

## **QUARTERLY DISCLOSURE STATEMENT**

**FOR**

**SMA ALLIANCE, INC.**  
**April 1, 2012 – June 30, 2012**

### **FORWARD LOOKING STATEMENTS**

THIS QUARTERLY DISCLOSURE STATEMENT, IN PARTICULAR, “MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS” AND “BUSINESS,” INCLUDE “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. THESE STATEMENTS REPRESENT THE COMPANY’S EXPECTATIONS OR BELIEFS CONCERNING, AMONG OTHER THINGS, FUTURE REVENUE, EARNINGS, AND OTHER FINANCIAL RESULTS, PROPOSED ACQUISITIONS AND NEW PRODUCTS, ENTRY INTO NEW MARKETS, FUTURE OPERATIONS AND OPERATING RESULTS, FUTURE BUSINESS AND MARKET OPPORTUNITIES. THE COMPANY WISHES TO CAUTION AND ADVISE READERS THAT THESE STATEMENTS INVOLVE RISK AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THE EXPECTATIONS AND BELIEFS CONTAINED HEREIN. FOR A SUMMARY OF CERTAIN RISKS RELATED TO THE COMPANY’S BUSINESS, SEE “RISK FACTORS.” UNDER “DESCRIPTION OF BUSINESS.”

Unless the context requires otherwise, references to the Company or Issuer are to SMA Alliance, Inc.

#### **PART A GENERAL COMPANY INFORMATION**

##### **Cautionary Factors That May Affect Future Results (Cautionary Statements Under the Private Securities Litigation Reform Act of 1995)**

The disclosure and analysis set forth herein contains certain forward looking statements, particularly statements relating to future actions, performance or results of current and anticipated products and services, sales efforts, expenditures, and financial results. From time to time, the Company also provides forward-looking statements in other publicly-released materials, both written and oral. Forward-looking statements provide current expectations or forecasts of future events such as new products or services, product approvals, revenues, and financial performance. These statements are identified as any statement that does not relate strictly to historical or current facts. They use words such as “anticipates,” “intends,” “plans,” “expects,” “will,” and other words and phrases of similar meaning. In all cases, a broad variety of assumptions can affect the realization of the expectations or forecasts in those statements. Consequently, no forward-looking statement can be guaranteed. Actual future results may vary materially.

The Company undertakes no obligation to update any forward-looking statements, but investors are advised to consult any further disclosures by the Company on this subject in its subsequent filings. Furthermore, as permitted by the Private Securities Litigation Reform Act of 1995, the Company provides these cautionary statements identifying risk factors, listed below, that could cause the Company’s actual results to differ materially from expected and historical results. It is not possible to foresee or identify all such factors. Consequently, this list should not be considered an exhaustive statement of all potential risks, uncertainties and inaccurate assumptions.

## **RISK FACTORS**

***No Active Market.*** Although the Company's shares are listed on the Pink Sheets listing service, the Company believes that the public trading price may be an inaccurate representation of the value of the Company because there is little or no trading volume in the Company's shares and no analysts or NASD market makers actively follow the Company.

***We have never issued a Dividend and don't anticipate any Dividends in the future.*** SMA Alliance, Inc. has never issued a dividend and we do not anticipate paying dividends on our common stock in the foreseeable future. Furthermore, we may also be restricted from paying dividends in the future pursuant to subsequent financing arrangements or pursuant to Delaware law.

***You could be diluted from the Issuance of additional Common and Preferred Stock.*** SMA Alliance, Inc. is authorized to issue up to 1,000,000,000 shares of common stock and 20,000,000 shares of preferred stock. To the extent of such authorization, our board of directors will have the ability, without seeking shareholder approval, to issue additional shares of common stock in the future for such consideration as the board may consider sufficient. The issuance of additional common stock in the future may reduce your proportionate ownership and voting power.

***Volatility of Stock Prices.*** In the event that there is an established public market for the Company's Common Stock, market prices will be influenced by many factors and will be more subject to significant fluctuations in response to variations in operating results of the Company and other factors such as investor perceptions of the Company, supply and demand, interest rates, general economic conditions and those specific to the industry, developments with regard to the Company's activities, future financial condition and management.

