

INTERNATIONAL MEDICAL STAFFING

Form 10-Q

November 13, 2008

**U. S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

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

For the fiscal quarter ended **September 30, 2008**

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

For the transition period from _____ to _____

Commission File Number: **333-148158**

INTERNATIONAL MEDICAL STAFFING, INC.
(Name of small business issuer as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

41-2233202
(I.R.S. Employer
Identification No.)

**542 East 3rd Street
Brooklyn, New York**

(Address of principal executive offices, including zip code)
Registrant's telephone number, including area code: **(940) 991-8337**

Indicate by check whether the Registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 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 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): 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 ☒

The issuer had 5,600,000 shares of its common stock issued and outstanding as of November 13, 2008.

Available Information

Our Annual Report on Form 10-KSB, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports that we file with the Securities and Exchange Commission, or SEC, are available at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website at www.sec.gov that contains reports, proxy, and information statements and other information regarding reporting companies.

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**Cautionary Statement Concerning
Forward-Looking Statements**

USE OF NAMES

In this Quarterly Report, the terms “International Medical Staffing, Inc.,” “Company,” “we,” or “our,” unless the context otherwise requires, mean International Medical Staffing, Inc.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q and other reports that we file with the SEC contain statements that are considered forward-looking statements. Forward-looking statements give the Company’s current expectations, plans, objectives, assumptions, or forecasts of future events. All statements other than statements of current or historical fact contained in this Quarterly Report, including statements regarding the Company’s future financial position, business strategy, budgets, projected costs, and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “anticipate,” “estimate,” “plans,” “potential,” “projects,” “ongoing,” “expects,” “management believes,” “we believe,” “we intend,” and similar expressions. These statements are based on the Company’s current plans and are subject to risks and uncertainties, and as such the Company’s actual future activities and results of operations may be materially different from those set forth in the forward looking statements. Any or all of the forward-looking statements in this Quarterly Report may turn out to be inaccurate and as such, you should not place undue reliance on these forward-looking statements. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy, and financial needs. The forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks, uncertainties, and assumptions due to a number of factors, including:

- dependence on key personnel;
- competitive factors;
- degree of success of research and development programs
- the operation of our business; and
- general economic conditions in the United States and the Philippines.

These forward-looking statements speak only as of the date on which they are made, and except to the extent required by federal securities laws, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements contained in this Quarterly Report.

PART I

Item 1. Financial Statements.

**INTERNATIONAL MEDICAL STAFFING, INC.
(A DEVELOPMENT STAGE COMPANY)
INDEX TO INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2008, AND 2007
(Unaudited)**

Interim Financial Statements-

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|---|-----|
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| Statements of Operations for the Three Months and Nine Months Ended September 30, 2008, the Three Months and Period Ended September 30, 2007, and Cumulative from Inception | F-3 |
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INTERNATIONAL MEDICAL STAFFING, INC.
(A DEVELOPMENT STAGE COMPANY)
BALANCE SHEETS (NOTE 2)
AS OF SEPTEMBER 30, 2008, AND DECEMBER 31, 2007
(Unaudited)

| | 2008 | 2007 |
|--|-----------------|------------------|
| <u>ASSETS</u> | | |
| Current Assets: | | |
| Cash in bank | \$ 3,255 | \$ 18,422 |
| Prepaid expenses | 4,175 | - |
| Total current assets | 7,430 | 18,422 |
| Total Assets | \$ 7,430 | \$ 18,422 |
| <u>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</u> | | |
| Current Liabilities: | | |
| Accounts payable - Trade | \$ 9,773 | \$ 1,000 |
| Accrued liabilities | 4,800 | 7,989 |
| Due to related party - Director and stockholder | 4,029 | - |
| Total current liabilities | 18,602 | 8,989 |
| Total liabilities | 18,602 | 8,989 |
| Commitments and Contingencies | | |
| Stockholders' Equity (Deficit): | | |
| Common stock, par value \$0.0001 per share, 100,000,000 shares authorized; 5,600,000 shares issued and outstanding | 560 | 560 |
| Additional paid-in capital | 49,800 | 49,800 |
| (Deficit) accumulated during the development stage | (61,532) | (40,927) |
| Total stockholders' equity (deficit) | (11,172) | 9,433 |
| Total Liabilities and Stockholders' Equity (Deficit) | \$ 7,430 | \$ 18,422 |

