

Eight Dragons Co.  
Form 10-Q  
April 27, 2012

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

Form 10-Q

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(Mark one)

Quarterly Report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2012

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

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

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Commission File Number: 000-28453

Eight Dragons Company  
(Exact name of registrant as specified in its charter)

Nevada  
(State of incorporation)

25-1605848  
(IRS Employer ID Number)

1600 West Golf Course, Midland, TX 79701  
(Address of principal executive offices)

(432) 889-4477  
(Issuer's telephone number)

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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 past 90 days. YES  NO

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  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" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer   
Non-accelerated filer

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: April 25, 2012: 362,200

Transitional Small Business Disclosure Format (check one): YES  NO

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Eight Dragons Company

Form 10-Q for the Quarter ended March 31, 2012

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## Part I

## Item 1 - Financial Statements

EIGHT DRAGONS COMPANY  
BALANCE SHEETS  
March 31, 2012 and December 31, 2011

	(Unaudited) March 31, 2012	(Audited) December 31, 2011
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash on hand and in bank	\$ 11,648	\$ 2,118
<b>Total Current Assets</b>	<b>11,648</b>	<b>2,118</b>
<b>Total Assets</b>	<b>\$ 11,648</b>	<b>\$ 2,118</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable - trade	\$ 2,200	\$ —
Notes payable to controlling stockholder	874,550	862,050
Accrued interest payable to controlling stockholder	404,964	379,006
<b>Total Current Liabilities</b>	<b>1,281,714</b>	<b>1,243,256</b>
<b>Long-Term Liabilities</b>	<b>—</b>	<b>—</b>
<b>Total Liabilities</b>	<b>1,281,714</b>	<b>1,243,256</b>
<b>Commitments and Contingencies</b>		
<b>Shareholders' Equity (Deficit)</b>		
Preferred stock - \$0.0001 par value. 50,000,000 shares authorized		
None issued and outstanding	—	—
Common stock - \$0.0001 par value. 100,000,000 shares authorized.		
362,200 shares issued and outstanding, respectively	36	36
Additional paid-in capital	31,690,302	31,690,302
Accumulated deficit	(32,960,404 )	(32,931,476 )
<b>Total Shareholders' Equity (Deficit)</b>	<b>(1,270,066 )</b>	<b>(1,241,138 )</b>

Total Liabilities and Shareholders' Equity	\$11,648	\$2,118
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The financial information presented herein has been prepared by management  
without audit by independent certified public accountants.  
The accompanying notes are an integral part of these financial statements.

EIGHT DRAGONS COMPANY  
 STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS  
 Three months ended March 31, 2012 and 2011

(Unaudited)

	Three months ended March 31, 2012	Three months ended March 31, 2011
Revenues	\$—	\$—
Expenses		
Professional fees	2,650	2,650
General and administrative expenses	320	795
Income (Loss) from operations	(2,970 )	(3,445 )
Other Income (Expense)		
Interest expense	(25,958 )	(19,943 )
Income (Loss) before provision for income taxes	(28,928 )	(23,388 )
Provision for income taxes	—	—
Net Loss	(28,928 )	(23,388 )
Other Comprehensive Income	—	—
Comprehensive Loss	\$(28,928 )	\$(23,388 )
Earnings per share of common stock outstanding computed on net loss - basic and fully diluted	\$(0.08 )	\$(0.06 )
Weighted-average number of shares outstanding – basic and fully diluted	362,200	362,200

The financial information presented herein has been prepared by management  
 without audit by independent certified public accountants.  
 The accompanying notes are an integral part of these financial statements.

EIGHT DRAGONS COMPANY  
STATEMENTS OF CASH FLOWS  
Three months ended March 31, 2012 and 2011

(Unaudited)

	Three months ended March 31, 2012	Three months ended March 31, 2011
<b>Cash Flows from Operating Activities</b>		
Net income (loss) for the period	\$(28,928 )	\$(23,388 )
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization	—	—
(Increase) Decrease in Prepaid expenses	—	(150 )
Increase (Decrease) in Accounts payable - trade	—	(300 )
Accrued interest payable	25,958	19,943
Net cash used in operating activities	(2,970 )	(3,895 )
<b>Cash Flows from Investing Activities</b>		
	—	—
<b>Cash Flows from Financing Activities</b>		
Proceeds from sale of common stock	—	—
Proceeds from loan from stockholder/officer	12,500	5,000
Net cash provided by financing activities	12,500	5,000
Increase (Decrease) in Cash	9,530	1,105
Cash at beginning of period	2,118	208
Cash at end of period	\$11,648	\$1,313
<b>Supplemental Disclosure of Interest and Income Taxes Paid</b>		
Interest paid for the year	\$—	\$—
Income taxes paid for the year	\$—	\$—

The financial information presented herein has been prepared by management  
without audit by independent certified public accountants.  
The accompanying notes are an integral part of these financial statements.





