formed for the purpose of direct marketing of certain educational materials and photography packages. This venture was unsuccessful and all business operations were abandoned by December 31, 1992. Since December 31, 1992, the Company has had no operations, assets or liabilities. The Company's current principal business activity is to seek a suitable reverse acquisition candidate through acquisition, merger or other suitable business combination method.

Because of these factors, the Company's auditors have issued an audit opinion on the Company's financial statements which includes a statement describing our going concern status. This means, in the auditor's opinion, substantial doubt about our ability to continue as a going concern exists at the date of their opinion.



**Marketing Acquisition Corporation**  
**Notes to Financial Statements - Continued**  
December 31, 2008 and 2007

**Note C - Going Concern Uncertainty - Continued**

The Company's continued existence is dependent upon its ability to generate sufficient cash flows from operations to support its daily operations as well as provide sufficient resources to retire existing liabilities and obligations on a timely basis.

The Company's articles of incorporation authorizes the issuance of up to 50,000,000 shares of preferred stock and 100,000,000 shares of common stock. The Company's ability to issue preferred stock may limit the Company's ability to obtain debt or equity financing as well as impede potential takeover of the Company, which takeover may be in the best interest of stockholders. The Company's ability to issue these authorized but unissued securities may also negatively impact our ability to raise additional capital through the sale of our debt or equity securities.

The Company anticipates future sales of equity securities to facilitate either the consummation of a business combination transaction or to raise working capital to support and preserve the integrity of the corporate entity. However, there is no assurance that the Company will be able to obtain additional funding through the sales of additional equity securities or, that such funding, if available, will be obtained on terms favorable to or affordable by the Company.

If no additional operating capital is received during the next twelve months, the Company will be forced to rely on existing cash in the bank and upon additional funds loaned by management and/or significant stockholders to preserve the integrity of the corporate entity at this time. In the event, the Company is unable to acquire advances from management and/or significant stockholders, the Company's ongoing operations would be negatively impacted.

It is the intent of management and significant stockholders to provide sufficient working capital necessary to support and preserve the integrity of the corporate entity. However, no formal commitments or arrangements to advance or loan funds to the Company or repay any such advances or loans exist. There is no legal obligation for either management or significant stockholders to provide additional future funding.

While the Company is of the opinion that good faith estimates of the Company's ability to secure additional capital in the future to reach our goals have been made, there is no guarantee that the Company will receive sufficient funding to sustain operations or implement any future business plan steps.

**Note D - Summary of Significant Accounting Policies**

1. Cash and cash equivalents

For Statement of Cash Flows purposes, the Company considers all cash on hand and in banks, certificates of deposit and other highly-liquid investments with maturities of three months or less, when purchased, to be cash and cash equivalents.

2. Income Taxes

The Company files income tax returns in the United States of America and various states, as appropriate and applicable. With few exceptions, the Company is no longer subject to U.S. federal, state and local, as applicable, income tax examinations by regulatory taxing authorities for years before 2005. The Company does not anticipate any examinations of returns filed since 2005.

## Edgar Filing: Marketing Acquisition Corp - Form 10-K

The Company uses the asset and liability method of accounting for income taxes. At December 31, 2008 and 2007, respectively, the deferred tax asset and deferred tax liability accounts, as recorded when material to the financial statements, are entirely the result of temporary differences. Temporary differences generally represent differences in the recognition of assets and liabilities for tax and financial reporting purposes, primarily accumulated depreciation and amortization, allowance for doubtful accounts and vacation accruals.



**Marketing Acquisition Corporation**  
**Notes to Financial Statements - Continued**  
December 31, 2008 and 2007

**Note D - Summary of Significant Accounting Policies - Continued**

2. Income taxes - continued

The Company adopted the provisions of FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes", on January 1, 2007. FASB Interpretation No. 48 requires the recognition of potential liabilities as a result of management's acceptance of potentially uncertain positions for income tax treatment on a "more-likely-than-not" probability of an assessment upon examination by a respective taxing authority. As a result of the implementation of Interpretation 48, the Company did not incur any liability for unrecognized tax benefits.

3. Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net income (loss) available to common stockholders by the weighted-average number of common shares outstanding during the respective period presented in our accompanying financial statements.

Fully diluted earnings (loss) per share is computed similar to basic income (loss) per share except that the denominator is increased to include the number of common stock equivalents (primarily outstanding options and warrants).

Common stock equivalents represent the dilutive effect of the assumed exercise of the outstanding stock options and warrants, using the treasury stock method, at either the beginning of the respective period presented or the date of issuance, whichever is later, and only if the common stock equivalents are considered dilutive based upon the Company's net income (loss) position at the calculation date.

At December 31, 2008 and 2007, and subsequent thereto, the Company had no outstanding common stock equivalents.

4. Recent Accounting Pronouncements

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position or cash flows.

**Note E - Fair Value of Financial Instruments**

The carrying amount of cash, accounts receivable, accounts payable and notes payable, as applicable, approximates fair value due to the short term nature of these items and/or the current interest rates payable in relation to current market conditions.

Interest rate risk is the risk that the Company's earnings are subject to fluctuations in interest rates on either investments or on debt and is fully dependent upon the volatility of these rates. The Company does not use derivative instruments to moderate its exposure to interest rate risk, if any.

