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SOPAC CELLULAR SOLUTIONS INC.

Form 10-Q

April 10, 2009

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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED FEBRUARY 28, 2009

Commission file number 333-138217

SOPAC CELLULAR SOLUTIONS, INC.
(Exact name of registrant as specified in its charter)

NEVADA
(State or other jurisdiction of incorporation or organization)

4438 Vesper Avenue, Suite 2
Sherman Oaks, CA 91403
(Address of principal executive offices, including zip code)

(949)355-4559
(Telephone number, including area code)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the last 90 days. YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 1,700,000 shares as of February 28, 2009.

ITEM 1. FINANCIAL STATEMENTS.

SOPAC CELLULAR SOLUTIONS INC.
(A Development Stage Company)
Balance Sheet

As of

As of

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| | February 28, 2009 ----- (unaudited) | August 31, 2008 ----- |
|---|--|-----------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 7,943 | \$ 16,979 |
| Deposits | 180 | -- |
| | ----- | ----- |
| TOTAL CURRENT ASSETS | 8,123 | 16,979 |
| | ----- | ----- |
| TOTAL ASSETS | \$ 8,123 ===== | \$ 16,979 ===== |
| LIABILITIES & STOCKHOLDERS' EQUITY | | |
| STOCKHOLDERS' EQUITY | | |
| Common stock, (\$0.001 par value, 75,000,000 shares authorized; 1,700,000 shares issued and outstanding as of February 28, 2009 and August 31, 2008 | 1,700 | 1,700 |
| Additional paid-in capital | 38,300 | 38,300 |
| Deficit accumulated during exploration stage | (31,877) | (23,021) |
| | ----- | ----- |
| TOTAL STOCKHOLDERS' EQUITY | 8,123 | 16,979 |
| | ----- | ----- |
| TOTAL LIABILITIES & STOCKHOLDERS' EQUITY | \$ 8,123 ===== | \$ 16,979 ===== |

See Notes to Financial Statements

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SOPAC CELLULAR SOLUTIONS INC.
(A Development Stage Company)
Statement of Operations
(unaudited)

| | Three Months Ended February 28, 2009 ----- | Three Months Ended February 29, 2008 ----- | Six Months Ended February 28, 2009 ----- | Six Months Ended February 28, 2008 ----- |
|---|--|--|--|--|
| REVENUES | | | | |
| Revenues | \$ -- | \$ -- | \$ -- | \$ -- |
| | ----- | ----- | ----- | ----- |
| TOTAL REVENUES | -- | -- | -- | -- |
| PROFESSIONAL FEES | | | | |
| PROFESSIONAL FEES | 1,500 | 1,000 | 6,000 | 3,000 |
| GENERAL & ADMINISTRATIVE EXPENSES | | | | |
| GENERAL & ADMINISTRATIVE EXPENSES | 1,695 | 1,483 | 2,856 | 2,856 |
| | ----- | ----- | ----- | ----- |
| TOTAL GENERAL & ADMINISTRATIVE EXPENSES | 3,195 | 2,483 | 8,856 | 5,856 |

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| | | | | |
|--|------------|------------|------------|------------|
| NET INCOME (LOSS) | \$ (3,195) | \$ (2,483) | \$ (8,856) | \$ (5,388) |
| BASIC EARNING (LOSS) PER SHARE | \$ (0.00) | \$ (0.00) | \$ (0.01) | \$ (0.01) |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING | 1,700,000 | 1,700,000 | 1,700,000 | 1,700,000 |

See Notes to Financial Statements

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SOPAC CELLULAR SOLUTIONS INC.
(A Development Stage Company)
Statement of Cash Flows
(unaudited)

| | Six Months Ended February 28, 2009 | Six Months Ended February 28, 2008 |
|---|------------------------------------|------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income (loss) | \$ (8,856) | \$ (5,388) |
| Adjustments to reconcile net loss to net cash provided by (used in) operating activities: | | |
| Changes in operating assets and liabilities: | | |
| Deposits | (180) | — |
| Due to a Director | -- | (20) |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | (9,036) | (5,588) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES | -- | -- |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of common stock | -- | -- |
| NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES | -- | -- |
| NET INCREASE (DECREASE) IN CASH | (9,036) | (5,588) |
| CASH AT BEGINNING OF PERIOD | 16,979 | 28,750 |
| CASH AT END OF YEAR | \$ 7,943 | \$ 23,162 |

