

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

FORM 10-KSB

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934: For the fiscal year ended December 31, 2007

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934: For the transition period from ___ to ___

Commission File Number: 000-52213

Format, Inc.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

33-0963637

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

27126 Paseo Espada, Suite 705, San Juan Capistrano, California

(Address of principal executive offices)

92675

(Zip Code)

949-481-9203

(Registrant's Telephone Number, Including Area Code)

Securities registered under Section 12(b) of the Act:

Title of each class registered:

None

Name of each exchange on which registered:

None

Securities registered under Section 12(g) of the Act:

Common Stock, Par Value \$.001

(Title of Class)

Preferred Stock, Par Value \$.001

(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [X] Yes [] No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. []

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

State issuer's revenues for its most recent fiscal year. \$84,927.

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of a specified date within the past 60 days. (See definition of affiliate in Rule 12b-2 of the Exchange Act.) As of March 28, 2008, approximately \$800,712.

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date. As of March 28, 2008, there were 3,770,083 shares of the issuer's \$.001 par value common stock issued and outstanding.

Documents incorporated by reference. There are no annual reports to security holders, proxy information statements, or any prospectus filed pursuant to Rule 424 of the Securities Act of 1933 incorporated herein by reference.

Transitional Small Business Disclosure format (check one): [] Yes [x] No

PART I

Item 1. Description of Business.

Our Background. We were incorporated in Nevada on March 21, 2001. We are qualified to do business in California as Format Document Services, Inc. On November 14, 2006, we filed a Registration Statement on Form 10-SB on a voluntary basis so that we would become a reporting issuer pursuant to the Securities and Exchange Act of 1934, which is a requirement for our common stock to become eligible for quotation on the OTC Bulletin Board. Our Registration Statement on Form 10-SB became effective on January 13, 2007. Our shares of common stock are currently eligible for quotation on the Over-the-Counter Bulletin Board under the symbol "FRMT".

During the last three years, our business operations have been negatively impacted by our inability to collect on certain accounts receivable balances, our inability to offer HTML EDGARization filing services and our lack of a significant number of customers. We have focused our business development on the following:

- In 2005 and 2006, we implemented HTML (Hypertext Markup Language) and unofficial PDF (Portable Document Format) EDGARization filing services in order to update our service offerings and improve our ability to compete with other providers of EDGARization services.
- In 2007, we have been actively marketing and promoting our services to increase the number of clients that we service.

We have not been a party to any bankruptcy, receivership or similar proceeding. We have not undertaken any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of our business.

Because we have limited operations and assets, we may be considered a shell company as defined in Rule 12b-2 of the Securities Exchange Act of 1934. Accordingly, we have checked the box on the cover page of this report that specifies we are a shell company.

Our Business. We provide EDGARizing services to various commercial and corporate entities. Our primary service is the EDGARization of corporate documents that require filing on EDGAR, the Electronic Data Gathering, Analysis, and Retrieval system maintained by the Securities and Exchange Commission. EDGAR performs automated collection, validation, indexing, acceptance, and forwarding of submissions by companies and others who are required by law to file forms with the Securities and Exchange Commission. These documents include registration statements, prospectuses, annual reports, quarterly reports, periodic reports, debt agreements, special proxy statements, offering circulars, tender offer materials and other documents related to corporate financings, acquisitions and mergers. We receive our clients' information in a variety of media, and reformat it for distribution, either in print, digital or Internet form. We also provide limited commercial printing services, which consist of annual reports, sales and marketing literature, newsletters, and custom-printed products.

Our EDGARization Services. We are a full-service EDGARizing firm that files EDGAR reports on behalf of public companies. The scope of work undertaken by a full-service EDGARizing includes the following:

- filing for EDGAR access codes;
- conversion of document to EDGAR acceptable format;
- client approval of EDGARized document; and
- electronic filing of the document.

We offer HTML (Hypertext Markup Language) and unofficial PDF (Portable Document Format) filing service for those clients who prefer their documents to appear similar to their original format. We believe we use the most current EDGARization software, which allows for filings to be transmitted via the Internet for no fee instead of the older, slower, dial-up method. Documents still require much work to conform to the requirements of the EDGAR system. We receive the documents to be EDGARized via email in PDF, Microsoft Word or Excel format. In order to convert that document to an HTML document, our edgarizer will do the following to prepare a document for filing with the SEC:

- 1) Identify the document type to be filed and print the document and open the Edgarizer HTML Software on the desktop.
- 2) Open the Contact Manager section of the software and Input the new client information. This includes client name, CCC, CIK, password, pass phrase, I.R.S. # and other pertinent information.

3) Create a new submission information file for the particular filing and input the correct and required information for the particular filing. For example, a current report on Form-8K will have correlating item numbers which must be input in advance of EDGARization, as well as a "date of event" field. Exhibits are then added to the newly create submission information file. The file is then saved.

4) From this point, the document attachment is opened in its original format and proofed for formatting errors before conversion. For example, in a word document for example we would do the following:

- accept track changes;
- turn off track changes;
- convert auto numbers;
- ensure consistent formatting of the document, such as spacing, underlines, bold, italics, paragraph justification, font size, and font type; and
- copy and paste into the newly created submission information file, the main body of the document.

Additional steps may be required depending on the quality and type of original documents provided. PDF documents would require the extra conversion to Word using Omnipro before it can be cut and paste into the submission information file.

5) The edgarized document is proofed for errors and necessary formatting corrections are made within the Edgarizer HTML Software.

6) Financial tables are then converted and adjusted using the "Convert to financial table tool", within the Edgarizer HTML Software. Once completed, financial tables require time to correct column width, row height, indents, spacing, underlines, and centering. Financial tables can be significantly more complex than text to convert.

7) Exhibits are opened, proofed in the same manner as above, and pasted into their allotted space within the submission information file. Exhibits are proofed again for accuracy and corrected as necessary. An exhibit number and style header is added to the top of each exhibit.

8) Page breaks are added throughout the entire document and page numbers are inserted.

9) Adjustments are also made to the page numbers of the table of contents, as needed and where applicable.

10) Finally, the appropriate signature lines are added from within the Edgarizer HTML software toolbar. The appropriate information is then cut and pasted in. Dates are added and signatures conformed as required.

Our Commercial Printing Services. We also provide commercial printing services, which consists of printing annual reports, sales and marketing literature, newsletters, and custom-printed products. We provide these services through third party contractors. We do not expect our printing services to become a material part of our business for the foreseeable future.

Our EDGARization Software. We currently license Edgarizer HTML, our EDGARization software, from Edgarfilings, Ltd. Edgarizer HTML is a widely used EDGARization software available for compiling and submitting Securities and Exchange Commission EDGAR filings. The program converts documents produced by word processing, spreadsheet, and desktop publishing packages into the EDGAR HTML format, adding the required submission information and EDGAR tags. Edgarizer HTML includes complete test filing capabilities to ensure that filings are compliant, and full communications features to facilitate filing directly to the SEC. We pay \$1,200 per year to Edgarfilings, Ltd. for our license, which is renewable on an annual basis.

Our Industry. The Securities and Exchange Commission has established a program for the electronic filing of documents under the federal securities laws, entitled Electronic Data Gathering Analysis and Retrieval. This program requires participants or their agents to file disclosure information with the Securities and Exchange Commission in an electronic format rather than by the traditional paper-filing package. This electronic format includes additional submission information and coding "tags" within the document for aid in the Securities and Exchange Commission's analysis of the document and retrieval by the public. EDGAR allows registrants to file and the public to retrieve disclosure information electronically.

The Securities and Exchange Commission began the development of EDGAR with a pilot program in 1984. Through a phase-in schedule, the Securities and Exchange Commission assigned one of ten dates by which all public companies must start filing disclosure documents through EDGAR operational system, which began April 26, 1993. All publicly held companies were expected to be required to file disclosure documents through EDGAR by May 1996. In addition, in 1999, the National Association of Securities Dealers, Inc. mandated that companies that participate on the Over-The-Counter Bulletin Board, an electronic quotation medium, file registration statements with the Securities and Exchange Commission via EDGAR, and to begin filing periodic filings with the Securities and Exchange Commission, which significantly increased the number of companies that need to utilize EDGAR filer services.

In May 1999, the EDGAR system began accepting documents in HTML (Hypertext Markup Language) and unofficial documents in PDF (Portable Document Format). This modernization of the EDGAR system was intended to make the system more user friendly, and give the documents submitted a look which was closer to that of the original document. At some point in the future, the Securities and Exchange Commission will no longer accept the traditional ASCII documents, and HTML will become the new standard.

Our Target Markets and Marketing Strategy. We believe that our primary target market will consist of small and medium size corporate entities and law firms that desire EDGARizing services for them or their clients. Our marketing strategy is to promote our services and products and attract businesses to us. Our marketing initiatives will include:

- establish relationships with industry professionals, such as attorneys and accountants, who can refer customers to us;
- utilizing direct response print advertisements placed primarily in small business, entrepreneurial, and financially-oriented magazines and special interest magazines;
- attend industry tradeshows; and
- initiate direct contact with potential customers.