***Applicability of Low Priced Stock Risk Disclosure Requirements.*** The Common Stock of the Company may be considered a low priced security under rules promulgated under the Securities Exchange Act of 1934. Under these rules, broker-dealers participating in transactions in low priced securities must first deliver a risk disclosure document which describes the risks associated with such stocks, the broker-dealer's duties, the customer's rights and remedies, certain market and other information, and make a suitability determination approving the customer for low priced stock transactions based on the customer's financial situation, investment experience and objectives. Broker-dealers must also disclose these restrictions in writing to the customer, obtain specific written consent of the customer, and provide monthly account statements to the customer. With all these restrictions, the likely effect of designation as a low priced stock will be to decrease the willingness of broker-dealers to make a market for the stock, to decrease the liquidity of the stock and to increase the transaction cost of sales and purchases of such stock compared to other securities.

### **Item 1      Exact Name of the Issuer and the Address of its Principal Executive Offices**

SMA Alliance, Inc. is the name of the Company and its principal executive offices are at:

739 Thimble Shoals Blvd. Suite 704  
Newport News, VA 23606  
Telephone: 888.330.6623  
Facsimile: 615.691.7373  
E-mail: [info@SMAAlliance.com](mailto:info@SMAAlliance.com)  
[www.SMAAlliance.com](http://www.SMAAlliance.com)

**Item 2            The Number of Shares or Total Amount of Securities Outstanding for Each Class of Securities Authorized**

March 31, 2012	Authorized Shares	Outstanding Shares	Freely Trading Shares	Total Number of Beneficial Shareholders	Total Number of Shareholders of Record
Common	1,000,000,000	242,899,080	46,155,520	615	615
Preferred	20,000,000	10,000,000	0	1	1

**Item 3            Quarterly Financial Statements**

**SMA Alliance**  
**Profit & Loss**  
 April - June, 2012

	<b>Total</b>
<b>Income</b>	
Discounts given	-79,150.00
Services	411,274.00
US Autoplex	224,502.00
 <b>Total Services</b>	 <b>\$ 635,776.00</b>
 <b>Total Income</b>	 <b>\$ 556,626.00</b>
<b>Cost of Goods Sold</b>	
Commissions & Fees	216,809.40
<b>COMMISSIONS &amp; FEES-BDC ROOM</b>	13,057.95
Sub Contractor	37,630.88
 <b>Total Commissions &amp; Fees</b>	 <b>\$ 267,498.23</b>
Content Syndication for Client - COGS	72,200.37
Internet Infrastructure for Client - COGS	17,225.90
Phone Cards to Client - COGS	2,392.31
Phone Lines for Client - COGS	13,308.63
 <b>Total Cost of Goods Sold</b>	 <b>\$ 372,625.44</b>
 <b>Gross Profit</b>	 <b>\$ 184,000.56</b>
<b>Expenses</b>	
Advertising	
Marketing	7,489.87
<b>Total Advertising</b>	<b>\$ 7,489.87</b>
Auto	2,905.46
Gas	2,172.28
<b>Total Auto</b>	<b>\$ 5,077.74</b>
Bank Charges	2,908.75
Computer Expense	183.87
Consulting	16,324.06
Dues & Subscriptions	2,261.59
Educational Materials	593.95
Income Tax Expense	19,977.14
Insurance	3,285.71
Interest Expense	1,835.22
Legal & Professional Fees	2,230.00
Meals and Entertainment	4,239.07
Office Expenses	10,142.19
Postage & Shipping	356.80
Rent or Lease	14,380.61
Repair & Maintenance	20.65
Sales	33,000.00
Storage	651.00
Supplies	25.90