EIGHT DRAGONS COMPANY  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2012 and December 31, 2011

NOTE A - ORGANIZATION AND DESCRIPTION OF BUSINESS

Eight Dragons Company (Company), formerly known as Tahoe Pacific Corporation, Pacific Holdings, Inc. and Ameri-First Financial Group, respectively, was incorporated in the State of Nevada on September 27, 1996.

On October 24, 2007, the Company changed its state of incorporation from Delaware to Nevada by means of a merger with and into Eight Dragons Company, a Nevada corporation formed on September 26, 2007 solely for the purpose of effecting the reincorporation. The merger was consummated through an exchange of 100 shares in the Nevada corporation for each share then issued and outstanding in the Delaware corporation. The Articles of Incorporation and Bylaws of the Nevada corporation are the Articles of Incorporation and Bylaws of the surviving corporation. Such Articles of Incorporation modified the Company's capital structure to allow for the issuance of up to 50,000,000 shares of \$0.0001 par value common stock and up to 10,000,000 shares of \$0.0001 par value preferred stock.

For periods prior to 2000, the Company participated in numerous unsuccessful ventures and corporate name changes, as discussed in greater detail in previous filings with the U. S. Securities and Exchange Commission. Since 2000, the Company has had no operations, significant assets or liabilities.

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

NOTE B - PREPARATION OF FINANCIAL STATEMENTS

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

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

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

NOTE C - GOING CONCERN UNCERTAINTY

The Company has no significant assets or operating activity as of September 30, 2009.

There are no assurances that the Company will be able to either (1) consummate a business combination transaction with a privately-owned business seeking to become a public company; (2) if successful, achieve a level of revenues adequate to generate sufficient cash flow from operations; or (3) obtain additional financing through either private placement, public offerings and/or bank financing necessary to support the Company's current working capital requirements. To the extent that funds generated from any private placements, public offerings and/or bank financing are insufficient to support the Company, the Company will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on terms acceptable to the Company. If adequate working capital is not available, the Company may not renew its operations.

EIGHT DRAGONS COMPANY  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
March 31, 2012 and December 31, 2011

NOTE C - GOING CONCERN UNCERTAINTY - Continued

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

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

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

It is the belief of management and significant stockholders that they will provide sufficient working capital necessary to support and preserve the integrity of the corporate entity. However, there is no legal obligation for either management or significant stockholders to provide additional future funding. Further, the Company is at the mercy of future economic trends and business operations for the Company's majority stockholder to have the resources available to support the Company. Should this pledge fail to provide financing, the Company has not identified any alternative sources.

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

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

NOTE D - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Cash and cash equivalents

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

2. Income Taxes

The Company files income tax returns in the United States of America and may file, as applicable and appropriate, various state(s). With few exceptions, the Company is no longer subject to U.S. federal, state and local, as applicable, income tax examinations by regulatory taxing authorities for years before 2009. The Company does not anticipate any examinations of returns filed since 2009.

The Company uses the asset and liability method of accounting for income taxes. At March 31, 2012 and December 31, 2011, respectively, the deferred tax asset and deferred tax liability accounts, as recorded when material to the financial statements, are entirely the result of temporary differences. Temporary differences generally represent differences in the recognition of assets and liabilities for tax and financial reporting purposes, primarily accumulated depreciation and amortization, allowance for doubtful accounts and vacation accruals.

EIGHT DRAGONS COMPANY  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
March 31, 2012 and December 31, 2011

NOTE D - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Income Taxes - continued

The Company has adopted the provisions required by the Income Taxes topic of the FASB Accounting Standards Codification. The Codification Topic requires the recognition of potential liabilities as a result of management's acceptance of potentially uncertain positions for income tax treatment on a "more-likely-than-not" probability of an assessment upon examination by a respective taxing authority. As a result of the implementation of Codification's Income Tax Topic, the Company did not incur any liability for unrecognized tax benefits.

3. Earnings (loss) per share

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

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

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

At March 31, 2012 and December 31, 2011, and subsequent thereto, the Company had no outstanding common stock equivalents.