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

INTERNATIONAL MEDICAL STAFFING, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF OPERATIONS (NOTE 2)
FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2008, THE THREE
MONTHS ENDED
AND PERIOD ENDED SEPTEMBER 30, 2007, AND CUMULATIVE FROM INCEPTION (MARCH 21,
2007)
THROUGH SEPTEMBER 30, 2008
(Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | | Cumulative From Inception |
|---|----------------------------------|--------------------|---------------------------------|--------------------|---------------------------|
| | 2008 | 2007 | 2008 | 2007 | |
| Revenues | \$ 5,980 | \$ - | \$ 15,980 | \$ - | \$ 15,980 |
| Expenses: | | | | | |
| General and administrative- | | | | | |
| Professional fees | 11,523 | 17,000 | 31,476 | 27,000 | 68,976 |
| SEC and filing fees | 927 | - | 3,940 | - | 3,990 |
| Office rent | 300 | 300 | 900 | 600 | 1,800 |
| Bank charges | 45 | 1,028 | 145 | 1,028 | 1,173 |
| Consulting | - | - | - | - | 1,000 |
| Officers compensation paid by common stock | - | - | - | 360 | 360 |
| Other | - | - | 124 | - | 213 |
| Total general and administrative expenses | 12,795 | 18,328 | 36,585 | 28,988 | 77,512 |
| (Loss) from Operations | (6,815) | (18,328) | (20,605) | (28,988) | (61,532) |
| Other Income (Expense) | - | - | - | - | - |
| Provision for income taxes | - | - | - | - | - |
| Net (Loss) | \$ (6,815) | \$ (18,328) | \$ (20,605) | \$ (28,988) | \$ (61,532) |
| (Loss) Per Common Share: | | | | | |
| (Loss) per common share - Basic and Diluted | \$ (0.00) | \$ (0.00) | \$ (0.00) | \$ (0.01) | |
| Weighted Average Number of Common Shares Outstanding - Basic and Diluted | 5,600,000 | 4,613,093 | 5,600,000 | 3,940,206 | |

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

INTERNATIONAL MEDICAL STAFFING, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF CASH FLOWS (NOTE 2)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008, THE PERIOD ENDED
SEPTEMBER 30, 2007, AND CUMULATIVE FROM INCEPTION (MARCH 21, 2007)
THROUGH SEPTEMBER 30, 2008
(Unaudited)

| | Nine Months Ended September 30, 2008 | Period Ended September 30, 2007 | Cumulative From Inception |
|---|---|---------------------------------------|---------------------------------|
| Operating Activities: | | | |
| Net (loss) | \$ (20,605) | \$ (28,988) | \$ (61,532) |
| Adjustments to reconcile net (loss) to net cash (used in) operating activities: | | | |
| Officers compensation paid by issued shares | - | 360 | 360 |
| Changes in net liabilities- | | | |
| Prepaid expenses | (4,175) | - | (4,175) |
| Accounts payable -Trade | 8,773 | 1,000 | 9,773 |
| Accrued liabilities | (3,189) | 17,600 | 4,800 |
| Net Cash (Used in) Operating Activities | (19,196) | (10,028) | (50,774) |
| Investing Activities: | | | |
| Cash provided by investing activities | - | - | - |
| Net Cash Provided by Investing Activities | - | - | - |
| Financing Activities: | | | |
| Issuance of common stock for cash | - | 50,000 | 50,000 |
| Due to Related Party - Director and stockholder | 4,029 | - | 4,029 |
| Net Cash Provided by Financing Activities | 4,029 | 50,000 | 54,029 |
| Net Increase (Decrease) in Cash | (15,167) | 39,972 | 3,255 |
| Cash - Beginning of Period | 18,422 | - | - |
| Cash - End of Period | \$ 3,255 | \$ 39,972 | \$ 3,255 |
| Supplemental Disclosure of Cash Flow Information: | | | |
| Cash paid during the period for: | | | |
| Interest | \$ - | \$ - | \$ - |
| Income taxes | \$ - | \$ - | \$ - |

On March 28, 2007, the Company issued 3,000,000 shares of common stock, valued at \$300, to an officer of the Company for services rendered.

On April 20, 2007, the Company issued 600,000 shares of common stock, valued at \$60, to an officer of the Company for services rendered.