<b>Taxes &amp; Licenses</b>	244.93
<b>Travel</b>	1,463.70
<b>Utilities</b>	
<b>Alarm System</b>	347.94
<b>Electric</b>	739.55
<b>Gas</b>	172.17
<b>Internet</b>	1,214.79
<b>Phone</b>	3,457.32
<b>Water &amp; Sewer</b>	6.28
<b>Total Utilities</b>	<u><b>\$ 5,938.05</b></u>
<b>Total Expenses</b>	<u><b>\$ 132,630.80</b></u>
<b>Net Operating Income</b>	<u><b>\$ 51,369.76</b></u>
<b>Other Expenses</b>	
<b>Depreciation</b>	38,250.00
<b>Total Other Expenses</b>	<u><b>\$ 38,250.00</b></u>
<b>Net Other Income</b>	<u><b>-\$ 38,250.00</b></u>
<b>Net Income</b>	<u><b>\$ 13,119.76</b></u>

**SMA Alliance**  
**Profit & Loss**  
 January - June, 2012

	Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	Total
<b>Income</b>							
Discounts given	-24,720.00	-26,855.00	-19,010.00	-31,240.00	-22,350.00	-25,560.00	-149,735.00
Services	157,470.00	150,330.63	124,225.91	136,134.00	130,430.00	144,710.00	843,300.54
US Autoplex				134,341.00	46,672.00	43,489.00	224,502.00
<b>Total Services</b>	<b>\$ 157,470.00</b>	<b>\$ 150,330.63</b>	<b>\$ 124,225.91</b>	<b>\$ 270,475.00</b>	<b>\$ 177,102.00</b>	<b>\$ 188,199.00</b>	<b>\$ 1,067,802.54</b>
<b>Total Income</b>	<b>\$ 132,750.00</b>	<b>\$ 123,475.63</b>	<b>\$ 105,215.91</b>	<b>\$ 239,235.00</b>	<b>\$ 154,752.00</b>	<b>\$ 162,639.00</b>	<b>\$ 918,067.54</b>
<b>Cost of Goods Sold</b>							
Commissions & Fees	115,960.00	93,260.00	65,900.00	75,864.80	66,855.20	74,089.40	491,929.40
<b>COMMISSIONS &amp; FEES-BDC ROOM</b>	9,609.83	5,001.16	6,268.07	6,914.35	2,238.30	3,905.30	33,937.01
Sub Contractor	12,513.26	17,554.78	14,891.62	11,939.04	11,883.88	13,807.96	82,590.54
<b>Total Commissions &amp; Fees</b>	<b>\$ 138,083.09</b>	<b>\$ 115,815.94</b>	<b>\$ 87,059.69</b>	<b>\$ 94,718.19</b>	<b>\$ 80,977.38</b>	<b>\$ 91,802.66</b>	<b>\$ 608,456.95</b>
Content Syndication for Client - COGS	29,556.91	8,135.85	16,500.00	28,062.98	20,118.59	24,018.80	126,393.13
Internet Infrastructure for Client - COGS	6,628.20	7,554.53	6,584.06	6,175.95	7,263.61	3,786.34	37,992.69
Phone Cards to Client - COGS	1,564.64	819.86	963.33	1,091.01	1,173.95	127.35	5,740.14
Phone Lines for Client - COGS	131.13	4,487.23	4,365.46	4,960.67	4,116.09	4,231.87	22,292.45
<b>Total Cost of Goods Sold</b>	<b>\$ 175,963.97</b>	<b>\$ 136,813.41</b>	<b>\$ 115,472.54</b>	<b>\$ 135,008.80</b>	<b>\$ 113,649.62</b>	<b>\$ 123,967.02</b>	<b>\$ 800,875.36</b>
<b>Gross Profit</b>	<b>-\$ 43,213.97</b>	<b>-\$ 13,337.78</b>	<b>-\$ 10,256.63</b>	<b>\$ 104,226.20</b>	<b>\$ 41,102.38</b>	<b>\$ 38,671.98</b>	<b>\$ 117,192.18</b>
<b>Expenses</b>							
Advertising		150.00					150.00
Marketing	335.96	4,274.37	1,391.02	4,347.42	1,647.42	1,495.03	13,491.22
<b>Total Advertising</b>	<b>\$ 335.96</b>	<b>\$ 4,424.37</b>	<b>\$ 1,391.02</b>	<b>\$ 4,347.42</b>	<b>\$ 1,647.42</b>	<b>\$ 1,495.03</b>	<b>\$ 13,641.22</b>
Auto	1,137.08	1,474.76	2,147.86	1,010.25	660.36	1,234.85	7,665.16
Gas	811.35	950.10	861.86	993.22	620.43	558.63	4,795.59
<b>Total Auto</b>	<b>\$ 1,948.43</b>	<b>\$ 2,424.86</b>	<b>\$ 3,009.72</b>	<b>\$ 2,003.47</b>	<b>\$ 1,280.79</b>	<b>\$ 1,793.48</b>	<b>\$ 12,460.75</b>
Bank Charges	1,414.79	1,369.63	2,213.23	854.05	992.43	1,062.27	7,906.40
Computer Expense	23.09	316.78	158.42	41.53	97.73	44.61	682.16

