**UNITED STATES**
**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 quarterly period ended **June 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: **000-51763**

# COMCAM INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

| **Delaware** | **23-2976562** |
| --- | --- |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

**1140 McDermott Drive, West Chester, Pennsylvania 19380**
(Address of principal executive offices) (Zip Code)

**(610) 436-8089**
(Registrant's telephone number, including area code)

**N/A**
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (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 is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company as defined by Rule 12b-2 of the Exchange Act:
Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☑

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

At August 14, 2008, the number of shares outstanding of the registrant's common stock, $0.0001 par value (the only class of voting stock), was 3,408,354.

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## PART I – FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS

As used herein, the terms “Company,” “we,” “our,” “us,” “it,” and “its” refer to ComCam International, Inc., a Delaware corporation, unless otherwise indicated. In the opinion of management, the accompanying unaudited financial statements included in this Form 10-Q reflect all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the results of operations for the periods presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

COMCAM INTERNATIONAL, INC.
BALANCE SHEETS

| ASSETS | | June 30, 2008 (Unaudited) | December 31, 2007 (Audited) |
|---|---|---|---|
| Current assets: | | | |
| Cash and cash equivalents | $ | 55,454 | - |
| Accounts receivable, net | | 10,163 | 192,541 |
| Inventories | | 66,278 | 66,278 |
| Total current assets | | 131,895 | 258,819 |
| Property and equipment, net | | 121,342 | 127,179 |
| Other assets | | 2,106 | 2,106 |
| Total assets | $ | 255,343 | 388,104 |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | | |
| Current liabilities: | | | |
| Checks in excess of cash | $ | - | 38,931 |
| Accounts payable | | 342,585 | 316,860 |
| Accrued expenses | | 181,334 | 93,805 |
| Embedded derivative liability | | - | 69,976 |
| Notes payable | | 791,568 | 707,433 |
| Total current liabilities | | 1,315,487 | 1,227,005 |
| Commitments and contingencies | | | |
| Stockholders' deficit: | | | |
| Preferred stock, $.0001 par value; 2,000,000 shares authorized, no shares issued and outstanding | | - | - |
| Common stock, $.0001 par value; 100,000,000 shares authorized, 3,408,354 shares issued and outstanding | | 341 | 341 |
| Additional paid-in capital | | 4,537,860 | 4,484,289 |
| Accumulated deficit | | (5,598,345) | (5,323,531) |
| Total stockholders' deficit | | (1,060,144) | (838,901) |
| Total liabilities and stockholders' deficit | $ | 255,343 | 388,104 |

The accompanying notes are an integral part of these financial statements

COMCAM INTERNATIONAL, INC.
UNAUDITED STATEMENTS OF OPERATIONS

| | | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|---|
| | | 2008 | 2007 | 2008 | 2007 |
| Revenues, net | $ | 11,325 | 6,893 | 14,459 | 35,726 |
| Cost of revenues | | 61,613 | 76 | 62,994 | 5,131 |
| Gross profit | | (50,288) | 6,817 | (48,535) | 30,595 |
| Operating expenses: | | | | | |
| General and administrative expenses | | 51,631 | 72,103 | 191,249 | 129,990 |
| Research and development expenses | | 19 | 712 | 4,617 | 4,962 |
| | | 51,650 | 72,815 | 195,866 | 134,952 |
| Loss from operations | | (101,938) | (65,998) | (244,401) | (104,357) |
| Other income (expense): | | | | | |
| Interest income | | 197 | 58 | 391 | 97 |
| Interest expense | | (17,194) | (28,464) | (47,209) | (56,198) |
| Gain on embedded derivative liability | | - | - | 16,405 | - |
| | | (16,997) | (28,406) | (30,413) | (56,101) |
| Loss before provision for income taxes | | (118,935) | (94,404) | (274,814) | (160,458) |
| Provision for income taxes | | - | - | - | - |
| Net loss | $ | (118,935) | (94,404) | (274,814) | (160,458) |
| Net loss per common share - basic and diluted | $ | (0.03) | (0.05) | (0.08) | (0.08) |
| Weighted average common and common equivalent shares | | 3,408,354 | 2,010,795 | 3,408,354 | 2,010,795 |