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

INTERNATIONAL MEDICAL STAFFING, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008
(Unaudited)

(1) Summary of Significant Accounting Policies

Basis of Presentation and Organization

International Medical Staffing, Inc. (“IMS” or the “Company”) is a Delaware corporation in the development stage, and has not commenced operations. The Company was incorporated under the laws of the State of Delaware on March 21, 2007. The proposed business plan of the Company is to provide services to the healthcare industry, primarily hospitals and nursing homes, by providing reliable recruitment, screening, and placement services in order to address the rising international shortage of qualified nurses and other medical staff. The accompanying financial statements of IMS were prepared from the accounts of the Company under the accrual basis of accounting.

In addition, in April 2007, the Company commenced a capital formation activity through a Private Placement Offering (the “PPO”), exempt from registration under the Securities Act of 1933, to raise up to \$50,000 through the issuance 2,000,000 shares of its common stock, par value \$0.0001 per share, at an offering price of \$0.025 per share. As of November 1, 2007, the Company had closed the PPO and received proceeds of \$50,000.

The Company also commenced an activity to submit a Registration Statement on Form SB-2 to the Securities and Exchange Commission (“SEC”) to register 2,000,000 of its outstanding shares of common stock on behalf of selling stockholders. The Registration Statement on Form SB-2 was filed with the SEC on December 19, 2007, and declared effective on January 4, 2008. The Company will not receive any of the proceeds from this registration activity once the shares of common stock are sold.

Unaudited Interim Financial Statements

The interim financial statements of the Company as of September 30, 2008, and for the three-month and nine-month periods ended September 30, 2008, and 2007, and cumulative from inception are unaudited. However, in the opinion of management, the interim financial statements include all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the Company’s financial position as of September 30, 2008, and the results of its operations and its cash flows for the three-month and nine-month periods ended September 30, 2008, and 2007, and cumulative from inception. These results are not necessarily indicative of the results expected for the calendar year ending December 31, 2008. The accompanying financial statements and notes thereto do not reflect all disclosures required under accounting principles generally accepted in the United States of America. Refer to the audited financial statements of the Company as of December 31, 2007, in its Annual Report on Form 10-KSB filed with the SEC for additional information, including significant accounting policies.

Cash and Cash Equivalents

For purposes of reporting within the statement of cash flows, the Company considers all cash on hand, cash accounts not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

INTERNATIONAL MEDICAL STAFFING, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008
(Unaudited)

Revenue Recognition

The Company is in the development stage and has yet to realize revenues from operations. Once the Company has commenced operations, it will recognize revenues when delivery of goods or completion of services has occurred provided there is persuasive evidence of an agreement, acceptance has been approved by its customers, the fee is fixed or determinable based on the completion of stated terms and conditions, and collection of any related receivable is probable. During the nine months ended September 30, 2008, the Company received \$15,980 in consulting revenues. The revenues were solely for locating qualified nurses and the nurses were not hired out through the Company.

Loss per Common Share

Basic loss per share is computed by dividing the net loss attributable to the common stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted loss per share is computed similar to basic loss per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. There were no dilutive financial instruments issued or outstanding for the periods ended September 30, 2008, and 2007.

Income Taxes

The Company accounts for income taxes pursuant to SFAS No. 109, "Accounting for Income Taxes" ("SFAS No. 109"). Under SFAS No. 109, deferred tax assets and liabilities are determined based on temporary differences between the basis of certain assets and liabilities for income tax and financial reporting purposes. The deferred tax assets and liabilities are classified according to the financial statement classification of the assets and liabilities generating the differences.

The Company maintains a valuation allowance with respect to deferred tax assets. The Company establishes a valuation allowance based upon the potential likelihood of realizing the deferred tax asset and taking into consideration the Company's financial position and results of operations for the current period. Future realization of the deferred tax benefit depends on the existence of sufficient taxable income within the carryforward period under the Federal tax laws.

Changes in circumstances, such as the Company generating taxable income, could cause a change in judgment about the realizability of the related deferred tax asset. Any change in the valuation allowance will be included in income in the year of the change in estimate.

Fair Value of Financial Instruments

The Company estimates the fair value of financial instruments using the available market information and valuation methods. Considerable judgment is required in estimating fair value. Accordingly, the estimates of fair value may not be indicative of the amounts the Company could realize in a current market exchange. As of September 30, 2008, the carrying value of the Company's financial instruments approximated fair value due to their short-term nature and maturity.

