DATA STORAGE CONSULTING SERVICES, INC.
Form 10-Q
May 17, 2010

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

FORM 10-Q

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

For the quarterly period ended: March 31, 2010
or

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

For the transition period from: _____________ to _____________

Data Storage Consulting, Inc.
(Exact name of registrant as specified in its charter)

Colorado	000-53126	20-8096131
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

360 Main Street Washington, VA 22747
(Address of Principal Executive Office) (Zip Code)

540-675-3149
(Registrant's telephone number, including area code)

13990 Braun Road , Golden, CO 80401
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all documents and reports required to be filed by Sections 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 filings for the past 90 days. YES x NO o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES o NO o N/A

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

Large accelerated filer ¨	Accelerated filer ¨	Non-accelerated filer ¨	Smaller reporting company x

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

As of May 10, 2010, the number of the Company's shares of par value, $0.001, common stock outstanding was 8,929,000.

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DATA STORAGE CONSULTING SERVICES, INC.
(A Development Stage Company)
BALANCE SHEETS

	Mar. 31, 2010 (unaudited)	Dec. 31, 2009
ASSETS		
Total Assets	$ -	$ -
LIABILITIES		
& STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 25	$ 1,500
Related party payables	-	-
Total current liabilities	25	1,500
Total Liabilities	$ 25	$ 1,500
Stockholders' Equity		
Preferred stock, $.10 par value;		
1,000,000 shares authorized;		
none issued and outstanding	-	-
Common stock, $.001 par value;		
50,000,000 shares authorized;		
8,929,000 shares issued and outstanding;	8,929	8,929
Additional paid in capital	78,424	76,924
Deficit accumulated during the development stage	(87,378)	(87,353)
Total Stockholders' Equity	(25)	(1,500)
Total Liabilities and Stockholders' Equity	$ -	$ -

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

DATA STORAGE CONSULTING SERVICES, INC.
(A Development Stage Company)
STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended Mar. 31, 2010	Three Months Ended Mar. 31, 2009	Dec. 12, 2006 (Inception of Dev. Stage) Through Mar. 31, 2010
Revenue	$ -	$ -	$ -
Operating expenses:			
General and administrative	25	1,590	87,400
	25	1,590	87,400
Income (loss) from operations	(25)	(1,590)	(87,400)
Other income (expense):			
Interest income	-	-	22
	-	-	22
Income (loss) before provision for income taxes	(25)	(1,590)	(87,378)
Provision for income tax	-	-	-
Net income (loss)	$ (25)	$ (1,590)	$ (87,378)
Net income (loss) per share			
(Basic and fully diluted)	$ (0.00)	$ (0.00)	
Weighted average number of common shares outstanding	8,929,000	8,929,000	

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

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DATA STORAGE CONSULTING SERVICES, INC.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended Mar. 31, 2010	Three Months Ended Mar. 31, 2009	Dec. 12, 2006 (Inception of Dev. Stage) Through Mar. 31, 2010
Cash Flows From Operating Activities:			
Net income (loss)	$ (25)	$ (1,590)	$ (87,378)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:			
Accrued payables	(1475)	1,575	12,563
Compensatory stock issuances	-	-	8,450
Net cash provided by (used for) operating activities	(1500)	(15)	(66,365)
Cash Flows From Investing Activities:			
Deferred offering costs	-	-	(44,535)
Net cash provided by (used for) investing activities	-	-	(44,535)
Cash Flows From Financing Activities:			
Sales of common stock	-	-	108,500
Paid in capital	1,500	-	900
Net cash provided by (used for) financing activities	1,500	-	109,400
Net Increase (Decrease) In Cash	-	(15)	-
Cash At The Beginning Of The Period	-	15	-
Cash At The End Of The Period	$ -	$ -	$ -

Schedule Of Non-Cash Investing And Financing Activities

In 2009 a former officer contributed $12,538 owed to him to the capital of the Company.