The accompanying notes are an integral part of these financial statements

COMCAM INTERNATIONAL, INC.
UNAUDITED STATEMENTS OF CASH FLOWS

| | | Six Months Ended June 30, 2008 | Six Months Ended June 30, 2007 |
|---|---|---|---|
| Cash Flows from operating activities: | | | |
| Net loss | $ | (274,814) | (160,458) |
| Adjustments to reconcile net loss to net cash provided by (used in) operating activities: | | | |
| Depreciation and amortization | | 6,280 | 1,685 |
| Accretion - debenture interest expense | | 14,135 | - |
| Gain on embedded derivative liability | | (16,405) | - |
| Provision for losses on accounts receivable | | - | 2,000 |
| Provision for obsolete inventories | | - | - |
| (Increase) decrease in: | | | |
| Accounts receivable | | 182,378 | 752 |
| Inventories | | - | 5,075 |
| Increase (decrease) in: | | | |
| Accounts payable | | 25,725 | 28,583 |
| Accrued expenses | | 87,529 | 54,596 |
| Net cash provided by (used in) operating activities | | 24,828 | (67,767) |
| Cash flows from investing activities: | | | |
| Purchase of property and equipment | | (443) | - |
| Net cash used in investing activities | | (443) | - |
| Cash flows from financing activities: | | | |
| Checks in excess of cash | | (38,931) | - |
| Increase in notes payable | | 70,000 | 90,000 |
| Net cash provided by financing activities | | 31,069 | 90,000 |
| Net increase in cash | | 55,454 | 22,233 |
| Cash, beginning of period | | - | 5,697 |
| Cash, end of period | $ | 55,454 | 27,930 |

The accompanying notes are an integral part of these financial statements

## Note 1 – Basis of Presentation

The accompanying unaudited financial statements have been prepared by management in accordance with the instructions in Form 10-Q and, therefore, do not include all information and footnotes required by generally accepted accounting principles and should, therefore, be read in conjunction with the Company's Form 10-K. These statements do include all normal recurring adjustments which the Company believes necessary for a fair presentation of the statements. The interim results of operations are not necessarily indicative of the results to be expected for the full year ended December 31, 2008.

## Note 2 – Additional Footnotes Included By Reference

Except as indicated in the notes above, there have been no other material changes in the information disclosed in the notes to the financial statements included in the Company's Form 10-K for the year-ended December 31, 2007. Therefore, those footnotes are included herein by reference.

## Note 3 – Going Concern

As of June 30, 2008, the Company has limited revenue generating activities in place and the Company has incurred losses since inception. These factors raise substantial doubt about the Company's ability to continue as a going concern.

Management intends to seek additional equity and debt funding to expand marketing efforts and product development. There can be no assurance that such funds will be available to the Company or that the marketing and product development efforts will be successful.

## Note 4 – Notes Payable

Notes payable consist of the following:

| | | June 30, 2008 | December 31, 2007 |
|---|---|---|---|
| Notes payable to Paul Higbee, bearing interest at 8%, due on demand, secured by the intellectual property of the Company. | $ | 465,000 | 395,000 |
| Unsecured note payable to Global Megatrend, bearing interest at 7.5% and due on demand. The note may be converted to common shares of the Company, at the option of the holder, based on certain terms related to outstanding shares and per share prices. The Company is in default of the agreement because it is insolvent. | | 176,568 | 176,568 |
| Convertible debenture to HNI, LLC of $125,000, bearing interest at 7%, due on February 14, 2009, net of embedded derivative discount of $0 and $14,135 (see Note 5). | | 125,000 | 110,865 |
| Convertible unsecured note payable to Robert Emmet, bearing interest at 6%, and due on demand. The note may be converted into common shares of the Company at $.35 per share and contains a provision which allows the Company to call for the conversion at anytime. | | 25,000 | 25,000 |
| | $ | 791,568 | 707,433 |

## Note 5 – Convertible Debenture and Embedded Derivative to HNI, LLC

On February 14, 2008, the Company entered into an amendment agreement with HNI, LLC. The Debenture, as amended, accrues interest at 7% per annum, is due on February 14, 2009, and is convertible into 138,834 shares. As a result of the new conversion provisions set forth in the amendment agreement, the embedded derivative liability was removed.

Details related to the convertible debenture are discussed below as they were when initiated.