INTERNATIONAL MEDICAL STAFFING, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008
(Unaudited)

Lease Obligations

All noncancellable leases with an initial term greater than one year are categorized as either capital or operating leases. Assets recorded under capital leases are amortized according to the same methods employed for property and equipment or over the term of the related lease, if shorter.

Deferred Offering Costs

The Company defers as other assets the direct incremental costs of raising capital until such time as the offering is completed. At the time of the completion of the offering, the costs are charged against the capital raised. Should the offering be terminated, deferred offering costs are charged to operations during the period in which the offering is terminated.

Common Stock Registration Expenses

The Company considers incremental costs and expenses related to the registration of equity securities with the SEC, whether by contractual arrangement as of a certain date or by demand, to be unrelated to original issuance transactions. As such, subsequent registration costs and expenses are reflected in the accompanying financial statements as general and administrative expenses, and are expensed as incurred.

Estimates

The financial statements are prepared on the basis of accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of September 30, 2008, and expenses for the periods ended September 30, 2008, and 2007, and cumulative from inception. Actual results could differ from those estimates made by management.

(2) Development Stage Activities and Going Concern

The Company is currently in the development stage and has not commenced operations. The business plan of the company is to provide services to the healthcare industry, primarily hospitals and nursing homes, by providing reliable recruitment, screening, and placement services in order to address the rising international shortage of qualified nurses and other medical staff.

For the period from inception through September 30, 2008, the Company was organized and incorporated, and completed a capital formation activity to raise up to \$50,000 from the sale of 2,000,000 shares of common stock through a PPO to various stockholders. The Company prepared a Registration Statement on Form SB-2 in order to register 2,000,000 shares of its common stock, for selling stockholders, with the SEC. The Registration Statement on Form SB-2 was filed with the SEC on December 19, 2007, and declared effective on January 4, 2008. The Company will not receive any of the proceeds from this registration activity once the shares of common stock are sold. The Company also intends to conduct additional capital formation activities through the issuance of its common stock and to commence operations.

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INTERNATIONAL MEDICAL STAFFING, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008
(Unaudited)

While management of the Company believes that the Company will be successful in its planned operating activities, there can be no assurance that the Company will be successful in providing services to the healthcare industry, primarily hospitals and nursing homes, by providing reliable recruitment, screening, and placement services that will generate sufficient revenues to sustain the operations of the Company. The Company also intends to conduct additional capital formation activities through the issuance of its common stock and to commence operations.

The accompanying financial statements have been prepared in conformity with accounting principals generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. The Company has incurred an operating loss since inception and the cash resources of the Company are insufficient to meet its planned business objectives. These and other factors raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

(3) Common Stock

On March 28, 2007, the Company issued 3,000,000 shares of common stock to its Director and corporate President, secretary, and treasurer for services rendered, valued at \$300.

On April 20, 2007, the Company issued 600,000 shares of common stock to its Director and corporate secretary for services rendered, valued at \$60.

On April 30, 2007, the Board of Directors of the Company approved a PPO, exempt from registration under the Securities Act of 1933, to raise up to \$50,000 through the issuance of 2,000,000 shares of its common stock, par value \$0.0001 per share, at an offering price of \$0.025 per share. The PPO had an offering period of 180 days. On November 1, 2007, the Company fully subscribed the PPO and raised a total of \$50,000 in proceeds.

In addition, in 2007, the Company commenced an activity to submit a Registration Statement on Form SB-2 to the SEC to register 2,000,000 shares of its outstanding common stock on behalf of selling shareholders. The Company will not receive any of the proceeds of this registration activity once the shares of common stock are sold. The Registration Statement on Form SB-2 was filed with the SEC on December 19, 2007, and declared effective on January 4, 2008.

INTERNATIONAL MEDICAL STAFFING, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008
(Unaudited)

(4) Income Taxes

The provision (benefit) for income taxes for the periods ended September 30, 2008, and 2007, was as follows (assuming a 23.7 percent effective federal and state income tax rate):

| | 2008 | 2007 |
|--------------------------------|-------------|-------------|
| Current Tax Provision: | | |
| Federal and state- | | |
| State franchise tax | \$ - | \$ - |
| Total current tax provision | \$ - | \$ - |
| Deferred Tax Provision: | | |
| Federal and state- | | |
| Loss carryforwards | \$ 4,267 | \$ 6,870 |
| Change in valuation allowance | (4,267) | (6,870) |
| Total deferred tax provision | \$ - | \$ - |

The Company had deferred income tax assets as of September 30, 2008, as follows:

| | 2008 |
|-------------------------------|-------------|
| Loss carryforwards | \$ 14,583 |
| Less -Valuation allowance | (14,583) |
| Total net deferred tax assets | \$ - |

The Company provided a valuation allowance equal to the deferred income tax assets for the periods ended September 30, 2008, and 2007 because it is not presently known whether future taxable income will be sufficient to utilize the loss carryforwards.