Consulting	10,950.00	2,700.00	7,858.62	3,085.19	10,143.23	3,095.64	37,832.68
Dues & Subscriptions	929.20	2,228.86	1,129.51	680.11	548.33	1,033.15	6,549.16
Educational Materials	58.93	14.19	119.00	214.58	7.65	371.72	786.07
Income Tax Expense	-26,480.68	-14,377.54	-14,242.47	18,766.85	409.67	800.62	-35,123.55
Insurance	1,073.07	1,073.07	1,073.07	1,073.07	1,106.32	1,106.32	6,504.92
Interest Expense				607.17	611.73	616.32	1,835.22
Legal & Professional Fees	249.90			860.00	60.00	1,310.00	2,479.90
Meals and Entertainment	2,386.47	1,517.43	1,360.70	1,498.38	1,349.75	1,390.94	9,503.67
Office Expenses	7,016.19	2,794.30	2,240.53	3,975.40	2,805.11	3,361.68	22,193.21
Postage & Shipping	417.39	66.14	70.16	175.38	93.94	87.48	910.49
Rent or Lease	6,603.36	5,294.79	5,294.47	4,646.18	5,079.70	4,654.73	31,573.23
Repair & Maintenance	4,467.32	57.15				20.65	4,545.12
Sales	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	66,000.00
Storage		311.00	326.00	222.00	207.00	222.00	1,288.00
Supplies				25.90			25.90
Taxes & Licenses					244.93		244.93
Travel	173.05	270.28				1,463.70	1,907.03
Utilities							0.00
Alarm System	57.99	231.96	57.99	57.99	231.96	57.99	695.88
Electric	543.35	247.67	495.50		403.55	336.00	2,026.07
Gas	-5.01	75.65	179.01	64.99	52.04	55.14	421.82
Internet		79.19	867.85	392.69	407.61	414.49	2,161.83
Phone	1,716.40	1,480.77	1,402.17	1,373.46	1,266.21	817.65	8,056.66
Water & Sewer		32.49	362.35	2.78	1.85	1.65	401.12
<b>Total Utilities</b>	<b>\$ 2,312.73</b>	<b>\$ 2,147.73</b>	<b>\$ 3,364.87</b>	<b>\$ 1,891.91</b>	<b>\$ 2,363.22</b>	<b>\$ 1,682.92</b>	<b>\$ 13,763.38</b>
<b>Total Expenses</b>	<b>\$ 24,879.20</b>	<b>\$ 23,633.04</b>	<b>\$ 26,366.85</b>	<b>\$ 55,968.59</b>	<b>\$ 40,048.95</b>	<b>\$ 36,613.26</b>	<b>\$ 207,509.89</b>
<b>Net Operating Income</b>	<b>-\$ 68,093.17</b>	<b>-\$ 36,970.82</b>	<b>-\$ 36,623.48</b>	<b>\$ 48,257.61</b>	<b>\$ 1,053.43</b>	<b>\$ 2,058.72</b>	<b>-\$ 90,317.71</b>
<b>Other Expenses</b>							
Depreciation	12,750.00	12,750.00	12,750.00	12,750.00	12,750.00	12,750.00	76,500.00
<b>Total Other Expenses</b>	<b>\$ 12,750.00</b>	<b>\$ 12,750.00</b>	<b>\$ 12,750.00</b>	<b>\$ 12,750.00</b>	<b>\$ 12,750.00</b>	<b>\$ 12,750.00</b>	<b>\$ 76,500.00</b>
<b>Net Other Income</b>	<b>-\$ 12,750.00</b>	<b>-\$ 12,750.00</b>	<b>-\$ 12,750.00</b>	<b>-\$ 12,750.00</b>	<b>-\$ 12,750.00</b>	<b>-\$ 12,750.00</b>	<b>\$ 76,500.00</b>
<b>Net Income</b>	<b>-\$ 80,843.17</b>	<b>-\$ 49,720.82</b>	<b>-\$ 49,373.48</b>	<b>\$ 35,507.61</b>	<b>-\$ 11,696.57</b>	<b>-\$ 10,691.28</b>	<b>-\$ 166,817.71</b>