Supplemental Disclosure

Cash paid for interest	$ -	$ -	$ -
Cash paid for income taxes	$ -	$ -	$ -

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

DATA STORAGE CONSULTING SERVICES, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
March 31, 2010
(Unaudited)

NOTE 1. ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Data Storage Consulting Services, Inc. (the “Company”), was incorporated in the State of Colorado on December 12, 2006. The Company was formed to provide data management, consulting and storage services to clients.

Development Stage Company

The Company is currently in the development stage, and has commenced operations but has not yet generated significant revenues.

Basis of Presentation

The accompanying unaudited financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and disclosures required by generally accepted accounting principles for complete financial statements. All adjustments which are, in the opinion of management, necessary for a fair presentation of the results of operations for the interim periods have been made and are of a recurring nature unless otherwise disclosed herein. The results of operations for such interim periods are not necessarily indicative of operations for a full year.

Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less as cash equivalents.

Accounts receivable

The Company reviews accounts receivable periodically for collectability and establishes an allowance for doubtful accounts and records bad debt expense when deemed necessary.

Property and equipment

Property and equipment are recorded at cost and depreciated under accelerated methods over each item's estimated useful life, which is five years for vehicles, computers and other items.

Revenue recognition
Revenue is recognized on an accrual basis after services have been performed under contract terms, the event price to the client is fixed or determinable, and collectability is reasonably assured. Standard contract policy calls for partial payment up front with balance due upon receipt of final billing.

Use of Estimates

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

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Income tax

The Company accounts for income taxes pursuant to ASC 740. Under ASC 740 deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Net income (loss) per share

The net income (loss) per share is computed by dividing the net income (loss) by the weighted average number of shares of common outstanding. Warrants, stock options, and common stock issuable upon the conversion of the Company's preferred stock (if any), are not included in the computation if the effect would be anti-dilutive and would increase the earnings or decrease loss per share.

Financial Instruments

The carrying value of the Company’s financial instruments, including cash and cash equivalents and accrued payables, as reported in the accompanying balance sheet, approximates fair value.

Fiscal year

The Company employs a fiscal year ending December 31.

NOTE 2. INCOME TAXES

Deferred income taxes arise from the temporary differences between financial statement and income tax recognition of net operating losses. These loss carryovers are limited under the Internal Revenue Code should a significant change in ownership occur. The Company accounts for income taxes pursuant to ASC 740.

At December 31, 2008 and 2009 the Company had approximately $75,000 and $87,000 in unused federal net operating loss carry forwards, which begin to expire principally in the year 2026. A deferred tax asset of approximately $15,000 and $17,000 resulting from the loss carry forward has been offset by a 100% valuation allowance. The change in the valuation allowance in 2008 and 2009 was approximately $13,300 and $2,000.

NOTE 3. GOING CONCERN

The Company has suffered losses from operations that raise substantial doubt about the Company’s ability to continue as a going concern. The Company may raise additional capital through the sale of its equity securities, through offerings of debt securities, or through borrowings from financial institutions. Management believes that actions presently being taken to obtain additional funding provide the opportunity for the Company to continue as a going concern.

NOTE 4: SUBSEQUENT EVENTS

On April 19, 2010, the Company entered into a Common Stock Purchase Agreement (the “Purchase Agreement”) whereby Sunrise Capital International, Inc. purchased 4,553,790 common stock shares, or approximately 51.00%, of the issued and outstanding common stock of the Company, from Belmont Partners, LLC.

On April 19, 2010, Joseph Meuse, the Company's former President and sole director, resigned his former position as President and Secretary. On the same date, Sheng Zhou was named President, Secretary and Director of the Company. Sheng Zhou is the Executive Director of Sunrise Capital International, Inc. Such resignation and appointments were effective as of the April 19, 2010 with respect to the officers of the Company. The resignation of the former director Joseph Meuse and the appointment of Sheng Zhou as the new director became effective on the tenth day following the mailing by the Company of an information statement that complies with the requirements of Section 14f-1 of the Securities Exchange Act of 1934.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following should be read in conjunction with the consolidated financial statements of the Company included elsewhere herein.