As of September 30, 2008, the Company had approximately \$61,532 in tax loss carryforwards that can be utilized in future periods to reduce taxable income, and expire in the year 2028.

(5) Related Party Transactions

As described in Note 3, during the period from March 21, 2007, through December 31, 2007, the Company issued 3,600,000 shares of its common stock to its Directors for services rendered with a value of \$360.

In April 2007, the Company entered into a verbal agreement with an individual who is a relative of the Director of the Company and also a former Director, officer, and stockholder of the Company to lease office space. The monthly lease rental amount is \$100, and the term of the lease arrangement is month to month. For the three months ended September 30, 2008, the Company accrued \$300 in office rent expense related to the lease.

INTERNATIONAL MEDICAL STAFFING, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008
(Unaudited)

As of September 30, 2008, the Company owed to a Director and stockholder \$4,029 that he loaned to the Company. The loan was provided for working capital purposes, is unsecured, non-interest bearing, and has no terms for repayment.

(6) Commitments and Contingencies

As discussed in Note 5, the Company entered into a verbal agreement for the lease of office space on a month-to-month basis with an individual who is a relative of the Director of the Company and also a former Director, officer, and stockholder of the Company. The monthly lease amount is \$100.

On January 9, 2008, the Company entered into a Transfer Agent Agreement with Island Capital Management, LLC dba Island Stock Transfer ("Island Stock Transfer"). Under the Agreement, the Company agreed to pay to Island Stock Transfer fees amounting to \$15,000, of which \$6,000 was payable upon execution of the agreement and the remaining \$9,000 payable within 120 days. The agreement is for a one-year period during which Island Stock Transfer will act as the Company's transfer agent and provide Edgarization services for the Company. As of September 30, 2008, the Company had paid \$12,000 to Island Stock Transfer in connection to the agreement.

(7) Recent Accounting Pronouncements

On March 19, 2008, the FASB issued FASB Statement No. 161, "*Disclosures about Derivative Instruments and Hedging Activities - an amendment of FASB Statement 133*" ("SFAS No. 161"). SFAS No. 161 enhances required disclosures regarding derivatives and hedging activities, including enhanced disclosures regarding how: (a) an entity uses derivative instruments; (b) derivative instruments and related hedged items are accounted for under FASB Statement No. 133, "*Accounting for Derivative Instruments and Hedging Activities*"; and (c) derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. Specifically, SFAS No. 161 requires:

- Disclosure of the objectives for using derivative instruments be disclosed in terms of underlying risk and accounting designation;
 - Disclosure of the fair values of derivative instruments and their gains and losses in a tabular format;
 - Disclosure of information about credit-risk-related contingent features; and
- Cross-reference from the derivative footnote to other footnotes in which derivative-related information is disclosed.

SFAS No. 161 is effective for fiscal years and interim periods beginning after November 15, 2008. Early application is encouraged. The management of the Company does not believe that this new pronouncement will have a material impact on its financial statements.

On May 9, 2008, the FASB issued FASB Statement No. 162, "*The Hierarchy of Generally Accepted Accounting Principles*" ("SFAS No. 162"). SFAS No. 162 is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with U.S. generally accepted accounting principles ("GAAP") for nongovernmental entities.

INTERNATIONAL MEDICAL STAFFING, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008
(Unaudited)

Prior to the issuance of SFAS No. 162, GAAP hierarchy was defined in the American Institute of Certified Public Accountants ("AICPA") Statement on Auditing Standards ("SAS") No. 69, *"The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles."* SAS No. 69 has been criticized because it is directed to the auditor rather than the entity. SFAS No. 162 addresses these issues by establishing that the GAAP hierarchy should be directed to entities because it is the entity (not the auditor) that is responsible for selecting accounting principles for financial statements that are presented in conformity with GAAP.