Growth Strategy. Our objective is to become one of the dominant providers of EDGARizing services to small cap and micro cap public companies and small to medium size law firms. Our strategy is to provide clients with competitive pricing, exceptional personal service and reliable quality. Key elements of our strategy include:

- increase our relationships with businesses, law firms and accountants;
- continue and expand our website;
- provide additional services for businesses and other filers; and
- pursue relationships with companies that will support our business development.

Our Website www.formatds.com. Our website provides a description of our services along with our contact information including our address, telephone number and e-mail address. Our website also provides prospective customers with relevant information about our pricing and payment options, our filing procedures, frequently asked questions and investor relations.

Our Competition. The EDGARizing services industry in the United States is highly competitive. The EDGARizing process reformats documents required to be filed with the SEC from files that were originally generated using a variety of word processing and spreadsheet software. We compete with a variety of companies, many of which have greater financial and other resources than us, or are subsidiaries or divisions of larger organizations. In particular, the industry is characterized by a small number of large, dominant organizations that perform this service, such as Bowne & Co., Inc., RR Donnelley & Sons Co. and Merrill Corporation, along with corporate entities or law firms that have their own in-house EDGARizing capability.

The major competitive factors in our business are the timeliness and quality of customer service, the quality of finished products and price. Our ability to compete effectively in providing customer service and quality finished products depends primarily on the level of training of our staff, the utilization of computer software and equipment and the ability to perform the services with speed and accuracy. We believe we compete effectively in all of these areas.

Many of our competitors have substantially greater financial, technical, managerial, marketing and other resources than we do and they may compete more effectively than we can. If our competitors offer EDGARizing services at lower prices than we do, we may have to lower the prices we charge, which will adversely affect our results of operations. Furthermore, many of our competitors are able to obtain more experienced employees than we can.

Government Regulation. We are subject to federal, state and local laws and regulations applied to businesses generally. We believe that we are in conformity with all applicable laws in all relevant jurisdictions. We do not believe that we are subject to any environmental laws and regulations of the United States and the states in which we operate.

Our Research and Development. We are not currently conducting any research and development activities. We do not anticipate conducting such activities in the near future.

Intellectual Property. We do not presently own any copyrights, patents, trademarks, licenses, concessions or royalties, and we may rely on certain proprietary technologies, trade secrets, and know-how that are not patentable.

EDGARizer is a registered trademark of EDGARfilings, Ltd. EDGAR is registered trademark of the Securities and Exchange Commission. In the event that we use the name or phrase EDGAR Ease in our materials, we may need to secure a trademark license issued by EDGARfilings, Ltd. In the event that we use the name or phrase EDGAR in our materials, we may need to secure a trademark license issued by the Securities and Exchange Commission.

We own the Internet domain name “www.formatds.com”. Under current domain name registration practices, no one else can obtain an identical domain name, but someone might obtain a similar name, or the identical name with a different suffix, such as “.org”, or with a country designation. The regulation of domain names in the United States and in foreign countries is subject to change, and we could be unable to prevent third parties from acquiring domain names that infringe or otherwise decrease the value of our domain names.

Employees. As of March 28, 2008, we have one full-time employee and one part-time employee. Mr. Neely, our president, chief financial officer, secretary and one of our directors, currently devotes approximately 90% of his business time to our operations. We do not currently anticipate that we will hire any employees in the next six months, unless we significantly increase our revenues. From time-to-time, we anticipate that we will use the services of independent contractors and consultants to support our expansion and business development.

Facilities. Our executive, administrative and operating offices are located at 27126 Paseo Espada, Suite 705, San Juan Capistrano, CA 92675. Our office space is approximately 515 square feet and consists of two offices with a reception area. The term of our lease is month to month and we pay rent of \$1,250 per month. We believe that our facilities are adequate for our needs and that additional suitable space will be available on acceptable terms as required.

Risk Factors.

Investing in our common stock involves a high degree of risk. Any potential investor should carefully consider the risks and uncertainties described below before purchasing any shares of our common stock. The risks described below are those we currently believe may materially affect us.

Risks Related to our Business:

We have had operating losses since formation and expect to incur net losses for the foreseeable future. We have reported net losses of \$106,406 for the year ended December 31, 2007, and net losses of \$106,569 and \$49,585 for the fiscal years ended December 31, 2006 and 2005, respectively. We anticipate that we will lose money in the foreseeable future and we may not be able to achieve profitable operations. In order to achieve profitable operations, we need to generate more significant revenues and expand our customer base. We cannot be certain that our business will be successful or that we will generate significant revenues and become profitable.

The nature of our EDGARizing business is highly cyclical and affected by conditions in capital markets, such that our operating results may fluctuate due to a number of factors, such as stock market fluctuations and overall trends in the economy. The EDGARizing industry is highly dependent on the volume of public financing and equity offerings and corporate reporting requirements. The corporate reporting revenue is seasonal as the greatest number of regulatory reports is required to be processed during the fiscal quarter ending March 31 and the second quarter ending June 30. Because of these cyclical and seasonal factors, coupled with the general need to complete certain processing jobs quickly after delivery of copy by customers, we may not be able to handle maximum work loads as we only have only full-time employee and one-part time employee.

The EDGARizing industry has been dominated by larger, more established service providers. We compete directly with a number of other document processors having the same degree of specialization. Some of these document processors, such as Bowne & Co., Inc., RR Donnelley & Sons Co. and Merrill Corporation, enjoy significant market share, operate at multiple locations and have greater financial resources than we do. We face competition from other EDGARizing services, as well as from corporate entities and law firms that provide their own in-house EDGARizing services. We are newly entering this market, therefore, we do not know if our services will generate widespread market acceptance. Several factors may contribute to our products and services not achieving broad market acceptance, which include:

- failure to build brand recognition of Format;

- increased competition among other EDGARizing providers;
- failure to acquire, maintain and use state-of-the-art designing and computer equipment and document reformatting software;
- failure or stagnation of the e-commerce industry; and
- failure of clientele to use our EDGARizing services.

The software and equipment we use in our EDGARizing business are subject to rapid technological change and could cause us to make significant capital investment in new equipment. Newer technologies, techniques or products for the delivery of EDGARizing services we offer could be developed with better performance than the computer equipment and software that we use. The availability of new and better technologies could require us to make significant investments in computer equipment and software, render our current computer equipment or software obsolete and have a significant negative impact on our business and results of operations. Furthermore, technological changes, such as improvements or advancements in computer equipment or software could require a significant investment on our part to train our designers how to use these new applications.

Significant decreases in EDGARizing prices could harm our business by decreasing the demand for our services, lowering the barriers to market entry and increasing market competitiveness. A significant reduction in the price of document reformatting computer equipment or software could reduce the demand for our services by making it economically more attractive for small reporting companies and law firms that are our primary target market to buy their own document reformatting computer equipment and software begin to compete with us. Furthermore, decreases in prices of document reformatting software and computer equipment could result in smaller business ceasing to use our services to perform basic EDGARizing projects. In addition, price decreases could force us to reduce our fees in response to this reduction in demand or as a means to remain competitive.

We anticipate that we may need to raise additional capital to market our services. Our failure to raise additional capital will significantly affect our ability to fund our proposed activities. To actively market our services, we may be required to raise additional funds of approximately \$50,000. We do not know if we will be able to acquire additional financing. We anticipate that we will spend significant funds on the marketing and promotion of our services. Our failure to obtain additional funds would significantly limit or eliminate our ability to fund our sales and marketing activities. If we are not able to fund our sales and marketing activities, our ability to increase our revenues will be significantly hindered.

We have been relying, and expect to continue to rely, on Mr. Neely to provide interest free loans to pay for many of our expenses. We owe Mr. Neely a total of \$132,428 as of December 31, 2007. We cannot guaranty that Mr. Neely will continue to provide interest free loans to us.

Our officer and directors are engaged in other activities and could have conflicts of interest with us. Mr. Neely, our president, chief financial officer, secretary and one of our directors, and Robert Summers, one of our directors, engage in other activities unrelated to our operations. Our officer and directors may have conflicts of interest in allocating time, services, and functions between the other business ventures in which those persons may be or become involved. Our officer and directors may not have sufficient staff, consultants, employees, agents, contractors, and managers to adequately conduct our business.

As a service-oriented company, we depend on the efforts and abilities of Ryan Neely to manage our operations and perform our EDGARization services. Our sole officer has not entered into an employment agreement with us. We currently do not maintain any life insurance for our sole officer or any of our directors. Our ability to provide services will depend on the continued services of Ryan Neely, our sole officer and one of our directors. Any loss of services provided by Ryan Neely would be particularly detrimental to us because, among other things, the loss would slow our growth, sever the relationships and contacts we maintain through Mr. Neely within the EDGARizing industry and deprive us of his experience.

Our auditors have questioned our ability to continue operations as a “going concern.” Investors may lose all of their investment if we are unable to continue operations. We hope to generate increased revenues and operate profitably. In the absence of generating significantly more revenues, we will seek to raise additional funds to meet our working capital needs principally through the additional sales of our securities. However, we cannot guaranty that we will be able to obtain sufficient additional funds when needed, or that such funds, if available, will be obtainable on terms satisfactory to us. As a result, our auditors believe that substantial doubt exists about our ability to continue operations.