FORWARD-LOOKING STATEMENTS

When used in this report, the words "may," "will," "expect," "anticipate," "continue," "estimate," "intend," "plans", and simila expressions are intended to identify forward-looking statements regarding events, conditions and financial trends which may affect our future plans of operations, business strategy, operating results and financial position. Forward looking statements in this report include without limitation statements relating to trends affecting our financial condition or results of operations, our business and growth strategies and our financing plans.

Such statements are not guarantees of future performance and are subject to risks and uncertainties and actual results may differ materially from those included within the forward-looking statements as a result of various factors. Such factors include, among other things, general economic conditions; cyclical factors affecting our industry; lack of growth in our industry; our ability to comply with government regulations; a failure to manage our business effectively; our ability to sell products at profitable yet competitive prices; and other risks and factors set forth from time to time in our filings with the Securities and Exchange Commission, including our registration statement on Form SB-2, as amended. .

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. We undertake no obligation to publicly release the result of any revision of these forward-looking statements to reflect events or circumstances after the date they are made or to reflect the occurrence of unanticipated events.

Overview and Recent History

Data Storage Consulting Services, Inc. sells data storage protection and consulting services to small and medium businesses. We market and sell our products and services directly to business end users. We have a limited history of operations. Prior to September 2009, our operations were limited to the State of Colorado; however, following the relocation of our corporate headquarters in September 2009, our plan of operation has been to actively pursue companies with assets and developing businesses with which to merge or acquire. We intend to acquire such assets and emerging businesses that our management believes are well positioned for future growth.

On March 7, 2008, we closed our registered public offering. We sold a total of 404,000 common shares at a price of $.25 per share, for a total of $101,000.

On August 17, 2009, Joseph Meuse was appointed to the Board of Directors as well as President of the Company. On the same date, Ross Bernstein, Neil Bernstein, Kirk Hanson, and William Hartman resigned from all positions held in the Company.

On August 26, 2009, the company entered into a material definitive agreement with Belmont Partners, LLC ("Belmont") by which Belmont acquired six million five hundred thousand (6,500,000) shares of the Company's common stock. This transaction was approved by the Company's Board of Directors in a special meeting held on August 17, 2009, and by a majority of the Company's shareholders through a written shareholder consent executed on the same date. The transaction with Belmont closed on September 2, 2009. Following the transaction, Belmont Partners, LLC controlled approximately 72.8% of the Company's outstanding capital stock.

On April 19, 2010, the Company entered into a Common Stock Purchase Agreement (the "Purchase Agreement") whereby Sunrise Capital International, Inc. purchased 4,553,790 common stock shares, or approximately 51.00%, of the issued and outstanding common stock of the Company, from Belmont Partners, LLC.

On April 19, 2010, Joseph Meuse, the Company's former President and sole director, resigned his former position as President and Secretary. On the same date, Sheng Zhou was named President, Secretary and Director of the Company. Sheng Zhou is the Executive Director of Sunrise Capital International, Inc. Such resignation and appointments were effective as of the April 19, 2010 with respect to the officers of the Company. The resignation of the former director Joseph Meuse and the appointment of Sheng Zhou as the new director became effective on the tenth day following the mailing by the Company of an information statement that complies with the requirements of Section 14f-1 of the Securities Exchange Act of 1934.

In September 2009, our headquarters moved to 360 Main St., Washington, VA 22747. Our phone number at our headquarters is (540) 675-3149. Our fiscal year end is December 31.

To date, since inception on December 12, 2006, we have had no revenues and only losses, and we anticipate this continuing for the foreseeable future. Accordingly, until such time that we are profitable, if at all, we will be dependent upon debt and equity financing which may not be available to us. Our auditors are currently of the opinion, and have formally indicated that for the fiscal year ended December 31, 2009, they doubt our ability to continue as a going concern as a result of our continued net losses.