4. Recent Accounting Pronouncements

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

NOTE E - FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

EIGHT DRAGONS COMPANY  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
March 31, 2012 and December 31, 2011

## NOTE F - NOTES PAYABLE TO STOCKHOLDER

On August 1, 2002, the Company issued a \$740,000 note to Wilkerson Consulting, Inc. (Wilkerson) as compensation to replace a guarantee related to a former officer's debt. This note was unsecured and bore interest at 6% on unpaid principal and 10% on matured unpaid principal. The note was payable on demand, or if no demand was made, the entire principal amount and all accrued interest was due and payable on July 31, 2006. On January 18, 2005, the Company and Wilkerson entered into a Debt and Stock Purchase Agreement with Glenn A. Little (Little) pursuant to which Little agreed to purchase the \$740,000 in outstanding debt against the Company and to purchase certain common stock of the Company owned by Wilkerson for total cash consideration of \$60,000. The note matured on July 31, 2006 and no demand for payment has been made by Mr. Little.

The Company and its controlling stockholder and sole officer, Glenn A. Little, have acknowledged that outside funds are necessary to support the corporate entity and comply with the periodic reporting requirements of the Securities Exchange Act of 1934, as amended. Accordingly, Mr. Little agreed to lend the Company up to \$50,000 with a maturity period not to exceed two (2) years from the initial funding date at an interest rate of 6.0% per annum. In May 2005, Mr. Little advanced approximately \$50,000 under this agreement, with an initial maturity date in May 2007. During 2007, this agreement was modified to extend the credit limit to \$75,000 and the maturity date was extended to December 31, 2008. No subsequent modifications to the agreement have been made. Through March 31, 2012 and December 31, 2011, an aggregate \$134,550 and \$122,050 has been advanced under this agreement. This note matured on December 31, 2008 and is currently due upon demand. As of the no demand for payment has been made by Mr. Little. It is the intent of Mr. Little and the Company to extend the maturity date of this note to a future date.

The following table is a summary of the notes payable to the Company's controlling shareholder as of March 31, 2012 and December 31, 2011, respectively:

	March 31, 2012	December 31, 2011
Wilkerson note sold to Little	\$740,000	\$740,000
Working capital note payable to Little	134,550	122,050
<b>Total</b>	<b>\$874,550</b>	<b>\$862,050</b>

## NOTE G - INCOME TAXES

The components of income tax (benefit) expense for each of the three month periods ended March 31, 2012 and 2011, are as follows:

Three months ended March 31,	Three months ended March 31,
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	2012	2011
Federal:		
Current	\$—	\$—
Deferred	—	—
	—	—
State:		
Current	—	—
Deferred	—	—
	—	—
Total	\$—	\$—



EIGHT DRAGONS COMPANY  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
March 31, 2012 and December 31, 2011

## NOTE G - INCOME TAXES - CONTINUED

As a result of a 2005 change in control, the Company has a net operating loss carryforward of approximately \$667,000 for Federal income tax purposes. The amount and availability of any future net operating loss carryforwards may be subject to limitations set forth by the Internal Revenue Code. Factors such as the number of shares ultimately issued within a three year look-back period; whether there is a deemed more than 50 percent change in control; the applicable long-term tax exempt bond rate; continuity of historical business; and subsequent income of the Company all enter into the annual computation of allowable annual utilization of the carryforwards.

The Company's income tax expense (benefit) for each of the three month periods ended March 31, 2012 and 2011, respectively, differed from the statutory federal rate of 34 percent as follows:

	Three months ended March 31, 2012	Three months ended March 31, 2011
Statutory rate applied to income before income taxes	\$(10,000 )	\$(8,000 )
Increase (decrease) in income taxes resulting from:		
State income taxes	—	—
Other, including reserve for deferred tax asset and application of net operating loss carryforward	10,000	8,000
Income tax expense	\$—	\$—

Temporary differences, which consist principally of net operating loss carryforwards, statutory deferrals of expenses for organizational costs and statutory differences in the depreciable lives for property and equipment, between the financial statement carrying amounts and tax bases of assets and liabilities give rise to deferred tax assets and/or liabilities, as appropriate. As of March 31, 2012 and December 31, 2011, respectively, the deferred tax asset is as follows:

	March 31, 2012	December 31, 2011
Deferred tax assets		
Net operating loss carryforwards	\$227,000	\$217,000
Less valuation allowance	(227,000 )	(217,000 )
Net Deferred Tax Asset	\$—	\$—

During the three months ended March 31, 2012 and the year ended December 31, 2011, respectively, the valuation allowance for the deferred tax asset increased by approximately \$10,000 and \$32,000.