The Company analyzed the Debenture based on the provisions of EITF 00-19 and determined that the conversion option of the Debenture qualifies as an embedded derivative. Information related to the recognition of the embedded derivative is as follows:

Note 5 – Convertible Debenture and Embedded Derivative to HNI, LLC (continued)

Embedded Derivative

The fair value of the embedded derivative was determined to be $113,080 and was recorded as an embedded derivative liability. The embedded derivative is revalued at the end of each reporting period and any resulting gain or loss is recognized as a current period charge to the statement of operations. Upon issuance the fair value was calculated using the Black-Scholes option pricing model with the following factors, assumptions and methodologies:

- The fair value of the Company's common stock was calculated to be $.017 per share.
- A volatility of 149% was calculated by using the Company's closing stock prices since May 2006.
- The exercise price was $.0119. This amount was determined based on 30% off the most recent closing bid price immediately preceding the issuance date.
- The estimated life was determined to be 1 year, which is equal to the contractual life of the embedded derivative.
- The risk free interest rate was determined to be 5.06% based on the 1-year treasury rate.

Note 6 – Supplemental Cash Flow Information

During the six months ended June 30, 2008, the Company increased additional paid-in capital and decreased its embedded derivative by $53,571 due to the termination of the embedded derivative.

Note 7 – Recent Accounting Pronouncements

In May 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") APB 14-1, "Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)" ("FSP APB 14-1"). FSP APB 14-1 clarifies that convertible debt instruments that may be settled in cash upon either mandatory or optional conversion (including partial cash settlement) are not addressed by paragraph 12 of APB Opinion No. 14, "Accounting for Convertible Debt and Debt issued with Stock Purchase Warrants."

Additionally, FSP APB 14-1 specifies that issuers of such instruments should separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. FSP APB 14-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. We will adopt FSP APB 14-1 beginning in the first quarter of 2009, and this standard must be applied on a retrospective basis. We are evaluating the impact the adoption of FSP APB 14-1 will have on our financial position and results of operations.

Note 7 – Recent Accounting Pronouncements (continued)

In May 2008, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 162, "The Hierarchy of Generally Accepted Accounting Principles" ("SFAS 162"). This standard 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 generally accepted accounting principles in the United States for non-governmental entities. SFAS 162 is effective 60 days following approval by the SEC of the Public Company Accounting Oversight Board's amendments to AU Section 411, "The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles." We do not expect SFAS 162 to have a material impact on the preparation of our financial statements.

In April 2008, the FASB issued FSP No. 142-3, "Determination of the Useful Life of Intangible Assets" ("FSP 142-3"). FSP 142-3 amends the factors an entity should consider in developing renewal or extension assumptions used in determining the useful life of recognized intangible assets under FASB Statement No. 142, "Goodwill and Other Intangible Assets". This new guidance applies prospectively to intangible assets that are acquired individually or with a group of other assets in business combinations and asset acquisitions. FSP 142-3 is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2008. Early adoption is prohibited. We are currently evaluating the impact, if any, that FSP 142-3 will have on our financial statements.

In March 2008, the FASB issued SFAS 161 which amends and expands the disclosure requirements of SFAS 133 to provide an enhanced understanding of an entity's use of derivative instruments, how they are accounted for under SFAS 133 and their effect on the entity's financial position, financial performance and cash flows. The provisions of SFAS 161 are effective for the period beginning after November 15, 2008. The Company is currently reviewing the effect that the adoption of this statement will have on our financial statements.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This *Management's Discussion and Analysis of Financial Condition and Results of Operations* and other parts of this quarterly report contain forward-looking statements that involve risks and uncertainties. Forward-looking statements can be identified by words such as "anticipates," "expects," "believes," "plans," "predicts," and similar terms. Forward-looking statements are not guarantees of future performance and our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include but are not limited to those discussed in the subsection entitled *Forward-Looking Statements and Factors That May Affect Future Results and Financial Condition* below. The following discussion should be read in conjunction with our financial statements and notes thereto included in this report. Our fiscal year end is December 31. All information presented herein is based on the three and six month periods ended June 30, 2008.

**<u>Discussion and Analysis</u>**

Our financial condition and results of operations depend primarily on revenue generated from the sale of our products and specialized services in addition to our ability to realize additional debt or equity financing. Due to our limited revenue and historical record of losses we cannot rely on an increase in revenues in the near term to provide sufficient cash flow to sustain operations. Since we do not expect to generate sufficient cash flow from operations, we are currently seeking financing as a means to bridge the gap between operational losses and expenses. However, we have no commitments for additional debt or equity financing at this time and can provide no assurance that our efforts to finance our operations will be successful.