The sources of accounting principles that are generally accepted are categorized in descending order as follows:

- a) FASB Statements of Financial Accounting Standards and Interpretations, FASB Statement 133 Implementation Issues, FASB Staff Positions, and American Institute of Certified Public Accountants (AICPA) Accounting Research Bulletins and Accounting Principles Board Opinions that are not superseded by actions of the FASB.
- b) FASB Technical Bulletins and, if cleared by the FASB, AICPA Industry Audit and Accounting Guides and Statements of Position.
- c) AICPA Accounting Standards Executive Committee Practice Bulletins that have been cleared by the FASB, consensus positions of the FASB Emerging Issues Task Force (EITF), and the Topics discussed in Appendix D of EITF Abstracts (EITF D-Topics).
- d) Implementation guides (Q&As) published by the FASB staff, AICPA Accounting Interpretations, AICPA Industry Audit and Accounting Guides and Statements of Position not cleared by the FASB, and practices that are widely recognized and prevalent either generally or in the industry.

SFAS No. 162 is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendment to its authoritative literature. It is only effective for nongovernmental entities; therefore, the GAAP hierarchy will remain in SAS 69 for state and local governmental entities and federal governmental entities. The management of the Company does not believe that this new pronouncement will have a material impact on its financial statements.

On May 26, 2008, the FASB issued FASB Statement No. 163, *"Accounting for Financial Guarantee Insurance Contracts"* ("SFAS No. 163"). SFAS No. 163 clarifies how FASB Statement No. 60, *"Accounting and Reporting by Insurance Enterprises"* ("SFAS No. 60"), applies to financial guarantee insurance contracts issued by insurance enterprises, including the recognition and measurement of premium revenue and claim liabilities. It also requires expanded disclosures about financial guarantee insurance contracts.

INTERNATIONAL MEDICAL STAFFING, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008
(Unaudited)

The accounting and disclosure requirements of SFAS No. 163 are intended to improve the comparability and quality of information provided to users of financial statements by creating consistency. Diversity exists in practice in accounting for financial guarantee insurance contracts by insurance enterprises under SFAS No. 60, *“Accounting and Reporting by Insurance Enterprises.”* That diversity results in inconsistencies in the recognition and measurement of claim liabilities because of differing views about when a loss has been incurred under FASB Statement No. 5, *“Accounting for Contingencies”* (“SFAS No. 5”). SFAS No. 163 requires that an insurance enterprise recognize a claim liability prior to an event of default when there is evidence that credit deterioration has occurred in an insured financial obligation. It also requires disclosure about (a) the risk-management activities used by an insurance enterprise to evaluate credit deterioration in its insured financial obligations and (b) the insurance enterprise’s surveillance or watch list.

SFAS No. 163 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and all interim periods within those fiscal years, except for disclosures about the insurance enterprise’s risk-management activities. Disclosures about the insurance enterprise’s risk-management activities are effective the first period beginning after issuance of SFAS No. 163. Except for those disclosures, earlier application is not permitted. The management of the Company does not expect the adoption of this pronouncement to have material impact on its financial statements.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation.

General

We are a development stage company with limited operations and no revenues from our business operations. Our registered independent auditors have issued a going concern opinion. This means that our registered independent auditors believe there is substantial doubt that we can continue as an on-going business for the next 12 months. We do not anticipate that we will generate significant revenues until we have recruited and placed nurses or other medical staff. Accordingly, we must raise cash from sources other than our operations in order to implement our business plan. We may raise this additional capital either through debt or equity, including potentially receiving a loan from our President. No assurance can be given that such efforts will be successful. The Company has no specific plans at present for raising additional capital.

In our management's opinion, there is a current and rapidly growing need for our recruitment services in the healthcare industry and particularly in the long-term care market in the United States, as well as in other health care markets around the world.

Our Corporate History

We were incorporated in the State of Delaware under the name International Medical Staffing, Inc. on March 21, 2007. We are a development stage company and we have commenced only limited operations. We have never declared bankruptcy, have never been in receivership, and have never been involved in any legal action or proceedings. We have not made any significant purchase or sale of assets, nor has the Company been involved in any mergers, acquisitions or consolidations. Neither we, nor our officers, Directors, promoters, or affiliates, have had preliminary contact or discussions with, nor do we have any present plans, proposals, arrangements, or understandings with, any representatives of the owners of any business or company regarding the possibility of an acquisition or merger.