NOTE H - SUBSEQUENT EVENTS

Management has evaluated all activity of the Company through April 26, 2012 (the issue date of the financial statements) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to financial statements.

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Part I - Item 2

Management's Discussion and Analysis of Financial Condition and Results of Operations

(1) Caution Regarding Forward-Looking Information

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

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

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

(2) Background

Eight Dragons Company (Company), formerly known as Tahoe Pacific Corporation, Pacific Holdings, Inc. and Ameri-First Financial Group, respectively, was incorporated in the State of Nevada on September 27, 1996.

For periods prior to 2000, the Company participated in numerous unsuccessful ventures and corporate name changes, as discussed in greater detail in previous filings with the U. S. Securities and Exchange Commission. Since 2000, the Company has had no operations, significant assets or liabilities.

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

(3) Plan of Operations

The Company had no revenue for either of the three month periods ended March 31, 2012 and 2011, respectively.

General and administrative expenses of approximately \$3,000 and \$3,500 for the three month periods ended March 31, 2012 and 2011, respectively, have been directly related maintaining the corporate entity and maintaining compliance with the Securities Exchange Act of 1934, as amended.

It is anticipated that future expenditure levels may increase as the Company intends to fully comply with its periodic reporting requirements.

Earnings per share for the respective three month periods ended March 31, 2012 and 2011 were approximately \$(0.08) and \$(0.06), respectively, based on the weighted-average shares issued and outstanding at the end of each respective period.

The Company does not expect to generate any meaningful revenue or incur operating expenses for purposes other than fulfilling the obligations of a reporting company under the Securities Exchange Act of 1934 unless and until such time that the Company's operating subsidiary begins meaningful operations.

#### (4) Plan of Business

##### General

The Company intends to locate and combine with an existing, privately-held company which is profitable or, in management's view, has growth potential, irrespective of the industry in which it is engaged. However, the Company does not intend to combine with a private company which may be deemed to be an investment company subject to the Investment Company Act of 1940. A combination may be structured as a merger, consolidation, exchange of the Company's common stock for stock or assets or any other form which will result in the combined enterprise's becoming a publicly-held corporation.

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

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

#### Combination Suitability Standards

In its pursuit for a combination partner, the Company's management intends to consider only combination candidates which are profitable or, in management's view, have growth potential. The Company's management does not intend to pursue any combination proposal beyond the preliminary negotiation stage with any combination candidate which does not furnish the Company with audited financial statements for at least its most recent fiscal year and unaudited financial statements for interim periods subsequent to the date of such audited financial statements, or is in a position to provide such financial statements in a timely manner. The Company will, if necessary funds are available, engage attorneys and/or accountants in its efforts to investigate a combination candidate and to consummate a business combination. The Company may require payment of fees by such combination candidate to fund the investigation of such candidate. In the event such a combination candidate is engaged in a high technology business, the Company may also obtain reports from independent organizations of recognized standing covering the technology being developed and/or used by the candidate. The Company's limited financial resources may make the acquisition of such reports difficult or even impossible to obtain and, thus, there can be no assurance that the Company will have sufficient funds to obtain such reports when considering combination proposals or candidates. To the extent the Company is unable to obtain the advice or reports from experts, the risks of any combined enterprise's being unsuccessful will be enhanced. Furthermore, to the knowledge of the Company's officers and directors, neither the candidate nor any of its directors, executive officers, principal stockholders or general partners:

- (1) will have been convicted of securities fraud, mail fraud, tax fraud, embezzlement, bribery, or a similar criminal offense involving misappropriation or theft of funds, or be the subject of a pending investigation or indictment involving any of those offenses;
- (2) will have been subject to a temporary or permanent injunction or restraining order arising from unlawful transactions in securities, whether as issuer, underwriter, broker, dealer, or investment advisor, may be the subject of any pending investigation or a defendant in a pending lawsuit arising from or based upon allegations of unlawful transactions in securities; or
- (3) will have been a defendant in a civil action which resulted in a final judgement against it or him awarding damages or rescission based upon unlawful practices or sales of securities.