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

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Cash paid during year for:

| | | |
|--------------|-------|-------|
| Interest | \$ -- | \$ -- |
| | ===== | ===== |
| Income Taxes | \$ -- | \$ -- |
| | ===== | ===== |

See Notes to Financial Statements

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SOPAC CELLULAR SOLUTIONS INC.
(A Development Stage Company)
Notes to Financial Statements
February 28, 2009

NOTE 1 - CONDENSED FINANCIAL STATEMENTS

The accompanying financial statements have been prepared by SOPAC Solutions Inc. (the "Company") without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows at February 28, 2009, and for all periods presented herein, have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's August 31, 2008 audited financial statements. The results of operations for the period ended February 28, 2009 is not necessarily indicative of the operating results for the full year.

NOTE 2 - GOING CONCERN

The Company's financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management's plan is to obtain such resources for the Company by obtaining capital from management and significant shareholders sufficient to meet its minimal operating expenses and seeking equity and/or debt financing. However management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

FORWARD LOOKING STATEMENTS

Some of the statements contained in this Form 10-Q that are not historical facts are "forward-looking statements" which can be identified by the use of terminology such as "estimates," "projects," "plans," "believes," "expects," "anticipates," "intends," or the negative or other variations, or by discussions of strategy that involve risks and uncertainties. We urge you to be cautious of the forward-looking statements, that such statements, which are contained in this Form 10-Q, reflect our current beliefs with respect to future events and involve known and unknown risks, uncertainties and other factors affecting our operations, market growth, services, products and licenses. No assurances can be given regarding the achievement of future results, as actual results may differ materially as a result of the risks we face, and actual events may differ from the assumptions underlying the statements that have been made regarding anticipated events.

All written forward-looking statements made in connection with this Form 10-Q that are attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements. Given the uncertainties that surround such statements, you are cautioned not to place undue reliance on such forward-looking statements.

RESULTS OF OPERATIONS

We are still in our development stage and have generated no revenues to date.

We incurred operating expenses of \$3,195 for the three month period ended February 28, 2009. These expenses consisted of general operating expenses incurred in connection with the day to day operation of our business and the preparation and filing of our periodic reports.

Our net loss for the three months ended February 28, 2009 and February 29, 2008 was \$3,195 and \$2,483, respectively, with no revenues for either period. Our net loss from inception through February 28, 2009 was \$31,877.

Cash provided by financing activities from inception through the period ended February 28, 2009 was \$40,000 resulting from the sale of common stock to our director, Mr. Ezra E. Ezra, who purchased 1,000,000 shares of our Common Stock at \$0.005 per share on July 10, 2006 for proceeds of \$5,000 and the sale of 700,000 shares at \$0.05 pursuant to our SB-2 Registration Statement filed with the SEC under file number 333-138217, which became effective on November 17, 2006. On April 10, 2007 the offering was completed for proceeds of \$35,000.

Our auditors have expressed their doubt about our ability to continue as a going concern unless we are able to generate profitable operations.

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LIQUIDITY AND CAPITAL RESOURCES

Our cash balance at February 28, 2009 was \$7,943, total assets were \$8,123, and there were no outstanding liabilities. We estimate it will cost \$30,000 to fully implement our business plan. Our director has verbally agreed to loan the company funds to continue operations in a limited scenario until sales will support operations, but he has no legal obligation to do so. We are a development stage company and have generated no revenue since inception to February 28, 2009.

PLAN OF OPERATION

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The following criteria for the milestones are based on management's estimates only. The projected milestones are approximations only and subject to adjustment based on costs and needs.

The company has not yet been successful in establishing partnerships with suppliers such as Sprint/Nextel, AT&T and Verizon Wireless. We are no longer pursuing the joint venture as, to the best of our knowledge; the company was unsuccessful in securing the financing they were seeking. We are inquiring about the possibility of establishing a consulting relationship with two key principals of the company.

We believe that one of these individuals is capable of establishing the "partnerships" we have been pursuing and, together, can help us with the technological, marketing and sales aspects of our business. We do not, nor will we, going forward, possess the financial resources to afford such a relationship. Instead, we hope we will be successful in attracting them by offering them equity interest equity in the company as well as a direct participation of any profits created by their efforts. There is no assurance, whatsoever, that we will be successful in achieving such an arrangement.