**SMA Alliance**  
**Profit & Loss**  
July 2011 - June 2012

	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	Total
Promotional		126.49		35.00									161.49
Rent or Lease	6,400.00	6,400.00	6,400.00	6,400.00	7,200.00	6,500.00	6,603.36	5,294.79	5,294.47	4,646.18	5,079.70	4,654.73	70,873.23
Repair & Maintenance		117.61	59.08	47.74	109.25	110.67	4,467.32	57.15				20.65	4,989.47
Sales	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	132,000.00
Storage	57.00	57.00	57.00	57.00	57.00	264.00		311.00	326.00	222.00	207.00	222.00	1,837.00
Supplies										25.90			25.90
Taxes & Licenses											244.93		244.93
Travel	4,923.03	3,057.81	950.00	764.16	664.20	144.00	173.05	270.28				1,463.70	12,410.23
Utilities													0.00
Alarm System	95.18	231.96	57.99	57.99	231.96	57.99	57.99	231.96	57.99	57.99	231.96	57.99	1,428.95
Electric	349.49	863.19	507.92	248.26	322.96	234.72	543.35	247.67	495.50		403.55	336.00	4,552.61
Gas	22.35	11.56	58.63	15.34		67.20	-5.01	75.65	179.01	64.99	52.04	55.14	596.90
Internet	755.65	670.87	340.29	563.38	422.99	511.21		79.19	867.85	392.69	407.61	414.49	5,426.22
Phone	1,305.59	2,043.12	2,421.74	1,735.03	1,286.38	1,568.26	1,716.40	1,480.77	1,402.17	1,373.46	1,266.21	817.65	18,416.78
Water & Sewer	97.12		351.04		339.10	0.00		32.49	362.35	2.78	1.85	1.65	1,188.38
<b>Total Utilities</b>	<b>\$ 2,625.38</b>	<b>\$ 3,820.70</b>	<b>\$ 3,737.61</b>	<b>\$ 2,620.00</b>	<b>\$ 2,603.39</b>	<b>\$ 2,439.38</b>	<b>\$ 2,312.73</b>	<b>\$ 2,147.73</b>	<b>\$ 3,364.87</b>	<b>\$ 1,891.91</b>	<b>\$ 2,363.22</b>	<b>\$ 1,682.92</b>	<b>\$ 31,609.84</b>
<b>Total Expenses</b>	<b>\$ 110,068.36</b>	<b>\$ 105,339.06</b>	<b>\$ 96,392.64</b>	<b>\$ 33,898.89</b>	<b>\$ 84,409.22</b>	<b>\$ 36,898.26</b>	<b>\$ 24,879.20</b>	<b>\$ 23,633.04</b>	<b>\$ 26,366.85</b>	<b>\$ 55,968.59</b>	<b>\$ 40,048.95</b>	<b>\$ 36,613.26</b>	<b>\$ 674,516.32</b>
<b>Net Operating Income</b>	<b>\$ 32,150.64</b>	<b>\$ 23,899.36</b>	<b>\$ 22,298.32</b>	<b>-\$ 46,587.75</b>	<b>206.95</b>	<b>-\$ 76,187.67</b>	<b>-\$ 68,093.17</b>	<b>-\$ 36,970.82</b>	<b>\$ 36,623.48</b>	<b>\$ 48,257.61</b>	<b>\$ 1,053.43</b>	<b>\$ 2,058.72</b>	<b>-\$ 134,951.76</b>
<b>Other Expenses</b>													
Depreciation	3,000.00	3,000.00	3,000.00	5,000.00	5,000.00	131,819.07	12,750.00	12,750.00	12,750.00	12,750.00	12,750.00	12,750.00	227,319.07
Reconciliation Discrepancies					-0.04	0.04							0.00
<b>Total Other Expenses</b>	<b>\$ 3,000.00</b>	<b>\$ 3,000.00</b>	<b>\$ 3,000.00</b>	<b>\$ 5,000.00</b>	<b>\$ 4,999.96</b>	<b>\$ 131,819.11</b>	<b>\$ 12,750.00</b>	<b>\$ 12,750.00</b>	<b>\$ 12,750.00</b>	<b>\$ 12,750.00</b>	<b>\$ 12,750.00</b>	<b>\$ 12,750.00</b>	<b>\$ 227,319.07</b>
<b>Net Other Income</b>	<b>-\$ 3,000.00</b>	<b>-\$ 3,000.00</b>	<b>-\$ 3,000.00</b>	<b>-\$ 5,000.00</b>	<b>4,999.96</b>	<b>-\$ 131,819.11</b>	<b>-\$ 12,750.00</b>	<b>-\$ 12,750.00</b>	<b>-\$ 12,750.00</b>	<b>-\$ 12,750.00</b>	<b>-\$ 12,750.00</b>	<b>-\$ 12,750.00</b>	<b>227,319.07</b>
<b>Net Income</b>	<b>\$ 29,150.64</b>	<b>\$ 20,899.36</b>	<b>\$ 19,298.32</b>	<b>-\$ 51,587.75</b>	<b>5,206.91</b>	<b>-\$ 208,006.78</b>	<b>-\$ 80,843.17</b>	<b>-\$ 49,720.82</b>	<b>\$ 49,373.48</b>	<b>-\$ 35,507.61</b>	<b>-\$ 11,696.57</b>	<b>-\$ 10,691.28</b>	<b>\$ 362,270.83</b>