Risks Related to Owning Our Common Stock

We lack a public market for shares of our common stock, which may make it difficult for investors to sell their shares. No public market currently exists for our common stock, which is eligible for quotation on the Pink Sheets. We cannot guaranty that an active public market will develop or be sustained. Therefore, investors may not be able to find purchasers for their shares of our common stock. Purchasers of shares of our common stock may not realize any return on their purchase of our shares. Purchasers may lose their investments in us completely.

Our officer, directors and principal security holders own approximately 80% of our outstanding shares of common stock, allowing these shareholders to exert significant influence in matters requiring approval of our shareholders. Our directors, officer and principal security holders, taken as a group, together with their affiliates, beneficially own, in the aggregate, approximately 80% of our outstanding shares of common stock. Our principal security holders may be able to exert significant influence, or even control, matters requiring approval by our security holders, including the election of directors. Such concentrated control may also make it difficult for our shareholders to receive a premium for their shares of our common stock in the event we merge with a third party or enter into a different transaction which requires shareholder approval. In addition, certain provisions of Nevada law could have the effect of making it more difficult or more expensive for a third party to acquire, or of discouraging a third party from attempting to acquire, control of us.

Our common stock may be subject to penny stock regulations which may make it difficult for investors to sell their stock. The Securities and Exchange Commission has adopted rules that regulate broker-dealer practices in connection with transactions in “penny stocks”. Penny stocks generally are equity securities with a price of less than \$5.00 (other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system). The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from those rules, deliver a standardized risk disclosure document prepared by the Commission, which specifies information about penny stocks and the nature and significance of risks of the penny stock market. The broker-dealer also must provide the customer with bid and offer quotations for the penny stock, the compensation of the broker-dealer and salesperson in the transaction, and monthly account statements indicating the market value of each penny stock held in the customer's account. In addition, the penny stock rules require that, prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for a stock that becomes subject to the penny stock rules. If our common stock becomes subject to the penny stock rules, holders of our shares may have difficulty selling those shares.

Item 2. Description of Property.

Property held by us. As of the December 31, 2007 and 2006, we held no real property and do not presently own any interests in real estate

Our Facilities. Our executive, administrative and operating offices are located at 27126 Paseo Espada, Suite 705, San Juan Capistrano, CA 92675. Our office space is approximately 515 square feet and consists of two offices with a reception area. The term of our lease is month to month and we pay rent of \$1,250 per month. We believe that our facilities are adequate for our needs and that additional suitable space will be available on acceptable terms as required.

Item 3. Legal Proceedings.

There are no legal actions pending against us nor are any legal actions contemplated by us at this time.

Item 4. Submission of Matters to Vote of Security Holders.

Not applicable.

PART II

Item 5. Market Price for Common Equity and Related Stockholder Matters.

Market Information. Our common shares are eligible for quotation on the Pink Sheets under the symbol “FRMT”. This market is extremely limited and the prices quoted are not a reliable indication of the value of our common stock. As of March 28, 2008, shares of our common stock have been traded only once, with a quoted price \$2.00 per share as of July 11, 2007.

Reports to Security Holders. We became a reporting company pursuant to the Securities and Exchange Act of 1934 on January 13, 2007, which was 60 days after the filing of our Registration Statement on Form 10-SB. Since that time, we have been required to provide an annual report to our security holders, which will include audited financial statements, and quarterly reports, which will contain unaudited financial statements. The public may read and copy any materials filed with the Securities and Exchange Commission at the Securities and Exchange Commission's Public Reference Room at 450 Fifth Street NW, Washington, D.C. 20549. The public may also obtain information on the operation of the Public Reference Room by calling the Securities and Exchange Commission at 1-800-SEC-0330. The Securities and Exchange Commission maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the Securities and Exchange Commission. The address of that site is <http://www.sec.gov>.

There are no outstanding options or warrants to purchase, or securities convertible into, shares of our common stock. There are no outstanding shares of our common stock that we have agreed to register under the Securities Act for sale by security holders.

There have been no cash dividends declared on our common stock. Dividends are declared at the sole discretion of our Board of Directors.

As of March 28, 2008, there were 56 record holders of our common stock.

Dividend Policy. We have never declared or paid a cash dividend on our capital stock. We do not expect to pay cash dividends on our common stock in the foreseeable future. We currently intend to retain our earnings, if any, for use in our business. Any dividends declared in the future will be at the discretion of our board of directors and subject to any restrictions that may be imposed by our lenders.

No Equity Compensation Plan. We do not have any securities authorized for issuance under any equity compensation plan. We also do not have an equity compensation plan and do not plan to implement such a plan.

Recent Sales of Unregistered Securities. There have been no sales of unregistered securities within the last three (3) years which would be required to be disclosed pursuant to Item 701 of Regulation S-B.

Use of Proceeds of Registered Securities. There were no sales or proceeds during the calendar year ended December 31, 2007, for the sale of registered securities.

Penny Stock Regulation. Trading of our securities will be in the over-the-counter markets which are commonly referred to as the “pink sheets” or on the OTC Bulletin Board. As a result, an investor may find it more difficult to dispose of, or to obtain accurate quotations as to the price of the securities offered.

Shares of our common stock will probably be subject to rules adopted the Securities and Exchange Commission that regulate broker-dealer practices in connection with transactions in “penny stocks”. Penny stocks are generally equity securities with a price of less than \$5.00 (other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in those securities is provided by the exchange or system). The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from those rules, deliver a standardized risk disclosure document prepared by the Securities and Exchange Commission, which contains the following:

- a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading;
- a description of the broker’s or dealer’s duties to the customer and of the rights and remedies available to the customer with respect to violation to such duties or other requirements of securities’ laws;
- a brief, clear, narrative description of a dealer market, including “bid” and “ask” prices for penny stocks and the significance of the spread between the “bid” and “ask” price;
- a toll-free telephone number for inquiries on disciplinary actions;
- definitions of significant terms in the disclosure document or in the conduct of trading in penny stocks; and
- such other information and is in such form (including language, type, size and format), as the Securities and Exchange Commission shall require by rule or regulation.

Prior to effecting any transaction in penny stock, the broker-dealer also must provide the customer the following:

- the bid and offer quotations for the penny stock;
- the compensation of the broker-dealer and its salesperson in the transaction;
- the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and
- monthly account statements showing the market value of each penny stock held in the customer’s account.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser’s written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for a stock that becomes subject to the penny stock rules. Holders of shares of our common stock may have difficulty selling those shares because our common stock will probably be subject to the penny stock rules.

Item 6. Management's Discussion and Analysis of Financial Condition or Plan of Operation.

This following information specifies certain forward-looking statements of management of the company. Forward-looking statements are statements that estimate the happening of future events are not based on historical fact. Forward-looking statements may be identified by the use of forward-looking terminology, such as "may", "shall", "could", "expect", "estimate", "anticipate", "predict", "probable", "possible", "should", "continue", or similar terms, variations of those terms or the negative of those terms. The forward-looking statements specified in the following information have been compiled by our management on the basis of assumptions made by management and considered by management to be reasonable. Our future operating results, however, are impossible to predict and no representation, guaranty, or warranty is to be inferred from those forward-looking statements.

The assumptions used for purposes of the forward-looking statements specified in the following information represent estimates of future events and are subject to uncertainty as to possible changes in economic, legislative, industry, and other circumstances. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives require the exercise of judgment. To the extent that the assumed events do not occur, the outcome may vary substantially from anticipated or projected results, and, accordingly, no opinion is expressed on the achievability of those forward-looking statements. No assurance can be given that any of the assumptions relating to the forward-looking statements specified in the following information are accurate, and we assume no obligation to update any such forward-looking statements.

Critical Accounting Policy and Estimates. Our Management's Discussion and Analysis of Financial Condition and Results of Operations section discusses our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, management evaluates its estimates and judgments, including those related to revenue recognition, accrued expenses, financing operations, and contingencies and litigation. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The most significant accounting estimates inherent in the preparation of our financial statements include estimates as to the appropriate carrying value of certain assets and liabilities which are not readily apparent from other sources.

The following discussion of our financial condition and results of operations should be read in conjunction with our audited financial statements for the years ended December 31, 2007 and 2006, together with notes thereto included in this Form 10-KSB.

For the year ended December 31, 2007 as compared to the same period ended December 31, 2006.

Results of Operations.

Revenues. We generated revenues of \$84,927 for the year ended December 31, 2007, as compared to \$80,659 for the year ended December 31, 2006. The increase in revenues from 2006 to 2007 was primarily due to the fact that we were able to engage additional clients and perform more work than the year before. Prior to 2006, we EDGARized most of our clients' documents in ASCII which we believe is an inferior format to HTML. We believe that our ability to file all documents in HTML will improve our ability to compete with other providers of EDGARization services.

Operating Expenses. For the year ended December 31, 2007, our total operating expenses were \$196,134, as compared to total operating expenses of \$187,126 for the year ended December 31, 2006. The increase in total operating expenses is primarily due to an increase in bad debt expense of \$36,049 for the year ended December 31, 2007 as compared to only \$3,049, for the year ended December 31, 2006, which is due to being unable to collect on amounts owed us on certain accounts. The change is also partially due to an increase in wages and related expenses for the year ended December 31, 2007 to \$67,496 as compared to \$64,066 for the year ended December 31, 2006. The increase was due to additional time worked in 2007. We also had a decrease in professional fees, which totaled \$39,195 as compared to \$63,965 for the year ended December 31, 2006. The decrease was due to the fact that we did not have additional legal and accounting expenses incurred in preparing our Registration Statement on Form 10-SB and amendments to that registration statement, which was filed in 2006.