Financial risk is the risk that the Company's earnings are subject to fluctuations in interest rates or foreign exchange rates and are fully dependent upon the volatility of these rates. The company does not use derivative instruments to moderate its exposure to financial risk, if any.



**Note F - Note Payable to Stockholder**

During Calendar 2006, the Company executed a \$20,000 Line of Credit Note Payable with Glenn A. Little, the Company's former controlling stockholder and executive officer to provide funds necessary to support the corporate entity and comply with the periodic reporting requirements of the Securities Exchange Act of 1934, as amended. This note bore interest at 6.0% and matured in September 2008. In December 2008, the Company repaid this note, including accrued interest, in full.



**Marketing Acquisition Corporation**  
**Notes to Financial Statements - Continued**  
December 31, 2008 and 2007

**Note G - Income Taxes**

The components of income tax (benefit) expense for each of the years ended December 31, 2008 and 2007, are as follows:

	Year ended December 31, 2008	Year ended December 31, 2007
<b>Federal:</b>		
Current	\$ --	\$ --
Deferred	--	--
	--	--
<b>State:</b>		
Current	--	--
Deferred	--	--
	--	--
<b>Total</b>	<b>\$ --</b>	<b>\$ --</b>

As a result of the April 2004 and March 2007 changes in control, the Company has a net operating loss carryforward of approximately \$16,200 for Federal income tax purposes. The amount and availability of any future net operating loss carryforwards may be subject to limitations set forth by the Internal Revenue Code. Factors such as the number of shares ultimately issued within a three year look-back period; whether there is a deemed more than 50 percent change in control; the applicable long-term tax exempt bond rate; continuity of historical business; and subsequent income of the Company all enter into the annual computation of allowable annual utilization of the carryforwards.

The Company's income tax expense (benefit) for each of the years ended December 31, 2008 and 2007, respectively, differed from the statutory federal rate of 34 percent as follows:

	Year ended December 31, 2008	Year ended December 31, 2007
Statutory rate applied to income before income taxes	\$ (2,600)	\$ (4,800)
Increase (decrease) in income taxes resulting from:		
State income taxes	--	--
Other, including reserve for deferred tax asset and application of net operating loss carryforward	2,600	4,800

Edgar Filing: Marketing Acquisition Corp - Form 10-K

Income tax expense	\$	--	\$	--
--------------------	----	----	----	----

Temporary differences, which consist principally of net operating loss carryforwards, statutory deferrals of expenses for organizational costs and statutory differences in the depreciable lives for property and equipment, between the financial statement carrying amounts and tax bases of assets and liabilities give rise to deferred tax assets and/or liabilities, as appropriate. As of December 31, 2008 and 2007, respectively, after giving effect to the March 2007 change in control, the deferred tax asset is as follows:

	December 31, 2008	December 31, 2007
Deferred tax assets		
Net operating loss carryforwards	\$ 5,500	\$ 2,900
Less valuation allowance	(5,500)	(2,900)
Net Deferred Tax Asset	\$ --	\$ --

F-10

---

**Marketing Acquisition Corporation**  
**Notes to Financial Statements - Continued**  
 December 31, 2008 and 2007

**Note H - Common Stock Transactions**

On March 20, 2007, the Company entered into a Subscription Agreement (Agreement) with Halter Financial Investments, L.P., a Texas limited partnership (HFI). Other than in respect to this transaction, HFI had had no other material relationship with the Company or any of the Company's then officers, directors or affiliates or any associate of any such officer or director. Pursuant to the Agreement, the Company sold to HFI 60,000,000 pre-reverse split shares (1,250,000 post-reverse split shares) of its common stock at a purchase price of \$0.001 per share. The Company relied upon Section 4(2) of the Securities Act of 1933, as amended, for an exemption from registration of these shares and no underwriter was used in this transaction.

On April 23, 2007, the Company's Board of Directors unanimously approved and recommended that the stockholders approve, and the Company's Majority Stockholder approved, an amendment to our Articles of Incorporation to effect a reverse stock split of our issued and outstanding shares of common stock on a 1 for 48 share basis, with no stockholder being reversed to less than a round lot of 100 shares with fractional shares rounded up to the nearest whole share:

Shares prior to reverse split	Shares after reverse split
1	100
10	100
100	100
1,000	100
5,000	105

The effect of the reverse split reduced the total number of issued and outstanding shares from 84,033,600 to 1,853,207 shares, after giving effect to both the special provisions discussed above and the rounding for fractional shares. The reverse stock split did not change the par value of our common stock nor change the number of authorized shares of our common stock. The effect of this action is reflected in the Company's financial statements as of the first day of the first period presented.

(Remainder of this page left blank intentionally)



**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.

**Marketing Acquisition  
Corporation**

Dated: January 27, 2009

/s/ Timothy P. Halter  
Timothy P. Halter  
President, Chief Executive  
Officer  
Chief Financial Officer and  
Director

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 as indicated.

**Marketing Acquisition  
Corporation**

Dated: January 27, 2009

/s/ Timothy P. Halter  
Timothy P. Halter  
President, Chief Executive  
Officer  
Chief Financial Officer and  
Director