The Company's officers and directors will make these determinations by asking pertinent questions of the management of prospective combination candidates. Such persons will also ask pertinent questions of others who may be involved in the combination proceedings. However, the officers and directors of the Company will not generally take other steps to verify independently information obtained in this manner which is favorable. Unless something comes to their attention which puts them on notice of a possible disqualification which is being concealed from them, such persons will rely on information received from the management of the prospective combination candidate and from others who may be involved in the combination proceedings.

(5) Liquidity and Capital Resources

At September 30, 2011 and December 31, 2010, the Company had a working capital deficit of approximately \$(1,219,000) and \$(1,126,000), respectively. Included in this working capital deficit are loans and accrued interest payable to the Company's controlling stockholder aggregating approximately \$1,216,000 and \$1,126,000, respectively, at September 30, 2011 and December 31, 2010.

It is the belief of management and significant stockholders that, should the need arise, they will provide sufficient working capital necessary to support and preserve the integrity of the corporate entity. However, there is no legal obligation for either management or significant stockholders to provide additional future funding. Further, the Company is at the mercy of future economic trends and business operations for the Company's majority stockholder to have the resources available to support the Company. Should this pledge fail to provide financing, the Company has not identified any alternative sources. Consequently, there is substantial doubt about the Company's ability to continue as a going concern.

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

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

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

#### (6) Critical Accounting Policies

Our financial statements and related public financial information are based on the application of accounting principles generally accepted in the United States ("GAAP"). GAAP requires the use of estimates; assumptions, judgments and subjective interpretations of accounting principles that have an impact on the assets, liabilities, revenue and expense amounts reported. These estimates can also affect supplemental information contained in our external disclosures including information regarding contingencies, risk and financial condition. We believe our use of estimates and underlying accounting assumptions adhere to GAAP and are consistently and conservatively applied. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ materially from these estimates under different assumptions or conditions. We continue to monitor significant estimates made during the preparation of our financial statements.

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

#### (7) Effect of Climate Change Legislation

The Company currently has no known or identified exposure to any current or proposed climate change legislation which could negatively impact the Company's operations or require capital expenditures to become compliant. Additionally, any currently proposed or to-be-proposed-in-the-future legislation concerning climate change activities, business operations related thereto or a publicly perceived risk associated with climate change could, potentially, negatively impact the Company's efforts to identify an appropriate target company which may wish to enter into a business combination transaction with the Company.

#### Item 3 - Quantitative and Qualitative Disclosures About Market Risk

In future periods, the Company may become subject to certain market risks, including changes in interest rates and currency exchange rates. At the present time, the Company has no identified exposure and does not undertake any specific actions to limit exposures, if any.

#### Item 4 - Controls and Procedures

Disclosure Controls and Procedures. Our management, under the supervision and with the participation of our Chief Executive and Financial Officer (Certifying Officer), has evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15 promulgated under the Exchange Act as of the end of the period covered by this Quarterly Report. Disclosure controls and procedures are controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms and include controls and procedures designed to ensure that information we are required to disclose in such reports is accumulated and communicated to management, including our Certifying Officer, as appropriate, to allow timely decisions regarding required disclosure. Based upon that evaluation, our Certifying Officer concluded that as of such date, our disclosure controls and procedures were not effective to ensure that the information required to be disclosed by us in our reports is recorded, processed, summarized and reported within the time periods specified by the SEC due to a weakness in our controls more fully disclosed in our Annual Report on Form 10-K. However, our Certifying Officer believes that the financial statements included in this report fairly present, in all material respects, our financial condition, results of operations and cash flows for the respective periods presented.



Changes in Internal Control over Financial Reporting. There was no change in our internal control over financial reporting that occurred during the quarter ended March 31, 2012 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting which internal controls will remain deficient until such time as the Company completes a merger transaction or acquisition of an operating business at which time management will be able to implement effective controls and procedures.

Part II - Other Information

Item 1 - Legal Proceedings

None

Item 2 - Sales of Equity Securities and Use of Proceeds

None

Item 3 - Defaults upon Senior Securities

None

Item 4 - (Removed and Reserved)

Item 5 - Other Information

None

Item 6 - Exhibits

31.1 Certification pursuant to Section 302 of Sarbanes-Oxley Act of 2002

32.1 Certification pursuant to Section 906 of Sarbanes-Oxley Act of 2002

101 Interactive data files pursuant to Rule 405 of Regulation S-T.

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SIGNATURES

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

Eight Dragons  
Company

Dated: April 26, 2012

/s/ Glenn A. Little  
Glenn A. Little

President, Chief  
Executive Officer,  
Chief Financial  
Officer and Sole  
Director