# SMA Alliance Balance Sheet

As of June 30, 2012

	<b>Total</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
Business Tax Savings Account	76,348.00
Cash on Hand	826.22
Checking2	0.00
SMA ALLIANCE	4,225.33
<b>Total Bank Accounts</b>	<b>\$ 81,399.55</b>
<b>Accounts Receivable</b>	
Accounts Receivable (A/R)	655,404.00
<b>Total Accounts Receivable</b>	<b>\$ 655,404.00</b>
<b>Other Current Assets</b>	
5% Acquisition of US Autoplex	575,000.00
Acquisitions of Turbo Leads	60,000.00
Disputed Charges	280.30
Employee Cash Advances	2,500.00
Launchpad Technology, LLC	20,000.00
Loans to Others	162,850.46
<b>Prepaid Expenses</b>	
Prepaid Rent	1,200.00
<b>Total Prepaid Expenses</b>	<b>\$ 1,200.00</b>
Undeposited Funds	10,180.00
Website Development	156,500.00
<b>Total Other Current Assets</b>	<b>\$ 988,510.76</b>
<b>Total Current Assets</b>	<b>\$ 1,725,314.31</b>
<b>Fixed Assets</b>	
Accumulated Depreciation	-76,500.00
Computers	0.00
Depreciation	-48,246.67
Original Cost	268,848.19
<b>Total Computers</b>	<b>\$ 220,601.52</b>
<b>Furniture</b>	
Depreciation	-6,292.59
Original Cost	48,942.40
<b>Total Furniture</b>	<b>\$ 43,217.37</b>
<b>Leasehold Improvement</b>	
Depreciation	2,153.92
Depreciation	-3,866.67
Original Cost	5,800.00
<b>Total Leasehold Improvement</b>	<b>\$ 4,087.25</b>
<b>Servers</b>	
Depreciation	-116,100.00
Original Cost	645,000.00
<b>Total Servers</b>	<b>\$ 528,900.00</b>
Signage	6,675.98