We intend to focus on developing into a leading provider of services for the global recruitment of qualified medical personnel. We plan to service the healthcare industry, primarily hospitals, and nursing homes, by providing them with reliable recruitment, screening, and placement services in order to address the rising international shortage of qualified nurses and other medical staff.

We do not currently have sufficient capital to operate our business, and we may require additional funding in the future to sustain our operations. There is no assurance that we will have revenues in the future or that we will be able to secure the necessary funding to develop our business.

Plan of Operation

Our plan of operation is to market our recruiting services to nursing homes and hospitals throughout the United States. We will focus initially on offering our services to nursing homes and hospitals in the Northeast and Midwest regions of the United States. We plan to identify and retain a recruitment agent in the Philippines who will assist us in locating a steady supply of nursing candidates. We intend to recruit nurses and other medical staff personnel in their countries of origin and, after screening these candidates, assist them in successfully passing all exams, legal procedures, and immigration requirements obligated by the country and state of future employment. We will accompany the nurses through each stage, offering advice and personal solutions, until their arrival and placement at the facility of employment.

Results of Operations

Revenues

We had revenues of \$5,980 for the three-month period ended September 30, 2008, and since inception, our revenues have been \$15,980. Such revenues have been derived from non-repetitive consulting services rendered to clients, which are only an incidental part of our business plan.

Expenses

Our expenses for the three-month period ended September 30, 2008, were \$12,795 and since our inception were \$77,512. These expenses were comprised primarily of general and administrative, and legal and accounting expenses, as well as banking fees.

Net Income (Loss)

Our net loss for the three-month period ended September 30, 2008, was \$(6,815). During the period from March 31, 2007 (date of inception), through September 30, 2008, we incurred a net loss of \$(61,532). This loss consisted primarily of administrative expenses. Since inception, we have issued 5,600,000 shares of common stock.

Liquidity and Capital Resources

Our balance sheet as of September 30, 2008, reflects assets of \$7,430. Cash resources from inception through September 30, 2008, have been insufficient to provide for the working capital necessary to operate our business.

We anticipate generating losses and, therefore, may be unable to continue operations in the future. If we require additional capital, we would have to issue debt or equity or enter into a strategic arrangement with a third party. There can be no assurance that additional capital will be available to us. We currently have no agreements, arrangements or understandings with any person to obtain funds through bank loans, lines of credit or any other sources.

Going Concern Consideration

The financial statements contained herein for the fiscal quarter ended September 30, 2008, have been prepared on a “going concern” basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. For the reasons discussed herein and in the footnotes to our financial statements included herein, there is a significant risk that we will be unable to continue as a going concern. Our audited financial statements included in our Annual Report on Form 10-KSB for the period ended December 31, 2007, contain additional note disclosures describing the circumstances that lead to this disclosure by our registered independent auditors.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

None.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this Quarterly Report. Based on that evaluation, these officers concluded that our disclosure controls and procedures were effective as of September 30, 2008.

Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended, during the quarter ended September 30, 2008, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

In the ordinary course of business, our internal control over financial reporting changes as we modify and enhance our processes and information technology systems to meet changing needs and increase our efficiency. Any significant changes in internal controls are evaluated prior to implementation to help maintain the continued effectiveness of our internal control. While changes have occurred in our internal controls during the quarter ended September 30, 2008, there were no changes that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

There have been no material changes from the risk factors disclosed in our Annual Report on Form 10-KSB for the year ended December 31, 2007.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

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

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

| Exhibit No. | Description |
|-------------|--|
| 3.1 | Articles of Incorporation. (Attached as an exhibit to our Registration Statement on Form SB-2 originally filed with the SEC on December 19, 2007, and incorporated herein by reference.) |
| 3(ii) | Bylaws. (Attached as an exhibit to our Registration Statement on Form SB-2 originally filed with the SEC on December 19, 2007, and incorporated herein by reference.) |
| 31.1 | Certification of Aron Fishl Paluch pursuant to Rule 13a-14(a). |
| 32.1 | Certification of Aron Fishl Paluch pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

INTERNATIONALMEDICAL STAFFING, INC.

By: /s/ Aron Fishl Paluch
Aron Fishl Paluch
President, Treasurer, and
Director
Principal Executive
Officer, and
Principal Financial and
Chief
Accounting Officer

Date: November 13, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated.

| Signatures | Title | Date |
|--|------------------------------------|-------------------|
| /s/ Aron Fishl Paluch Aron Fishl Paluch | President, Treasurer, and Director | November 13, 2008 |