The Company remains focused on numerous domestic and international sales opportunities with businesses and organizations that have purchased our video command-and-control products in the past, including the following:

- United States agencies: our products are currently being deployed with Immigration and Customs Enforcement (ICE) at the General Service Administration facility located in lower Manhattan, New York City.
- United States agencies: products sold to U.S. agencies have been used for testing purposes, including:
  (a) the Coast Guard and Navy which funded the University of South Florida for remote underwater operating vehicles and purchased 10 camera systems between 2002 and the present,
  (b) Naval Undersea Warfare Center who purchased 16 camera systems for classified purposes in 2003,
  (c) the FBI through Photech, Inc., who purchased 4 camera systems for undisclosed surveillance monitoring in 2004,
  (d) National Oceanic and Atmospheric Administration (Department of Commerce) and the Fish and Wildlife Service (Department of the Interior) who each purchased 1 camera system in October 2005, and
  (e) Department of Interior who purchased several camera systems in 2001 to secure certain historic buildings in Independence Park, Philadelphia; and State agencies: the Washington Fish and Wildlife Service purchased 1 camera system in October 2005.
- United States corporations: units sold to private US companies for both research purposes and for implementation, including:
  (a) DRS/Night Vision Systems purchased 5 microserver systems for various purposes between 2006 and the present, and we also provided engineering services;

(b) Henry Brothers purchased 3 microserver systems for installation at JFK airport;
(c) IBM purchased 3 microserver systems for loss prevention purposes at its corporate facility in Raleigh, North Carolina.

- Various South America and North Africa integrators: port security and various wireless applications including two companies in Cartagena, Columbia, who purchased 11 professional lens camera systems since 2003 for testing in a port security project.

Additionally, the Company intends to pursue numerous new domestic and international sales opportunities to generate increased revenue, including the following:

- DRS/Night Vision Systems contracted engineering services from the Company for their Perceptor camera line, and it has incorporated our microservers and software to support trials for the military projects.
- EG&G has included the Company in design bids for wireless configurations on military contracts.
- OLogic has included the Company in design of robotic based command-and-control systems.
- Siemens Maintenance Services, LLC, has included the Company in design bids for wireless configurations to commercial airports, municipal transportation departments and other venues.
- Symbol/Motorola has made the Company a strategic sales partner for command-and-control and video display on mobile enterprise devices.

Marketing overtures through DRS/Night Vision, Siemans Maintenance Services, LLC, and Symbol/Motorola have not resulted in sales to date. All of the above are examples of potential future customers that may contribute to an increase in the Company's revenues. Additionally, we plan to implement an aggressive marketing and sales campaign to reach a broader market for our products.

While maintaining direct sales relations with many of its historic customers (e.g., DRS), the Company has also focused its sales efforts on serving as an original equipment manufacturer (OEM) for strategic resellers, to serve as a research and development partner, and to develop a network of dealers, resellers and system integrators with differing targeted market expertise. As an OEM, the Company has established a strategic reseller alliance with Symbol/Motorola for the development of integrated solutions to take advantage of its MotoMESH network architecture.

The Company is offering a series of specialized "solution" bundles to be sold into the marketplace by select distributors, including:

- AAID Security Solutions, Peachtree City, GA -- for the distribution of the RFID Biometric Access System.
- Remote Eyes, Laurel, MD – for distribution of the CCTV Upgrade Kit (Limited System).
- ScanSource, Greenville, SC – for distribution of the CCTV Wireless Upgrade Kit (Full System).
- Susquehanna Computer Innovations, South Williamsport, PA – for distribution of the Integrated Command-&-Control Van.

Individual dealers, resellers and system integrators have begun to offer company-based solutions to their respective sales channels.

The Company's marketing plan provides that we will:

- promote our products and services through our website;
- promote our accomplishments through regular press releases distributed by a PR Newswire that reaches both the financial press and the specialized industry-sector press. We maintain an online mailing list of three thousand names and each release is sent to contacts on the list;
- attend leading industry events, including trade conferences and seminars, often with a strategic partner; two recent events include FenceTech 2007 with AAID, to introduce its "RFID Biometric Access System," and CES 2007 with OLogic, to participate at "Robotics TechZone" to demonstrate a video command-and-control system; and
- support our strategic partners by participating in planning sessions and other events.

Further, we intend to:

- retain a professional investor relations / public relations firm to launch an aggressive re-branding awareness campaign targeted to both our core sales channels (e.g., security surveillance, video networking) as well as the investor community (e.g., market makers and research analysts); and
- revise our corporate identity (e.g., logo), website and print materials: in line with overall corporate repositioning, we will revise and refresh our core branding elements to maximize their positioning message as a technology leader not only in video surveillance but also toward wireless networking; through these efforts, we will be able to manage sales growth as well as take advantage of new opportunities including customized solutions that resellers bring to us.