Our two outside salesmen are still dedicated to commencing work once we're set up to do so. Once we believe operations will support them, we will attempt to recruit two additional salespeople before we can begin the process of calling on a select number of software developers that provide wireless solutions to businesses and, to arrange to have one or two of their sales/training representatives train our people in the intricacies of each software package, its benefits to business and in sales presentations. Training on just one application software, for each industry, will take anywhere from a month to three months.

After these trainings and the creation of our official website, we will start the process of prospecting for customers by establishing relations with bankers, investment banking firms, corporate financiers, law firms, CPA firms and pension plan managers. We will start by recruiting each of them to become our customers first, and then prevail upon them to introduce us to the businesses they buy, sell or service.

If we are unsuccessful in our aforementioned efforts, we will continue to search for a Marketing and Sales Vice President and an IT/Operations Manager. These tasks are difficult since we're a start up, don't possess the requisite funds to afford to pay such talent (other than via a percentage of future revenues, as

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will be negotiated, if and when revenues are achieved) and since the contribution we will expect from these individuals will be substantial. These individuals will have to:

1. Become intimately familiar with the rate plans the service providers offer and be able to answer the many questions a customer or provider will propose.
2. Study every nuance of the various cell phone devices we will sell, know how to use them to a) work and b) accommodate software our sales agents will be using.
3. Receive training on the many types of software solutions and application for each and every industry vertical and create the framework for training others.
4. Develop a dynamic website that will interface with our Master Agent's systems and present a valuable shopping and Q &A tool for our customers.
5. Prepare an Operational Manual and a Compliance Manual for the company.

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6. Prepare a list containing the universe of corporate customer candidates to target and sell to.

All of the above and more will be required from these individuals for our firm to be regarded as a competitive entity in the business to business arena and, gearing them up to be seamlessly functional, will take the better part of six months.

We will also begin the process of calling each of a very large number of business software manufacturers that provide wireless solutions to businesses across the board. We will attempt to arrange to have these software manufacturers send one or two representatives of their own to provide us with a series of training and sales meetings, for our own salespeople, once we've been successful in hiring them. We will also attempt to impose upon these representatives to aid us when making sales calls to potential large business clients.

We will start the process of prospecting business customers both large and medium sized. Each business lead we develop will require customized solutions, it could take between 60 days to as much as two years (depending on the size of the business concern and its requisite solutions) before a contract can be entered into, between the customer, our firm, the service provider and the software solutions developer.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

ITEM 4. CONTROLS AND PROCEDURES.

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Management maintains "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be

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disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

In connection with the preparation of this quarterly report on Form 10-Q, an evaluation was carried out by management, with the participation of the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of February 28, 2009.

Based on that evaluation, management concluded, as of the end of the period covered by this report, that our disclosure controls and procedures were effective in recording, processing, summarizing, and reporting information required to be disclosed, within the time periods specified in the Securities and Exchange Commission's rules and forms.

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

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As of the end of the period covered by this report, there have been no changes in SoPac Cellular Solutions' internal controls over financial reporting during the quarter ended February 28, 2009, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting subsequent to the date of management's last evaluation.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS.

The following exhibits are included with this quarterly filing. Those marked with an asterisk and required to be filed hereunder, are incorporated by reference and can be found in their entirety in our original Form SB-2 Registration Statement, filed under SEC File Number 333-138217, at the SEC website at www.sec.gov:

| Exhibit No. ----- | Description ----- |
|----------------------|---|
| 3.1 | Articles of Incorporation* |
| 3.2 | Bylaws* |
| 31.1 | Sec. 302 Certification of Principal Executive Officer |
| 31.2 | Sec. 302 Certification of Principal Financial Officer |
| 32.1 | Sec. 906 Certification of Principal Executive Officer |
| 32.2 | Sec. 906 Certification of Principal Financial Officer |

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SIGNATURES

In accordance with the requirements of the Securities Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on April 9, 2009.

Sopac Cellular Solutions, Inc.

/s/ Ezra E. Ezra

By: Ezra E. Ezra
(Principal Executive Officer, Principal Financial Officer,
Principal Accounting Officer & Sole Director)

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