Depreciation	-925.14
Total Signage	<u>\$ 5,750.84</u>
SMA Software	
Original Cost	<u>5,896,630.00</u>
Total SMA Software	<b>\$ 5,896,630.00</b>
Website Production	
Original Cost	<u>1,299.00</u>
Total Website Production	<b>\$ 1,299.00</b>
Total Fixed Assets	<b>\$ 6,623,985.98</b>
Other Assets	
Public Listing	87,600.00
Security Deposit	<u>5,675.00</u>
Total Other Assets	<b>\$ 93,275.00</b>
<b>TOTAL ASSETS</b>	<b>\$ 8,442,575.29</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	<u>152,628.76</u>
Total Accounts Payable	<b>\$ 152,628.76</b>
Other Current Liabilities	
Accrued Expense Clearing	0.00
Federal Income Tax Payable	447,284.86
US AUTOPLEX - DEPOSIT FUNDS	<u>0.00</u>
Total Other Current Liabilities	<b>\$ 447,284.86</b>
Total Current Liabilities	<b>\$ 599,913.62</b>
Long-Term Liabilities	
Baker Myer & Associates	95,450.00
Baker/Myers - SMA Acquisition	7,000,000.00
M Rice	52,050.00
Interest	<u>30,741.67</u>
Total M Rice	<b>\$ 82,791.67</b>
Total Long-Term Liabilities	<b>\$ 7,178,241.67</b>
Total Liabilities	<b>\$ 7,778,155.29</b>
Equity	
Common Stock	22,950.00
Contribution from Owner	0.00
Distribution to Owner	0.00
Opening Balance Equity	-724,751.15
Retained Earnings	1,533,038.86
Net Income	<u>-166,817.71</u>
Total Equity	<b>\$ 664,420.00</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 8,442,575.29</b>

**SMA Alliance**  
**Statement of Cash Flows**  
January - June, 2012

	<b>Total</b>
<b>OPERATING ACTIVITIES</b>	
Net Income	-166,817.71
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable (A/R)	-17,520.00
Disputed Charges	-280.30
Loans to Others	-15,022.77
Accumulated Depreciation	76,500.00
Accounts Payable	21,729.54
Federal Income Tax Payable	-35,123.55
US AUTOPLEX - DEPOSIT FUNDS	-71,479.00
<b>Net cash provided by operating activities</b>	<b>-\$ 208,013.79</b>
<b>INVESTING ACTIVITIES</b>	
Computers:Original Cost	-811.84
Furniture	-567.56
Leasehold Improvement	-2,153.92
Website Production:Original Cost	-1,299.00
<b>Net cash provided by investing activities</b>	<b>-\$ 4,832.32</b>
<b>FINANCING ACTIVITIES</b>	
M Rice	-22,950.00
M Rice:Interest	1,835.22
Common Stock	22,950.00
Distribution to Owner	0.00
Opening Balance Equity	0.00
Retained Earnings	71,479.00
<b>Net cash provided by financing activities</b>	<b>\$ 73,314.22</b>
 <b>Net cash increase for period</b>	 <b>-\$ 139,531.89</b>
<b>Cash at beginning of period</b>	<b>231,111.44</b>
<b>Cash at end of period</b>	<b>\$ 91,579.55</b>

**SHAREHOLDER EQUITY STATEMENT**

**&**

**EARNINGS REPORT**

**FOR**

**SMA ALLIANCE, INC.**

**SECOND FISCAL QUARTER**

**ENDING JUNE 30, 2012**

---

**Earnings**

Fiscal Quarter Ending June 30, 2012	13,119.76
Weighted Average Common Shares Outstanding	242,899,080
Earnings per share	0.000054

---

**Shareholder's Equity**

Balance Sheet (period ending June 30, 2012)

Total Assets	8,442,575.29
Total Liabilities	7,778,155.29
Net Equity	664,420.00
Common Shares Issued and Outstanding	242,899,080.00
Shareholder's Equity (Per Share)	0.002735

---

## **Item 4 Management's Discussion and Analysis or Plan of Operation**

### **Overview**

#### **Results of Operations**

Following is management's discussion of the relevant items affecting results of operations for the Company's second quarter of operations for the fiscal year 2012.