The Company's operations will require between $500,000 and $1,000,000 in outside funding over the next twelve months unless we are able to generate sufficient gross revenues from operations. Additionally, we will need nearly $1,500,000 to cover short term liabilities. No outside funding is currently available to us.

The Company's business development strategy is prone to significant risks and uncertainties which can have an immediate impact on efforts to realize net cash flow and deter future prospects of revenue growth. We have a limited history of generating revenue which cannot be viewed as an indication of continued growth and a historical record of incurring losses. Should we be unable to consistently generate revenue and reduce or stabilize expenses to the point where we can realize net cash flow, such failure will have an immediate impact on our ability to continue our business operations.

## Results of Operations

During the six month period ended June 30, 2008 we were engaged in the ongoing development and sale of our *Internet Protocol* remote control platform cameras, micro servers, associated software, and unique end-to-end network solutions.

### *Revenue*

Revenue for the three month period ended June 30, 2008 increased to $11,325 from $6,893 for the three month period ended June 30, 2007, an increase of 64%. Revenue for the six month period ended June 30, 2008 decreased to $14,459 from $35,726 for the six month period ended June 30, 2007, a decrease of 60%. Our minimal revenue in the current periods is due to an inability to bond certain contracts. The Company expects revenue to increase overall during the next twelve months as it is pursuing several different options to facilitate bonding of prospective contracts.

### *Gross Losses and Cost of Revenue*

Gross loss for the three month period ended June 30, 2008 was $50,288 as compared to gross revenue of $6,817 for the three month period ended June 30, 2007. Gross loss for the six month period ended June 30, 2008 was $48,535 as compared to gross revenue of $30,595 for the six month period ended June 30, 2007. The gross losses in each of the current periods are attributable to an increased cost of revenue associated with product orders. The Company expects the cost of revenues to increase, though at a decreasing rate, as net revenues are expected to increase over the next twelve months.

### *Expenses*

General and administrative expenses for the three month period ended June 30, 2008 decreased to $51,631 from $72,103 for the three month period ended June 30, 2007, a decrease of 28%. General and administrative expenses for the six month period ended June 30, 2008 increased to $191,249 from $129,990 for the six month period ended June 30, 2007, an increase of 47%. The changes in general and administrative expenses over the comparative periods are attributable to fluctuations in consulting and professional fees. The Company expects that general and administrative expenses will continue to fluctuate over the next twelve months.

Research and development expenses for the three month period ended June 30, 2008 decreased to $19 from $712 for the three month period ended June 30, 2007. Research and development expenses for the six month period ended June 30, 2008 decreased to $4,617 from $4,962 for the six month period ended June 30, 2007, a decrease of 7%. The decrease expended upon research and development over the comparative periods and the minimal amounts expended in all periods are due to limited financial resources. The Company expects that research and development expenses will increase over the next twelve months subject to the availability of financial resources dedicated for these purposes.

Depreciation and amortization expenses for the six month periods ended June 30, 2008 and 2007 were $6,280 and $1,685, respectively.

### *Losses*

Loss from operations for the three month period ended June 30, 2008 increased to $101,938 from $65,998 for the three month period ended June 30, 2007, an increase of 54%. Loss from operations for the six month period ended June 30, 2008 increased to $244,401 from $104,357 for the six month period ended June 30, 2007, an increase of 134%. The increase in loss from operations over the comparative periods is primarily due to the decrease in revenue and the increase in cost of revenues, in addition to an increase in general and administrative expenses over the six month periods. The Company expects to continue to incur a loss from operations over the next twelve months that will decrease as revenues increase.

Net losses for the three month period ended June 30, 2008 increased to $118,935 from $94,404 for the three month period ended June 30, 2007, an increase of 26%. Net losses for the six month period ended June 30, 2008 increased to $274,814 from $160,458 for the six month period ended June 30, 2007, an increase of 71%. The increase in net losses over the comparative periods is primarily due to the increase in loss from operations that was partially mitigated by a decrease in other expenses, particularly interest expense. The Company expects to continue to incur a net loss over the next twelve months that will decrease as revenues increase.

### *Income Tax Expense (Benefit)*

The Company has an income tax benefit resulting from net operating losses to offset any future operating profit. The net operating loss carry forwards at December 31, 2007, consisted of approximately $5,140,000 which will begin to expire in the year 2019. The amount of net operating loss carry forwards that can be used in any one year can be limited by significant changes in the ownership of the Company and by the applicable tax laws which are in effect at the time such carry forwards are utilized.