Other Income. For the year ended December 31, 2007, we had total other income of \$5,601, as compared to a total other expense of (\$3,302) for the year ended December 31, 2006. For the year ended December 31, 2007, we had \$5,601 gain on the sale of an automobile, while for the year ended December 31, 2006, other income was comprised primarily of \$3,120 of rental income which was from the sub-lease of our office space to an unrelated party. We had no rental income for the year ended December 31, 2007. For the year ended December 31, 2006, we also had unrealized losses on marketable securities of \$6,447 as compared to none the year ended December 31, 2007. That loss on sale of those marketable securities in 2006 was due to decreasing share prices from the time at which we accepted that stock as payment for services compared to the time of sale. Other than the rental income, the losses on marketable securities, and interest income of \$25, we had no other income or losses for the year ended December 31, 2006. For the year ended December 31, 2007, we had no interest income.

Net Income or Loss. For the year ended December 31, 2007, our net loss from operations before provision for income taxes of \$800 was \$105,606, making our net loss \$106,406. This is in comparison to the year ended December 31, 2005, where our net loss was \$109,769, due to a benefit of \$3,200 for the income tax. Our net loss for the year ended December 31, 2007 was nearly identical as compared to the prior year, despite an increase in operating expense between the two periods, and an increase in revenue, as discussed above.

Liquidity and Capital Resources. We had cash of \$5,583 as of December 31, 2007, compared to cash of \$9,941 as of December 31, 2006. We had less cash as of December 31, 2007, due to the difficulty of collecting on our accounts receivable. Our accounts receivable decreased to \$15,235 as of December 31, 2007, as compared to \$29,605 as of December 31, 2006, due to our inability to collect certain receivables in a timelier manner. Therefore, our total current assets decreased to \$38,287 as of December 31, 2007 from total current assets of \$48,596 as of December 31, 2006. As of December 31, 2006, the total of our property and equipment, less accumulated depreciation, was a net value of \$18,859, compared to the net value of \$15,069 for our property and equipment, less accumulated depreciation, as of December 31, 2007. We also have a loan receivable in the amount of \$20,500 as of December 31, 2007 and 2006, from a company that is principally owned by one of our shareholders that owns less than one percent of our issued and outstanding shares. As of December 31, 2007, collectability of the loan is uncertain and an allowance has been setup for the full amount due of \$20,500. The loans are interest free and due on demand. The loan receivable decreased from 2005 to 2006 due to payments made by one of the borrowers. Providing loans to these related parties negatively impacted our liquidity during 2005 and forced us to borrow additional capital from our sole officer.

As a result of some of our clients' inability to pay cash for our services, our president received shares of common stock from those customers in lieu of cash payment to settle their related obligations due to us. Our liquidity was negatively impacted by the timing and the amount of cash received by obtaining marketable securities contributed by our president as opposed to collecting on the related accounts receivable. The negative impacts include the time required to sell those securities as well as the added cost and expenses of selling those securities. Also, most of the securities we received were ultimately sold for less than the amount of the related accounts receivable.

Our total assets as of December 31, 2007 were \$38,287, as compared to total assets of \$87,955 for December 31, 2006. The decrease in our total assets as between the two years was due primarily to a decrease in available cash and the decrease in account receivables as of December 31, 2007.

As of December 31, 2007, our current liabilities were \$199,140, of which \$66,712 was represented by accounts payable and accrued expenses, as compared to December 31, 2006, where we had current liabilities of \$142,402, of which \$49,631 was represented by accounts payable and accrued expenses. However, the increase in current liabilities is due primarily to the increase in related party advance from \$92,771 as of December 31, 2006, to \$132,428 as of December 31, 2007. The related party advance is payable to Mr. Neely, our officer, principal shareholder and one of our directors compared. Mr. Neely had advanced those funds to us for working capital. We had no other long term liabilities, commitments or contingencies.

Other than the increases in legal and accounting costs we experienced due to the reporting requirements of becoming a reporting company, we are not aware of any other known trends, events or uncertainties, which may affect our future liquidity.

Our Plan of Operation for the Next Twelve Months. To effectuate our business plan during the next twelve months, we must increase the number of clients we service and actively market and promote our services. We believe that our ability to file all documents in HTML has significantly improved our ability to compete with other providers of EDGARization services. We have been actively meeting with our referral sources, such as accountants and attorneys, to understand how we can better service their clients' needs and how we can obtain EDGARization work from clients of theirs that currently use another provider. We believe that referrals will continue to comprise a majority of our business, and we hope to nurture and care for the relationships we have so that we can attract more clients.

We have also initiated a direct marketing campaign to newly public and small public companies. We believe that many smaller public companies are particularly sensitive to pricing. Therefore, we have targeted those companies as potential customers. We plan to mail information with pricing specials as well as make direct marketing calls to those companies in an effort to attract their business.

We had cash of \$5,583 as of December 31, 2007, which we estimate will not be sufficient to fund our operations for the next twelve months. Our forecast for the period for which our financial resources will be adequate to support our operations involves risks and uncertainties and actual results could fail as a result of a number of factors. For the year ended December 31, 2007, we were advanced \$39,657, making our total amount due to Mr. Neely \$132,428, as compared to \$56,117 advanced during the year ended December 31, 2006, with a total amount due as of that date of only \$92,771. All of those loans are interest free and due on demand. We used those funds to pay our auditors for the audit of our financial statements. We expect that the increased legal and accounting costs due to the reporting requirements of becoming a reporting company will continue to impact our liquidity as we will need to obtain funds to pay those expenses.

We are attempting collection on our related party loans receivable to help improve our liquidity position during the next twelve months. We hope that the loans will be repaid before December 31, 2008. However, as of December 31, 2007, collectability of the loan is uncertain and an allowance has been setup for the full amount due of \$20,500. We cannot guaranty that we will be repaid that amount owed pursuant to the note which will affect our liquidity.

Besides generating revenue from our current operations, we will need to raise approximately \$50,000 to continue operating at our current rate. At our current level of operation, we are not able to operate profitably. In order to conduct further marketing activities and expand our operations to the point at which we are able to operate profitably, we believe we would need to raise \$50,000, which would be used for conducting marketing activities. Other than proposed increases in marketing expenses and the anticipated increases in legal and accounting costs of becoming a public company, we are not aware of any other known trends, events or uncertainties, which may affect our future liquidity.

In the event that we experience a shortfall in our capital, we intend to pursue capital through public or private financing as well as borrowings and other sources, such as our officer and directors. We cannot guaranty that additional funding will be available on favorable terms, if at all. If adequate funds are not available, then our ability to expand our operations may be significantly hindered. If adequate funds are not available, we believe that our officer and directors will contribute funds to pay for our expenses to achieve our objectives over the next twelve months. However, our officer and directors are not committed to contribute funds to pay for our expenses.

Our belief that our officer and directors will pay our expenses is based on the fact that our officer and directors collectively own 3,007,500 shares of our common stock, which equals approximately 80% of our outstanding common stock. We believe that our officer and directors will continue to pay our expenses as long as they maintain their ownership of our common stock. However, our officer and directors are not committed to contribute additional capital.

We are not currently conducting any research and development activities. We do not anticipate conducting such activities in the near future. We do not anticipate that we will purchase or sell any significant equipment. In the event that we expand our customer base, then we may need to hire additional employees or independent contractors as well as purchase or lease additional equipment.

Off-Balance Sheet Arrangements. We have no off-balance sheet arrangements.

Item 7. Financial Statements

The financial statements required by Item 7 are presented in the following order:

To the Board of Directors and Stockholders of
Format, Inc.

We have audited the accompanying balance sheet of Format, Inc. as of December 31, 2007 and the related statements of operations, changes in stockholders' (deficit), and cash flows for the year then ended. 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 audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit 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 Format, Inc. as of December 31, 2007, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statement has been prepared assuming that the Company will continue as a going concern. As shown in the financial statements, the Company has negative working capital, incurred significant losses, and has an accumulated deficit of \$202,432 as of December 31, 2007. As discussed in Note 1, these conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Jonathon P. Reuben
Jonathon P. Reuben CPA,
An Accountancy Corporation

Torrance, California
March 15, 2008

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders
Format, Inc.