Results of Operations

The Three Months Ended March 31, 2010 Compared to the Three Months Ended March 31, 2009

The revenues for the three months ended March 31, 2010 and March 31, 2009 were both $0.

The Operating Expenses, which are composed entirely of general and administrative expenses, for the three months ended March 31, 2010 and March 31, 2009, were $25 and $1590, respectively. The lower expenses in 2009 were attributable to a reduction in independent contracts, professional fees and prepaid expenses.

Similarly, our Net Loss for the three months ended March 31, 2010 and March 31, 2009, were $25 and $1590, respectively.

Based upon our current plans, we plan to adjust our operating expenses so that cash generated from operations and from working capital will be sufficient for the foreseeable future to fund our operations at our currently forecasted levels. To try to operate at a break-even level based upon our current level of anticipated business activity, we believe that we must generate approximately $36,000 in revenue per year. However, if our forecasts are inaccurate, we will need to raise additional funds. On the other hand, we may choose to scale back our operations to operate at break-even with a smaller level of business activity, while adjusting our overhead to meet the revenue from current operations. In addition, we expect that we will need to raise additional funds if we decide to pursue more rapid expansion, the development of new or enhanced services and products, appropriate responses to competitive pressures, or the acquisition of complementary businesses or technologies, or if we must respond to unanticipated events that require us to make additional investments. We cannot assure that additional financing will be available when needed on favorable terms, or at all.

We expect to incur operating losses in future periods because we will be incurring expenses and not generating sufficient revenues. We expect approximately $36,000 in operating costs over the next twelve months. We cannot guarantee that we will be successful in generating sufficient revenues or other funds in the future to cover these operating costs. Failure to generate sufficient revenues or additional financing when needed could cause us to go out of business.

Liquidity and Capital Resources

As of March 31. 2010, we had cash or cash equivalents of $0.00.

Net cash used for operating activities was $0 for the three months ended March 31, 2010, compared to cash provided by operating activities of $15 for the period ended March 31, 2009. The decrease in net cash used for the three months ended March 31, 2010 was attributable to reduced operating expenses, specifically reduced general and administrative expenses from 2009 to 2010.

Cash flows provided by investing activities was $0 for the three months ended March 31, 2010 and for the same period in 2009.

Cash flows used by financing activities was $1,500 for the three months ended March 31, 2010 as compared to $0 for the same period in 2009. This increase was primarily the result of an increase in paid in capital of $1,500.

Until the Company's operations become cash flow positive, our sole officer and Director will fund the operations to continue the business. At this time, we have no other resources for cash without his assistance.

Our principle source of liquidity will be financing activities. We expect variation in these financing activities to account for the difference between a profit and a loss. In any case, we try to operate with minimal overhead. Our primary activity will be to seek to acquire an operating business generating revenues. If we succeed in finding such an opportunity, we expect to become profitable. We cannot guarantee that this will ever occur. Our plan is to build our company in any manner which will be successful.

Off-Balance Sheet Arrangements

At March 31, 2010, we did not have any transactions, obligations or relationships that could be considered off-balance sheet arrangements.

Significant Accounting Policies

Our discussion and analysis of results of operations and financial condition are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We evaluate our estimates on an ongoing basis, including those related to provisions for uncollectible accounts receivable, inventories, valuation of intangible assets and contingencies and litigation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values 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 accounting policies that we follow are set forth in Note 1 to our financial statements as included in this document. These accounting policies conform to accounting principles generally accepted in the United States, and have been consistently applied in the preparation of the financial statements.