### *Impact of Inflation*

The Company believes that inflation has had a negligible effect on operations over the past three years. We believe that we can offset inflationary increases in the cost of materials and labor by increasing sales and improving operating efficiencies.

### *Capital Expenditures*

The Company made no significant capital expenditures on property or equipment for the six month periods ended June 30, 2008 or 2007.

### *Liquidity and Capital Resources*

The Company had a working capital deficit of $1,183,592 as of June 30, 2008 as compared to a working capital deficit of $968,186 as of December 31, 2007. On June 30, 2008 the Company had total current assets of $131,895 which consisted of $55,454 in cash, net accounts receivable of $10,163 and inventories of $66,278. The Company had total current liabilities of $1,315,487 which consisted of notes payable of $791,568, accounts payable of $342,585 and accrued expenses of $181,334.

Cash flow provided by operations for the six month period ended June 30, 2008 was $24,828, as compared to cash flow used in operations of $67,767 for the six months ended June 30, 2007. The transition to cash flows provided by operations over the six month periods can be primarily attributed to the decrease in accounts receivable and an increase in accrued expenses. The Company expects to continue to provide cash flow from operations as net losses decrease.

Cash flows used in investing activities was $443 for the six month period ended June 30, 2008 as compared to $0 for the six month period ended June 30, 2007. The Company expects to use cash flow in investing activities in future periods.

Cash flow provided by financing activities was $31,069 for the six month period ended June 30, 2008, as compared to $90,000 for the six months ended June 30, 2007. Cash flow used in financing activities in the current period can be attributed to an increase in notes payable. The Company expects to generate cash flow from financing activities in future periods.

We do not have sufficient current assets or operational cash flow to meet our current obligations or satisfy cash needs over the next twelve months so we are in the process of pursuing debt or equity financing to maintain operations. Sources for such prospective financing may consist of loans from shareholders, the sale of common stock or other equity instruments, or loans from other sources.  Although we have funded our cash needs from inception from revenue, sales of our equity, and a series of debt transactions we can provide no assurance that we will be able to obtain the required financing.

The Company had no lines of credit or other bank financing arrangements.

The Company has no defined benefit plan or contractual commitment with any of its officers or directors, except an employment agreement with its chief executive officer.

The Company has no current plans for the purchase or sale of any plant or equipment.

The Company currently has no employees and has no plans to hire any employees in the near future.

Since earnings, if any, will be reinvested in operations, the Company does not expect to pay cash dividends in the foreseeable future.

***Off Balance Sheet Arrangements***

As of June 30, 2008, the Company has no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that is material to stockholders.

***Going Concern***

The Company's auditors have expressed an opinion as to our ability to continue as a going concern as a result of an accumulated deficit of $5,323,531 as of December 31, 2007 which increased to $5,598,345 as of June 30, 2008. Our ability to continue as a going concern is subject to the ability of the Company to obtain a profit and/or obtaining the necessary funding from outside sources. Management's plan to address the Company's ability to continue as a going concern includes (i) increasing revenues; (ii) obtaining funding from private placement sources; (iii) obtaining funding from the sale of the Company's securities; (iv) obtaining loans from shareholders as necessary, and (v) converting outstanding debt to equity. Although management believes that it will be able to obtain the necessary funding to allow the Company to remain a going concern through the methods discussed above, there can be no assurances that such methods will prove successful.

***Critical Accounting Policies***

In Note 1 to the audited financial statements for the years ended December 31, 2007 and 2006, included in our Form 10-K, the Company discusses those accounting policies that are considered to be significant in determining the results of operations and its financial position. The Company believes that the accounting principles utilized by it conform to accounting principles generally accepted in the United States. The preparation of financial statements requires Company management to make significant estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. By their nature, these judgments are subject to an inherent degree of uncertainty. On an on-going basis, the Company evaluates estimates. The Company bases its estimates on historical experience and other facts and circumstances that are believed to be reasonable, and the results form the basis for making judgments about the carrying value of assets and liabilities. The actual results may differ from these estimates under different assumptions or conditions.

***Revenue Recognition***

We generate revenue through the sale of our products to the private, commercial, industrial and governmental sectors of the security industry. Revenue from product sales is recognized at the time the product is shipped and invoiced and collectibility is reasonably assured. The Company believes that revenue should be recognized at the time of shipment as title passes to the customer at the time of shipment.