I have audited the accompanying balance sheet of Format, Inc. (the "Company") as of December 31, 2006 and 2005, and the related statements of operations, changes in stockholders' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted the audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2006 and 2005, and their results of operations and cash flows for the years then ended, in conformity with 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 10 to the financial statements, the Company has sustained operating losses over the past few years and has sustained cash flow shortages that have been funded by an officer of the Company. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 10. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Michael Pollack CPA

Cherry Hill, New Jersey
January 28, 2007

FORMAT, INC.
BALANCE SHEET
DECEMBER 31, 2007

ASSETS	
CURRENT ASSETS	
Cash	\$ 5,583
Accounts receivable, net	15,235
Loan receivable, net	-
Security deposit	1,200
Prepaid expenses and other current assets	1,200
Total current assets	23,218
PROPERTY AND EQUIPMENT, NET	15,069
TOTAL ASSETS	\$ 38,287
LIABILITIES AND STOCKHOLDERS' (DEFICIT)	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 66,712
Due to related party	132,428
Total current liabilities	199,140
TOTAL LIABILITIES	199,140
STOCKHOLDERS' (DEFICIT)	
Preferred stock, par value \$0.001 per share, 5,000,000 shares authorized and 0 shares issued and outstanding	-
Common stock, par value \$0.001 per share, 50,000,000 shares authorized and 3,770,083 shares issued and outstanding	3,770
Additional paid-in capital	37,809
Accumulated deficit	(202,432)
Total stockholders' (deficit)	(160,853)
TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT)	\$ 38,287

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

FORMAT, INC.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
REVENUE	\$ 84,927	\$ 80,659
OPERATING EXPENSES		
Wages and wage related expenses	67,496	64,066
Professional fees	39,195	63,965
General and administrative expenses	32,663	27,961
Bad debt expense	36,049	3,049
Rent expense	14,440	15,720
Depreciation expense	6,291	12,365
Total operating expenses	<u>196,134</u>	<u>187,126</u>
NET LOSS FROM OPERATIONS BEFORE OTHER INCOME (EXPENSE) AND (PROVISION) BENEFIT FOR INCOME TAXES	(111,207)	(106,467)
OTHER INCOME (EXPENSE)		
Rental income	-	3,120
Gain on sale of automobile	5,601	-
Loss on sale of marketable securities	-	(6,447)
Interest income	-	25
Total other income (expense)	<u>5,601</u>	<u>(3,302)</u>
NET LOSS FROM OPERATIONS BEFORE (PROVISION) BENEFIT FOR INCOME TAXES	(105,606)	(109,769)
(Provision) benefit for income taxes	<u>(800)</u>	<u>3,200</u>
NET (LOSS) APPLICABLE TO SHARES	<u>\$ (106,406)</u>	<u>\$ (106,569)</u>
NET (LOSS) PER BASIC AND DILUTED SHARES	<u>\$ (0.03)</u>	<u>\$ (0.03)</u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (DATAMAT)	<u>3,770,083</u>	<u>3,770,083</u>

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

FORMAT, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	Common Stock		Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Total
	Shares	Amount			
Balance - January 1, 2006	3,770,083	\$ 3,770	\$ 37,809	\$ 10,543	\$ 52,122
Net loss for the year	-	-	-	(106,569)	(106,569)
Balance - December 31, 2006	3,770,083	3,770	37,809	(96,026)	(54,447)
Net loss for the year	-	-	-	(106,406)	(106,406)
Balance - December 31, 2007	<u>3,770,083</u>	<u>\$ 3,770</u>	<u>\$ 37,809</u>	<u>\$ (202,432)</u>	<u>\$ (160,853)</u>

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

FORMAT, INC.
STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)	\$ (106,406)	\$ (106,569)
Adjustments to reconcile net (loss) to net cash used in operating activities:		
Depreciation	6,291	12,365
Bad debt reserve	36,049	1,385
Gain on sale of automobile	(5,601)	
Loss on sale of marketable securities	-	6,447
Net changes in operating assets and liabilities:		
Decrease in marketable securities, at fair value	-	12,030
(Increase) decrease in accounts receivable	(1,178)	6,633
(Increase) decrease in prepaid expenses and other current assets	6,650	(2,411)
Decrease in security deposits	-	800
Increase in accounts payable and accrued expenses	17,081	12,245
Net cash (used in) operating activities	(47,114)	(57,075)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in due from related party	-	1,000
Proceeds from sale of automobile	10,000	-
Acquisition of property and equipment	(6,900)	(6,898)
Net cash provided by (used in) investing activities	3,100	(5,898)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from related party	39,656	56,117
Net cash provided by financing activities	39,656	56,117
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,358)	(6,856)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	9,941	16,797
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 5,583	\$ 9,941
SUPPLEMENTAL DISCLOSURES OF CASH FLOW ACTIVITY		
Cash paid during the year for income taxes	\$ 800	\$ 800
Cash paid during the year for interest expense	\$ -	\$ -
SUPPLEMENTAL INFORMATION ON NONCASH ACTIVITY		
Accounts receivable paid off with marketable securities.	\$ -	\$ 18,447

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

FORMAT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

NOTE 1 ORGANIZATION AND BASIS OF PRESENTATION

Format, Inc. (the “Company”) was incorporated in the State of Nevada on March 21, 2001. The Company provides transactional financial, corporate reporting, commercial and digital printing for its customers. The Company receives its clients’ information in a variety of formats and reprocesses it for distribution typically in print, digital or internet formats. The Company provides services throughout the United States, Canada and China.

Transactional financial printing includes registration statements, prospectuses, debt arrangements, special proxy statements, offering circulars, tender offer materials and other documents related to corporate financings, mergers and acquisitions.

Corporate reporting includes interim reports, regular proxy materials prepared by corporations for distribution to stockholders, and Securities and Exchange Commission reports on Form 10-K and other forms.

Commercial and digital printing consists of annual reports, sales and marketing literature, newsletters and other custom-printed products.

Going Concern

As shown in the accompanying financial statements the Company has incurred a loss of \$106,406 and \$106,569 for the years ended December 31, 2007 and 2006, respectively. The Company has experienced cash shortages that have been funded by the Company’s President. The Company has an accumulated deficit of \$202,432 and a working capital deficit of \$175,922 for the year ended December 31, 2007. There is no guarantee that the Company will be able to sustain operations to alleviate the working capital deficit or continued operating losses. These conditions raise substantial doubt about the Company’s ability to continue as a going concern for a reasonable period.

Management’s plans to mitigate the effects that give rise to the conditions involve more aggressive marketing strategies towards small publicly reporting companies. This marketing will include working closely with lawyers, associations and investment advisors.

The accompanying financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Reclassification

Certain reclassifications have been made to conform the prior period financial statement amounts to the current period presentation for comparative purposes.

FORMAT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments and other short-term investments with a maturity of three months or less, when purchased, to be cash equivalents.

The Company maintains cash and cash equivalent balances at one financial institution that is insured by the Federal Deposit Insurance Corporation up to \$100,000.

Use of Estimates

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivable are reported at the customer's outstanding balances less any allowance for doubtful accounts. Interest is not accrued on overdue accounts receivable.

Allowance for Doubtful Accounts

An allowance for doubtful accounts on accounts receivable is charged to operations in amounts sufficient to maintain the allowance for uncollectible accounts at a level management believes is adequate to cover any probable losses. Management determines the adequacy of the allowance based on historical write-off percentages and information collected from individual customers. Accounts receivable are charged off against the allowance when collectability is determined to be permanently impaired. Management has determined that as of December 31, 2007 and 2006 an allowance of \$15,200 and \$6,060, respectively, is required.

FORMAT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are computed using the straight-line method on the estimated useful lives of the assets, generally ranging from three to seven years. Expenditures of major renewals and improvements that extended the useful lives of property and equipment are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred. Leasehold improvements are amortized using the straight-line method over the shorter or the estimated useful life of the asset or the lease term. Gains or losses from retirements or sales are credited or charged to income.

Long-Lived Assets

The Company accounts for its long-lived assets in accordance with SFAS No. 144, *“Accounting for the Impairment or Disposal of Long-Lived Assets.”* SFAS No. 144 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the historical cost carrying value of an asset may no longer be appropriate. The Company assesses recoverability of the carrying value of an asset by estimating the future net cash flows expected to result from the asset, including eventual disposition. If the future net cash flows are less than the carrying value of the asset, an impairment loss is recorded equal to the difference between the asset’s carrying value and fair value or disposable value. As of December 31, 2007, the Company does not believe there has been any impairment of its long-lived assets.

Fair Value of Financial Instruments

Pursuant to SFAS No. 107, *“Disclosures About Fair Value of Financial Instruments”*, the Company is required to estimate the fair value of all financial instruments included on its balance sheet as of December 31, 2007. The Company’s financial instruments consist of cash, accounts receivables, payables, and other obligations. The Company considers the carrying value of such amounts in the financial statements to approximate their face value.

Revenue Recognition

The Company generates revenue from professional services rendered to customers either at time of delivery or completion, where collectibility is probable. The Company’s fees are fixed.

Stock-Based Compensation

On December 16, 2004, the Financial Accounting Standards Board (“FASB”) published Statement of Financial Accounting Standards No. 123 (Revised 2004), *“Share-Based Payment”* (“SFAS 123R”). SFAS 123R requires that compensation cost related to share-based payment transactions be recognized in the financial statements. Share-based payment transactions within the scope of SFAS 123R include stock options, restricted stock plans, performance-based awards, stock appreciation rights, and employee share purchase plans. The provisions of SFAS 123R, as amended, are effective for small business issuers beginning as of the next interim period after December 15, 2005. The Company adopted these provisions effective January 1, 2006, and there was no impact to the Company upon the adoption of this provision.

On January 1, 2006, the Company adopted the provisions of FAS No. 123R *“Share-Based Payment”* (“FAS 123R”) which requires recognition of stock-based compensation expense for all share-based payments based on fair value. Prior to January 1, 2006, the Company measured compensation expense for all of its share-based compensation using the intrinsic value method prescribed by Accounting Principles Board (“APB”) Opinion No. 25, *“Accounting for Stock Issued to Employees”* (“APB 25”) and related interpretations.