Recently Issued Accounting Pronouncements

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 123R "Share Based Payment." This statement is a revision of SFAS No. 123, "Accounting for Stock-Based Compensation" and supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees, and its related implementation guidance. SFAS No. 123R addresses all forms of share based payment ("SBP") awards including shares issued under employee stock purchase plans, stock options, restricted stock and stock appreciation rights. Under SFAS No. 123R, SBP awards result in a cost that will be measured at fair value on the awards' grant date, based on the estimated number of awards that are expected to vest. This statement is effective for public entities that file as issuers, as of the beginning of the first interim or annual reporting period that begins after December 15, 2005. We adopted this pronouncement during the first quarter of 2005.

In December 2004, the FASB issued SFAS No. 153, Exchanges of Non-monetary Assets - An Amendment of APB Opinion No. 29. The amendments made by SFAS No. 153 are based on the principle that exchanges of non-monetary assets should be measured based on the fair value of the assets exchanged. Further, the amendments eliminate the narrow exception for non-monetary exchanges of similar productive assets and replace it with a broader exception for exchanges of non-monetary assets that do not have "commercial substance." SFAS No. 153 is effective for non-monetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The adoption of SFAS No. 153 on its effective date did not have a material effect on our consolidated financial statements.

In March 2005, the FASB issued Financial Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations - an Interpretation of FASB Statement No. 143", which specifies the accounting treatment for obligations associated with the sale or disposal of an asset when there are legal requirements attendant to such a disposition. We adopted this pronouncement in 2005, as required, but there was no impact as there are no legal obligations associated with the future sale or disposal of any assets.

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections — A Replacement of APB Opinion No. 20 and SFAS Statement No. 3". SFAS No. 154 changes the requirements for the accounting and reporting of a change in accounting principle by requiring retrospective application to prior periods' financial statements of the change in accounting principle, unless it is impracticable to do so. SFAS No. 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. We do not expect the adoption of SFAS No. 154 to have any impact on our consolidated financial statements.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 4T - CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures.

As of the end of the period covered by this report, based on an evaluation of our disclosure controls and procedures (as defined in Rules 13a -15(e) and 15(d)-15(e) under the Exchange Act), our Principal Executive Officer and the Principal Financial Officer each have concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the applicable time periods specified by the SEC’s rules and forms.

(b) Changes in Internal Control Over Financial Reporting.

There were no changes in our internal controls over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

This report does not include an attestation report of the company’s registered public accounting firm regarding internal control over financial reporting. Identified in connection with the evaluation required by paragraph (d) of Rule 240.13a-15 or Rule 240.15d-15 of this chapter that occurred during the registrant’s last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

The Company is not a party to any pending legal proceeding. We are not aware of any pending legal proceeding to which any of our officers, directors, or any beneficial holders of 5% or more of our voting securities are adverse to us or have a material interest adverse to us.

ITEM 1A. RISK FACTORS.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

The above statement notwithstanding, shareholders and prospective investors should be aware that certain risks exist with respect to the Company and its business, which risks include: its limited assets, lack of revenues and only losses since inception, industry risks, the need for additional capital; the fact that our accountants have expressed doubts about our ability to continue as a going concern; among other factors. The Company management is aware of these risks and has attempted to establish the minimum controls and procedures to insure adequate risk assessment and execution to reduce loss exposure. For more specific detail regarding the risks inherent in an investment in the Company, shareholders and prospective investors are also referred to the “Risk Factors” section of the Company’s registration statement filed with the Securities and Exchange Commission on Form SB-2, as amended. See www.sec.gov.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. OTHER INFORMATION.

None.

ITEM 5. EXHIBITS.

Exhibit 31.1	Certification required by Rule 13a-14(a) or Rule 15d-14(a) and section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 32.1	Certification required by Rule 13a-14(b) or Rule 15d-14(b) and section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350

SIGNATURES

Pursuant to the requirements of Section 13 of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Data Storage Consulting, Inc.
(Registrant)

By:/s/Sheng Zhou Sheng Zhou, President, Secretary and Director (Principal executive officer and principal financial officer)	Date: May 14, 2010