### *Forward Looking Statements and Factors That May Affect Future Results and Financial Condition*

The statements contained in the section titled *Management's Discussion and Analysis of Financial Condition and Results of Operations* and elsewhere in this current report, with the exception of historical facts, are forward looking statements. Forward looking statements reflect our current expectations and beliefs regarding our future results of operations, performance, and achievements. These statements are subject to risks and uncertainties and are based upon assumptions and beliefs that may or may not materialize. These statements include, but are not limited to, statements concerning:

- our anticipated financial performance and business plan;
- the sufficiency of existing capital resources;
- our ability to raise additional capital to fund cash requirements for future operations;
- uncertainties related to the Company's future business prospects;
- our ability to generate revenues from future operations;
- the volatility of the stock market and;
- general economic conditions.

We wish to caution readers that our operating results are subject to various risks and uncertainties that could cause our actual results to differ materially from those discussed or anticipated, including the factors set forth in the section entitled *Risk Factors* included elsewhere in this report. We also wish to advise readers not to place any undue reliance on the forward looking statements contained in this report, which reflect our beliefs and expectations only as of the date of this report. We assume no obligation to update or revise these forward looking statements to reflect new events or circumstances or any changes in our beliefs or expectations, other than as required by law.

### *Stock-Based Compensation*

We have adopted SFAS No. 123 (revised 2004) (SFAS No. 123R), Share-Based Payment, which addresses the accounting for stock-based payment transactions in which an enterprise receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. In January 2005, the Securities and Exchange Commission (Commission) issued Staff Accounting Bulletin (SAB) No. 107, which provides supplemental implementation guidance for SFAS No. 123R. SFAS No. 123R eliminates the ability to account for stock-based compensation transactions using the intrinsic value method under Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees, and instead generally requires that such transactions be accounted for using a fair-value-based method. We use the Black-Scholes-Merton ("BSM") option-pricing model to determine the fair-value of stock-based awards under SFAS No. 123R, consistent with that used for pro forma disclosures under SFAS No. 123, Accounting for Stock-Based Compensation. We have elected the modified prospective transition method as permitted by SFAS No. 123R and accordingly prior periods have not been restated to reflect the impact of SFAS No. 123R. The modified prospective transition method requires that stock-based compensation expense be recorded for all new and unvested stock options, restricted stock, restricted stock units, and employee stock purchase plan shares that are ultimately expected to vest as the requisite service is rendered beginning on January 1, 2006, the first day of our fiscal year 2006. Stock-based compensation expense for awards granted prior to January 1, 2006 is based on the grant date fair-value as determined under the pro forma provisions of SFAS No. 123.

Prior to the adoption of SFAS No. 123R, we measured compensation expense for our employee stock-based compensation plans using the intrinsic value method prescribed by APB Opinion No. 25. We applied the disclosure provisions of SFAS No. 123 as amended by SFAS No. 148, Accounting for Stock-Based Compensation – Transition and Disclosure, as if the fair-value-based method had been applied in measuring compensation expense. Under APB Opinion No. 25, when the exercise price of the Company's employee stock options was equal to the market price of the underlying stock on the date of the grant, no compensation expense was recognized.

We account for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with SFAS No. 123 and the conclusions reached by the Emerging Issues Task Force ("EITF") in Issue No. 96-18. Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earliest of a performance commitment or completion of performance by the provider of goods or services as defined by EITF 96-18.

***Recent Accounting Pronouncements***

In May 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") APB 14-1, "Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)" ("FSP APB 14-1"). FSP APB 14-1 clarifies that convertible debt instruments that may be settled in cash upon either mandatory or optional conversion (including partial cash settlement) are not addressed by paragraph 12 of APB Opinion No. 14, "Accounting for Convertible Debt and Debt issued with Stock Purchase Warrants."

Additionally, FSP APB 14-1 specifies that issuers of such instruments should separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. FSP APB 14-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. We will adopt FSP APB 14-1 beginning in the first quarter of 2009, and this standard must be applied on a retrospective basis. We are evaluating the impact the adoption of FSP APB 14-1 will have on our financial position and results of operations.

In May 2008, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 162, "The Hierarchy of Generally Accepted Accounting Principles" ("SFAS 162"). This standard 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 generally accepted accounting principles in the United States for non-governmental entities. SFAS 162 is effective 60 days following approval by the SEC of the Public Company Accounting Oversight Board's amendments to AU Section 411, "The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles." We do not expect SFAS 162 to have a material impact on the preparation of our financial statements.