FORMAT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

The Company has provided pro forma disclosure amounts in accordance with FAS No. 148, "Accounting for Stock-Based Compensation – Transition and Disclosure – an amendment of FASB Statement No. 123" ("FAS 148"), as if the fair value method defined by FAS No. 123, "Accounting for Stock Based Compensation" ("FAS 123") had been applied to its stock-based compensation.

The Company has elected to use the modified-prospective approach method. Under that transition method, the calculated expense in 2006 is equivalent to compensation expense for all awards granted prior to, but not yet vested as of January 1, 2006, based on the grant-date fair values estimated in accordance with the original provisions of FAS 123. Stock-based compensation expense for all awards granted after January 1, 2006 is based on the grant-date fair values estimated in accordance with the provisions of FAS 123R. The Company recognizes these compensation costs, net of an estimated forfeiture rate, on a pro rata basis over the requisite service period of each vesting tranche of each award. The Company considers voluntary termination behavior as well as trends of actual option forfeitures when estimating the forfeiture rate.

Concentrations

For the year ended December 31, 2007, there were no significant concentrations of customers. For the year ended December 31, 2006 the Company derived 35% of its operating revenue from two customers.

The Company's cash balance in financial institutions at times may exceed federally insured limits of \$100,000.

Loss Per Share of Common Stock

The Company follows Statement of Financial Accounting Standards No. 128, "Earnings Per Share" (SFAS No. 128) that requires the reporting of both basic and diluted earnings (loss) per share. Basic earnings (loss) per share is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding for the period. The calculation of diluted earnings (loss) per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. In accordance with SFAS No. 128, any anti-dilutive effects on net earnings (loss) per share are excluded. For the years ended December 31, 2007 and 2006, there were no common stock equivalents.

There were no options or warrants to purchase shares of common stock at December 31, 2007 and 2006.

Marketable Securities

The Company accounts for its marketable securities in accordance with Statement of Financial Accounting Standards No. 115 (SFAS 115), "Accounting for Certain Investments in Debt and Equity Securities." The Company determines the appropriate classification of all marketable securities as trading, available-for-sale, or held-to-maturity at the time of purchase and re-evaluates such classification as of each balance sheet date.

At December 31, 2006 all realized and unrealized gains and losses are reflected in other income (expense) in the statement of operations.

FORMAT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

The marketable securities held by the Company during 2006 were from active trading public reporting companies. The values of these companies' common stock were readily determinable. The carrying amount of these marketable securities approximated the fair value. The Company calculated the realized and unrealized gains and losses based on the values for the period presented.

The Company received these securities as full payment on a trade receivable.

Recent Accounting Pronouncements

SFAS No. 159 - In February 2007, the FASB issued Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115*. This Statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This Statement is expected to expand the use of fair value measurement, which is consistent with the Board's long-term measurement objectives for accounting for financial instruments. This Statement applies to all entities, including not-for-profit organizations. Most of the provisions of this Statement apply only to entities that elect the fair value option. However, the amendment to FASB Statement No. 115, *Accounting for Certain Investments in Debt and Equity Securities*, applies to all entities with available-for-sale and trading securities. Some requirements apply differently to entities that do not report net income. This Statement is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of FASB Statement No. 157, *Fair Value Measurements*. No entity is permitted to apply this Statement retrospectively to fiscal years preceding the effective date unless the entity chooses early adoption. The choice to adopt early should be made after issuance of this Statement but within 120 days of the beginning of the fiscal year of adoption, provided the entity has not yet issued financial statements, including required notes to those financial statements, for any interim period of the fiscal year of adoption. This Statement permits application to eligible items existing at the effective date (or early adoption date). The Company has evaluated the impact of the implementation of SFAS No. 159 and does not believe the impact will be significant to the Company's overall results of operations or financial position.

SFAS No. 141(R) - In December 2007, the FASB issued Statement No. 141(R), *Business Combinations*. This Statement applies to all transactions or other events in which an entity (the acquirer) obtains control of one or more businesses (the acquiree), including those sometimes referred to as "true mergers" or "mergers of equals" and combinations achieved without the transfer of consideration, for example, by contract alone or through the lapse of minority veto rights. This Statement applies to all business entities, including mutual entities that previously used the pooling-of-interests method of accounting for some business combinations. It does not apply to:

- The formation of a joint venture
- The acquisition of an asset or a group of assets that does not constitute a business
- A combination between entities or businesses under common control
- A combination between not-for-profit organizations
- The acquisition of a for-profit business by a not-for-profit organization

FORMAT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

This Statement replaces FASB Statement No. 141, Business Combinations. This Statement retains the fundamental requirements in Statement 141 that the acquisition method of accounting (which Statement 141 called the purchase method) be used for all business combinations and for an acquirer to be identified for each business combination. This Statement defines the acquirer as the entity that obtains control of one or more businesses in the business combination and establishes the acquisition date as the date that the acquirer achieves control. Statement 141 did not define the acquirer, although it included guidance on identifying the acquirer, as does this Statement. This Statement's scope is broader than that of Statement 141, which applied only to business combinations in which control was obtained by transferring consideration. By applying the same method of accounting - the acquisition method - to all transactions and other events in which one entity obtains control over one or more other businesses, this Statement improves the comparability of the information about business combinations provided in financial reports. This Statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. An entity may not apply it before that date. The Company is currently evaluating SFAS 141(R), and has not yet determined its potential impact on its future results of operations or financial position.

SFAS No. 160 - In December 2007, the FASB issued Statement No. 160, *Noncontrolling Interests in Consolidated Financial Statements - an Amendment of ARB No. 51*. A noncontrolling interest, sometimes called a minority interest, is the portion of equity in a subsidiary not attributable, directly or indirectly, to a parent. The objective of this Statement is to improve the relevance, comparability, and transparency of the financial information that a reporting entity provides in its consolidated financial statements by establishing accounting and reporting standards that require:

- The ownership interests in subsidiaries held by parties other than the parent be clearly identified, labeled, and presented in the consolidated statement of financial position within equity, but separate from the parent's equity.
- The amount of consolidated net income attributable to the parent and to the noncontrolling interest be clearly identified and presented on the face of the consolidated statement of income.
- Changes in a parent's ownership interest while the parent retains its controlling financial interest in its subsidiary be accounted for consistently. A parent's ownership interest in a subsidiary changes if the parent purchases additional ownership interests in its subsidiary or if the parent sells some of its ownership interests in its subsidiary. It also changes if the subsidiary reacquires some of its ownership interests or the subsidiary issues additional ownership interests. All of those transactions are economically similar, and this Statement requires that they be accounted for similarly, as equity transactions.
- When a subsidiary is deconsolidated, any retained noncontrolling equity investment in the former subsidiary be initially measured at fair value. The gain or loss on the deconsolidation of the subsidiary is measured using the fair value of any noncontrolling equity investment rather than the carrying amount of that retained investment.
- Entities provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners.

FORMAT, INC.
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This Statement applies to all entities that prepare consolidated financial statements, except not-for-profit organizations, but will affect only those entities that have an outstanding noncontrolling interest in one or more subsidiaries or that deconsolidate a subsidiary. Not-for-profit organizations should continue to apply the guidance in Accounting Research Bulletin No. 51, Consolidated Financial Statements, before the amendments made by this Statement, and any other applicable standards, until the Board issues interpretative guidance. This Statement amends ARB 51 to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. Before this Statement was issued, limited guidance existed for reporting noncontrolling interests. As a result, considerable diversity in practice existed. So-called minority interests were reported in the consolidated statement of financial position as liabilities or in the mezzanine section between liabilities and equity. This Statement improves comparability by eliminating that diversity.

This Statement is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Earlier adoption is prohibited. The effective date of this Statement is the same as that of the related Statement 141(R). This Statement shall be applied prospectively as of the beginning of the fiscal year in which this Statement is initially applied, except for the presentation and disclosure requirements. The presentation and disclosure requirements shall be applied retrospectively for all periods presented. The Company is currently evaluating SFAS 160 and has not yet determined its potential impact on its future results of operations or financial position.

SFAS No. 161 - In December 2007, the FASB issued Statement No. 161, *Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No. 133*. This Statement changes the disclosure requirements for derivative instruments and hedging activities. Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows.

This Statement is intended to enhance the current disclosure framework in Statement 133. The Statement requires that objectives for using derivative instruments be disclosed in terms of underlying risk and accounting designation. This disclosure better conveys the purpose of derivative use in terms of the risks that the entity is intending to manage. Disclosing the fair values of derivative instruments and their gains and losses in a tabular format should provide a more complete picture of the location in an entity's financial statements of both the derivative positions existing at period end and the effect of using derivatives during the reporting period. Disclosing information about credit-risk-related contingent features should provide information on the potential effect on an entity's liquidity from using derivatives. Finally, this Statement requires cross-referencing within the footnotes, which should help users of financial statements locate important information about derivative instruments.

This Statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. This Statement encourages, but does not require, comparative disclosures for earlier periods at initial adoption. The Company is currently evaluating SFAS 161 and has not yet determined its potential impact on its future results of operations or financial position.