**Revenues.** Gross revenues from operations at SMA Alliance were \$635,776.00 for the fiscal quarter ending June 30, 2012 (2nd quarter) which represents a 47.16% increase compared to \$432,026.54 in gross revenues from operations in the first quarter ending March 31, 2012.

The net income of SMA Alliance was \$51,369.46 for the fiscal quarter ending June 30, 2012 (2nd quarter) which represents a 136.26% increase compared to net income of \$-141,687.47 in the quarter ending March 31, 2012. The increase in profit is due to the implementation of a new product line which enables clients to utilize services on a per ad basis and the acquisition of USAutoplex. Revenue for April 2012 includes collections of receivables from the first quarter of 2012 in the amount of \$90,586.00 that was not previously reported.

**Cost of Sales.** Cost of sales at SMA Alliance for the fiscal quarter ending June 30, 2012 were \$372,625.44, a 12.99% decrease from \$428,249.92 during the operations in the first quarter ending March 31, 2012. This decrease is directly related to streamlining of operations and reduced startup costs for new clients. Cost of sales were 67% of revenues generated in the fiscal second quarter of operations compared to 118% in first quarter of 2012.

This decrease in percentage of cost of sales is due to realization of income from the sales of the new sales product as well as the Company's continued development of market expansion, increased technology and security upgrades.

**Salaries and Commission Expenses.** Salaries and commission expenses at SMA Alliance for the fiscal quarter ending June 30, 2012 were \$267,498.23, a 21.55% decrease from \$340,958.72 during the operations in the first quarter ending March 31, 2012. This decrease is due to streamlining of staff and unrealized commissions on increased sales. The Company anticipates an increase in this expense for the upcoming quarter that will reflect the increase in sales for the second quarter.

**Professional Fees, Licensing and Permits.** Professional fees at SMA for the fiscal quarter ending June 30, 2012 were \$2,230.00, a 792.36% increase from \$249.90 during the operations in the first quarter ending March 31, 2012. The increase is a direct result of expenses incurred in conforming to state and federal legal acceptance including corporate legal representation, documentation preservation, and corporate governance and public reporting of company.

**Selling, General and Administrative Expenses.** Selling, general, and administrative expenses at SMA Alliance for the fiscal quarter ending June 30, 2012 were \$132,630.80, a 77.13% increase from \$74,879.09 during the operations in the first quarter ending March 31, 2012. The increase was in direct correlation to income tax expense due to increased profitability for the period.

**Liquidity and Capital Resources.** As of June 30, 2012, the primary source of liquidity at SMA consisted of \$91,579.55, in cash and cash equivalents. SMA holds its cash reserves in an interest bearing checking account with a local financial institution and in cash. Since inception, SMA has financed its operations with cash

generated from ongoing business activities. SMA Alliance has sustained a net profit of \$13,119.76, from operations during the fiscal quarter ending June 30, 2012, a 107.29% increase from its net loss of \$179,937.47 during the operations in the first quarter ending March 31, 2012. SMA is not experiencing any shortfall in operating capital necessary to conduct its ordinary operations. SMA expects a net profit for the year ending December 31, 2012 and with the expected increase in cash flow for the coming months, a significant improvement to its net equity position. Management believes that the capital resources of SMA are sufficient for ongoing operations, and that SMA will not likely require considerable amounts of financing to make any significant advancement in its business strategy at current operational levels with similar growth. Management maintains an optimistic attitude towards friendly financing opportunities for significantly increased market share capture and may seek additional capital in the future for expansion into vertical growth markets.

**Item 5                      Legal Proceedings**

None.

**Item 6                      Defaults Upon Senior Securities**

None.

**Item 7                      Other Information**

None.

**Item 8                      Exhibits**


None

**Item 9                      Issuer's Certifications**

I, Timothy Stephens, certify that:

1. I have reviewed this Quarterly Disclosure Statement of SMA Alliance, Inc.;
2. Based on my knowledge, this disclosure statement 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 quarter covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the quarters presented in this disclosure statement.

Dated: August 13, 2012

By:   
Timothy Stephens  
Chief Executive Officer