FORMAT, INC.
NOTES TO FINANCIAL STATEMENTS
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SAB No. 108 - - In September 2006, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 108 (SAB No. 108), "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements." The guidance in SAB No. 108 requires Companies to base their materiality evaluations on all relevant quantitative and qualitative factors. This involves quantifying the impact of correcting all misstatements, including both the carryover and reversing effects of prior year misstatements, on the current year financial statements. The Company has adopted this standard.

SFAS No. 159 - In February 2007, the FASB issued Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115*. This Statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This Statement is expected to expand the use of fair value measurement, which is consistent with the Board's long-term measurement objectives for accounting for financial instruments. This Statement applies to all entities, including not-for-profit organizations. Most of the provisions of this Statement apply only to entities that elect the fair value option.

However, the amendment to FASB Statement No. 115, *Accounting for Certain Investments in Debt and Equity Securities*, applies to all entities with available-for-sale and trading securities. Some requirements apply differently to entities that do not report net income. This Statement is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of FASB Statement No. 157, *Fair Value Measurements*. No entity is permitted to apply this Statement retrospectively to fiscal years preceding the effective date unless the entity chooses early adoption. The choice to adopt early should be made after issuance of this Statement but within 120 days of the beginning of the fiscal year of adoption, provided the entity has not yet issued financial statements, including required notes to those financial statements, for any interim period of the fiscal year of adoption. This Statement permits application to eligible items existing at the effective date (or early adoption date). The Company has evaluated the impact of the implementation of SFAS No. 159 and does not believe the impact will be significant to the Company's overall results of operations or financial position.

NOTE 3 LOAN RECEIVABLE

As of December 31, 2007 and 2006, the Company has a loan receivable from an outside party in the amount of \$20,500. The loan is interest free and due on demand. At December 31, 2007 collectability is uncertain and an allowance has been setup for the full amount due of \$20,500.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2007 and 2006.

FORMAT, INC.
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	<u>2007</u>	<u>2006</u>
Office machinery and equipment	\$ 34,895	\$ 27,994
Furniture and fixtures	2,011	2,011
Automobile	-	32,259
	<u>36,906</u>	<u>62,264</u>
Less: Accumulated depreciation	<u>(21,837)</u>	<u>(43,405)</u>
	<u>\$ 15,069</u>	<u>\$ 18,859</u>

Depreciation expense for the years ended December 31, 2007 and 2006 amounted to \$6,291 and \$12,365, respectively.

In January 2007, the Company sold an automobile for \$10,000. The basis of the automobile at the time of the sale was \$4,399, resulting in a gain on the sale of \$5,601.

NOTE 5 RELATED PARTY TRANSACTION

The Company has a payable to a stockholder of the Company for advances received. These advances are unsecured and due on demand. For the years ended December 31, 2007 and 2006, the Company was advanced \$39,657 and \$56,117, respectively. The total amount due at December 31, 2007 and 2006 amounted to \$132,428 and \$92,771, respectively.

NOTE 6 INCOME TAXES

The Company accounts for income taxes under Statement of Financial Accounting Standards No. 109 (SFAS 1019). This statement mandates the liability method of accounting for deferred income taxes and permits the recognition of deferred tax assets subject to an ongoing assessment of realizability.

The components of the Company's income tax provision for the years ended December 31, 2007 and 2006 consist of:

	<u>2007</u>	<u>2006</u>
Current income tax expense	\$ 800	\$ 2,000
Expected income tax benefit	37,440	21,000
Change in valuation allowance	<u>(37,440)</u>	<u>(26,200)</u>
	<u>\$ 800</u>	<u>\$ (3,200)</u>

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

There have been no changes in or disagreements with our accountants since our formation required to be disclosed pursuant to Item 304 of Regulation S-B, except for the following:

On January 7, 2008, we were notified that effective January 1, 2008, Michael Pollack CPA, LLC (“Pollack”) had merged into the accounting firm of KBL, LLP, and that Pollack resigned as independent registered public accounting firm for us. A copy of Pollack’s letter to the Securities and Exchange Commission regarding the resignation is included as Exhibit 16.2 to Form 8-K, which was filed on January 15, 2008.

The reports of Pollack on our financial statements for each of the years ended December 31, 2006 and 2005, contained an explanatory paragraph relating to our ability to continue as a going concern. Other than this report modification, the reports of Pollack on our financial statements as of and for each of the past two fiscal years did not contain any adverse opinion or disclaimer of opinion, and were not modified as to uncertainty, audit scope, or accounting principles.

We engaged Jonathon P. Reuben, CPA, an Accountancy Corporation, as its new independent auditors, effective as of January 11, 2008, to audit our financial statements for the year ended December 31, 2007, and to perform procedures related to the financial statements included in our current reports on Form 8-K and quarterly reports on Form 10-QSB.

The decision to engage Jonathon P. Reuben, CPA, an Accountancy Corporation, was approved by our Board of Directors on January 11, 2008.

During our two most recent fiscal years and the subsequent interim period through January 7, 2007, the date of resignation, there were no disagreements with Pollack on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of Pollack, would have caused it to make reference to the subject matter of the disagreement(s) in connection with its reports. There were no “reportable events” as that term is described in Item 304(a)(1)(v) of Regulation S-B during our two most recent fiscal years and the subsequent interim period through January 7, 2007, the date of resignation.

Other than in connection with the engagement of Jonathon P. Reuben, CPA, an Accountancy Corporation, by us, during our two most recent fiscal years ended December 31, 2006 and 2005, and through January 7, 2007, we did not consult Jonathon P. Reuben, CPA, an Accountancy Corporation, regarding either: (i) the application of accounting principles to a specified transaction, completed or proposed, or the type of audit opinion that might be rendered on our financial statements, or (ii) any matter that was either the subject of a disagreement as defined in Item 304(a)(1)(iv) of Regulation S-B or the related instructions thereto or a “reportable event” as described in Item 304(a)(1)(v) of Regulation S-B.

We made the contents of this disclosure available to Pollack and requested it to furnish a letter to the Securities and Exchange Commission as to whether Pollack agrees or disagrees with, or wishes to clarify our expression of its views. A copy of Pollack’s letter to the Securities and Exchange Commission is included as Exhibit 16.2 to this Form 8-K, which was filed on January 15, 2008

Item 8A(T). Controls and Procedures.

Our Chief Executive Officer and our Chief Financial Officer are responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, our principal executive and principal financial officers 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 management and our 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 limitations, our internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our Chief Executive Officer and our Chief Financial Officer assessed the effectiveness of our internal control over financial reporting as of December 31, 2007. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in Internal Control -- Integrated Framework.

Based on our assessment, our Chief Executive Officer and our Chief Financial Officer believe that, as of December 31, 2007, our internal control over financial reporting is effective based on those criteria.

This report does not include an attestation report of our registered public accounting firm regarding 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 Securities and Exchange Commission that permit us to provide only management's report in this report.

Item 8B. Other Information.

None.

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons and Corporate Governance; Compliance with Section 16(a) of the Exchange Act.

Executive Officers and Directors. Each of our directors is elected by the stockholders for a term of one year and serves until his or her successor is elected and qualified. Each of our officers is elected by the board of directors for a term of one year and serves until his or her successor is duly elected and qualified, or until he or she is removed from office. The board of directors has no nominating, audit or compensation committee.

The following table sets forth information regarding our executive officer and directors.

Name	Age	Position
Ryan A. Neely	36	president, secretary, chief financial officer, director
Robert D. Summers	38	director

Ryan A. Neely. Mr. Neely has been our president, secretary and director since April 2001, and our chief financial officer since April 2004. Mr. Neely manages all aspects of our operations, including marketing and sales of our services. Mr. Neely also served as our chief financial officer from April 2001 to February 2003. From 2000 to 2001, Mr. Neely was the chief executive officer of JPAL, Inc., a Nevada corporation and an Internet based provider of vacation rental properties and services. From May 1999 to September 1999, Mr. Neely worked as a sales account manager for Unified Research Laboratories, Inc., which was acquired by Symantec Corporation. Unified Research Laboratories, Inc. was a developer of Internet content-control software and web filtering technologies. From 1996 to August 1998, Mr. Neely worked as a regional sales manager where he was responsible for all enterprise sales for Log-On Data Corp., Inc., a California corporation, which has since changed its name to 8e6 Technologies, Inc. Mr. Neely is not currently a director of any other reporting company.

Robert D. Summers. Mr. Summers has been one of our directors since February 2003. Since 1996 to the present, Mr. Summers has been employed as a staff accountant with Frankel & Summers, CPAs, which is an accounting firm in Laguna Hills, California. Mr. Summers earned his Bachelor of Science degree in Business in 1996 from California State University at Fullerton. Mr. Summers is not an officer or director of any other reporting company.

There is no family relationship between any of our officers or directors. There are no orders, judgments, or decrees of any governmental agency or administrator, or of any court of competent jurisdiction, revoking or suspending for cause any license, permit or other authority to engage in the securities business or in the sale of a particular security or temporarily or permanently restraining any of our officers or directors from engaging in or continuing any conduct, practice or employment in connection with the purchase or sale of securities, or convicting such person of any felony or misdemeanor involving a security, or any aspect of the securities business or of theft or of any felony, nor are any of the officers or directors of any corporation or entity affiliated with us so enjoined.

Section 16(a) Beneficial Ownership Reporting Compliance. We believe that our officers, directors, and principal shareholders have filed all reports required to be filed on, respectively, a Form 3 (Initial Statement of Beneficial Ownership of Securities), a Form 4 (Statement of Changes of Beneficial Ownership of Securities), or a Form 5 (Annual Statement of Beneficial Ownership of Securities).

Code of Ethics. We have adopted a Code of Ethics (the “Code”) that applies to our directors, officers and employees, including our principal executive officer and principal financial and accounting officer, respectively. The Code was filed as Exhibit 14 to our Registration Statement on Form 10-SB. A written copy of the Code is available on our website at www.formatds.com.

Nominating Committee. We have not adopted any procedures by which security holders may recommend nominees to our Board of Directors.

Audit Committee and Audit Committee Financial Expert. We do not have a standing audit committee. The functions of the Audit Committee are currently assumed by our board of directors. Robert Summers, a member on our board of directors, is responsible for the duties of an audit committee “financial expert.” It is unlikely that we would be able to attract an independent financial expert to serve on our board of directors at this stage of our development. In order to entice such a director to join our board of directors, we would probably need to acquire directors’ errors and omission liability insurance and provide some form of meaningful compensation to such a director; both of which we are unable to afford at this time.

Item 10. Executive Compensation

Summary Compensation Table. The compensation of the named executive officers for the last two completed fiscal years ended December 31, 2007 and December 31, 2006 is shown below:

Name and Principal Position	Year Ended	Salary \$	Bonus \$	Stock Awards \$	Option Awards \$	Non-Equity Incentive Plan Compensation \$	Nonqualified Deferred Compensation Earnings \$	All Other Compensation \$	Total \$
Ryan Neely President CFO, Secretary	2007	\$32,500	0	0	0	0	0	\$0	\$32,500
	2006	\$10,600	0	0	0	0	0	\$22,669	\$33,269

Employment Contracts and Termination of Employment. We do not anticipate that we will enter into any employment contracts with any of our employees. We have no plans or arrangements in respect of remuneration received or that may be received by our executive officers to compensate such officers in the event of termination of employment (as a result of resignation or retirement).

Outstanding Equity Awards at Fiscal Year-end. As of the year ended December 31, 2007, the following named executive officer had the following unexercised options, stock that has not vested, and equity incentive plan awards:

Option Awards						Stock Awards			
Name	Number of Securities Underlying Unexercised Options # Exercisable	# Un-exercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock Not Vested	Market Value of Shares or Units Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights Not Vested	Value of Unearned Shares, Units or Other Rights Not Vested
Ryan Neely	0	0	0	0	0	0	0	0	0

No Equity Compensation Plan. We do not have any securities authorized for issuance under any equity compensation plan. We also do not have an equity compensation plan and do not plan to implement such a plan.

Stock Options/SAR Grants. No grants of stock options or stock appreciation rights were made since our date of incorporation on March 21, 2001.

Long-Term Incentive Plans. There are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officer. We do not have any material bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officer.

Director Compensation. Our directors received the following compensation for their service as directors during the fiscal year ended December 31, 2007:

Name	Fees Earned or Paid in Cash	Stock Awards \$	Option Awards \$	Non-Equity Incentive Plan Compensation \$	Non-Qualified Deferred Compensation Earnings \$	All Other Compensation \$	Total \$
Ryan Neely	0	0	0	0	0	0	0
Robert Summers	0	0	0	0	0	0	0

Item 11. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth certain information as of March 28, 2008, regarding the beneficial ownership of our common stock by (i) each stockholder known by us to be the beneficial owner of more than 5% of our common stock, (ii) by each of our directors and executive officers and (iii) by all of our executive officers and directors as a group. Each of the persons named in the table has sole voting and investment power with respect to common stock beneficially owned.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class
Ryan Neely 336 Plaza Estival San Clemente, CA 92672	3,000,000 shares ⁽¹⁾ president, secretary, chief financial officer and a director	79.5%
Michelle Neely 336 Plaza Estival San Clemente, CA 92672	3,000,000 shares ⁽¹⁾	79.5%
Robert Summers 77 Pasto Rico Rancho Santa Margarita, CA 92688	7,500 shares director	0.2%
All directors and named executive officers as a group	3,007,500 shares	79.7%

⁽¹⁾ Ryan A. Neely, our officer and sole director, who owns 2,000,000 shares, is married to Michelle Neely, our former officer and sole director, who owns 1,000,000 shares. Therefore, each beneficially owns 3,000,000 shares of common stock, which equals approximately 79.5% of our issued and outstanding common stock.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. In accordance with Securities and Exchange Commission rules, shares of our common stock which may be acquired upon exercise of stock options or warrants which are currently exercisable or which become exercisable within 60 days of the date of the table are deemed beneficially owned by the optionees. Subject to community property laws, where applicable, the persons or entities named in the table above have sole voting and investment power with respect to all shares of our common stock indicated as beneficially owned by them.

Changes in Control. We are not aware of any arrangements which may result in “changes in control” as that term is defined by the provisions of Item 403 of Regulation S-B.

Equity Compensation Plan Information. There are no securities authorized for issuance under any equity compensation plans, and no securities issued or outstanding under any such plans.

Item 12. Certain Relationships and Related Transactions, and Director Independence.

Related Party Transactions. From time to time, Ryan Neely, our president, chief financial officer, secretary and one of our directors advances money to us for working capital with no interest, due on demand. As of December 31, 2007 and 2006, we have \$132,428 and \$92,771 respectively, due to Mr. Neely as a current liability.

In 2005, we loaned \$21,500 to a company that is principally owned by one of our shareholders that owns less than one percent of our issued and outstanding shares. The loan is interest free and is due on demand. The loan was made to this company based on the business the company was conducting, and the fact that they were planning on going public and utilizing our services.

There have been no other related party transactions, or any other transactions or relationships required to be disclosed pursuant to Item 404 of Regulation S-B.

With regard to any future related party transaction, we plan to fully disclose any and all related party transactions, including, but not limited to, the following:

- disclosing such transactions in prospectuses where required;
- disclosing in any and all filings with the Securities and Exchange Commission, where required;
- obtaining disinterested directors consent; and
- obtaining shareholder consent where required.

Director Independence. Members of our Board of Directors are not independent as that term is defined by defined in Rule 4200(a)(15) of the Nasdaq Marketplace Rules.

Item 13. Exhibits

- 3.1 Articles of Incorporation*
- 3.2 Bylaws*
- 4. Specimen Stock Certificate*
- 14. Code of Ethics*
- 16. Letter on Change in Certifying Accountant*
- 31 Section 302 Certifications of Chief Executive Officer and Chief Financial Officer.
- 32 Section 906 Certification by Chief Executive Officer and Chief Financial Officer.

* Included in Registration Statement on Form 10-SB filed on November 14, 2006.

Item 14. Principal Accountant Fees and Services.

Audit Fees. The aggregate fees billed in each of the fiscal years ended December 31, 2007 and 2006 for professional services rendered by the principal accountant for the audit of our annual financial statements and quarterly review of the financial statements included in our Form 10-KSB and Form 10-SB or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years were \$18,000 and \$36,586, respectively.

Audit-Related Fees. For the fiscal year ended December 31, 2007, there were fees billed for services reasonably related to the performance of the audit or review of the financial statements outside of those fees disclosed above under "Audit Fees." For the fiscal year ended December 31, 2007, we were billed a total of \$7,675 by a separate accountant for consulting services in preparation for the annual audit and quarterly reviews of the financial statements for the fiscal year ended December 31, 2006, we were billed a total of \$9,175 by a separate accountant for consulting services in preparation for the annual audit and quarterly reviews of the financial statements.

Tax Fees. For the fiscal years ended December 31, 2007 and December 31, 2006, our accountants rendered services for tax compliance, tax advice, and tax planning work for which we paid \$875 and \$2,000 respectively.

All Other Fees. None.

Pre-Approval Policies and Procedures. Prior to engaging our accountants to perform a particular service, our board of directors obtains an estimate for the service to be performed. All of the services described above were approved by the board of directors in accordance with its procedures.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned in the City of San Juan Capistrano, California, on March 28, 2008.

Format, Inc.
a Nevada corporation

Dated: March 28, 2008

By: /s/ Ryan Neely
Ryan Neely
Principal Executive Officer,
Chief Financial Officer
President and a Director

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ Ryan Neely
Ryan Neely
Principal Executive Officer,
Principal Accounting Officer,
President, Secretary, Treasurer
and a director

March 28, 2008

/s/ Robert Summers
Robert Summers
Director

March 28, 2008

**Certification of Chief Executive Officer and Chief Financial Officer
Pursuant to Section 302 of Sarbanes-Oxley Act**

I, Ryan Neely, certify that:

1. I have reviewed this annual report on Form 10-KSB of Format, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - (c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: March 28, 2008

/s/ Ryan Neely

Ryan Neely
Chief Executive Officer
and Chief Financial Officer

**Certification of Chief Executive Officer and Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Format, Inc. a Nevada corporation (the "Company") on Form 10-KSB for the year ending December 31, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Ryan Neely, Chief Executive Officer and Chief Financial Officer of the Company, certifies to the best of his knowledge, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Format, Inc., and will be retained by Format, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Date: March 28, 2008

/s/ Ryan Neely

Ryan Neely
Chief Executive Officer
and Chief Financial Officer