In April 2008, the FASB issued FSP No. 142-3, "Determination of the Useful Life of Intangible Assets" ("FSP 142-3"). FSP 142-3 amends the factors an entity should consider in developing renewal or extension assumptions used in determining the useful life of recognized intangible assets under FASB Statement No. 142, "Goodwill and Other Intangible Assets". This new guidance applies prospectively to intangible assets that are acquired individually or with a group of other assets in business combinations and asset acquisitions. FSP 142-3 is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2008. Early adoption is prohibited. We are currently evaluating the impact, if any, that FSP 142-3 will have on our financial statements.

In March 2008, the FASB issued SFAS 161 which amends and expands the disclosure requirements of SFAS 133 to provide an enhanced understanding of an entity's use of derivative instruments, how they are accounted for under SFAS 133 and their effect on the entity's financial position, financial performance and cash flows. The provisions of SFAS 161 are effective for the period beginning after November 15, 2008. The Company is currently reviewing the effect, if any, that the adoption of this statement will have on our financial statements.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required.

## ITEM 4T. CONTROLS AND PROCEDURES

***Evaluation of Disclosure Controls and Procedures***

In connection with the preparation of this report on Form 10-Q, an evaluation was carried out by the Company's management, with the participation of the chief executive officer and the chief financial officer, of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("Exchange Act")). Disclosure controls and procedures are designed to ensure that information required to be disclosed in 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 that such information is accumulated and communicated to management, including the chief executive officer and the chief financial officer, to allow timely decisions regarding required disclosures.

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

***Changes in Internal Control over Financial Reporting***

There have been no changes in internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the period ended June 30, 2008, that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

# PART II – OTHER INFORMATION

## ITEM 1. LEGAL PROCEEDINGS

None.

## ITEM 1A. RISK FACTORS

Our future operating results are highly uncertain. Before deciding to invest in us or to maintain or increase your investment, you should carefully consider the risks described below, in addition to the other information contained in this quarterly report. If any of these risks actually occur, our business, financial condition or results of operations could be seriously harmed. In that event, the market price for our common stock could decline and you may lose all or part of your investment.

## Risks Related to the Company's Business

*THE COMPANY'S ABILITY TO CONTINUE AS A GOING CONCERN IS IN QUESTION*

The Company's auditors included an explanatory statement in paragraph 4 of their report on our financial statements for the years ended December 31, 2007 and 2006, stating that there are certain factors which raise substantial doubt about the Company's ability to continue as a going concern. These factors include limited revenue generating activities in place, and losses since inception.

*THE COMPANY HAS A HISTORY OF LOSSES AND MAY INCUR LOSSES FOR THE FORESEEABLE FUTURE*

The Company had an accumulated deficit of $5,323,531 as of December 31, 2007, which increased to $5,598,345 at June 30, 2008. We do not expect to achieve profitability in the next twelve months and can provide no assurances that we will ever achieve profitability or in the event that we do achieve profitability that we will be able to sustain that profitability over time.

*IF THE COMPANY DOES NOT GENERATE SUFFICIENT CASH FLOW FROM OPERATIONS AND IS UNABLE TO OBTAIN ADDITIONAL CAPITAL TO OPERATE ITS BUSINESS, WE MAY NOT BE ABLE TO EFFECTIVELY CONTINUE OPERATIONS*

As of June 30, 2008, the Company had a working capital deficit of $1,183,592. We do not expect to generate sufficient cash flow from operations to cover our expenditures until the end of 2009. Until the point at which cash flow from operations can match expenditures we will have to obtain additional working capital from debt or equity placements to effectively continue our operations. However, we have no commitment for the provision of additional working capital. Should we be unable to secure additional capital to cover our short fall in cash flow, such condition would cause us to reduce expenditures which could have a material adverse effect on our business.

*THE COMPANY MAY NOT BE ABLE TO DEVELOP NEW PRODUCTS*

We have historically had difficulty producing our products because of cash flow shortages. Though we have recently resumed the production of our products, our future success depends in a significant part on our ability to evolve our hardware and software and to develop and introduce new products and technologies in response to market demands. If adequate funds are not available, the Company's ability to develop or enhance products and services or otherwise respond to competitive pressures would be significantly limited.

*THE VIDEO MONITORING SURVEILLANCE INDUSTRY IS SUBJECT TO RAPID TECHNOLOGICAL CHANGE AND THE COMPANY'S PRODUCTS COULD BECOME OBSOLETE AT ANY TIME*

Evolving technology, updated industry standards, and frequent new product and service introductions characterize the video surveillance market; our products could become obsolete at any time. Competitors could develop products similar to or better than our own, finish development of new technologies in advance of the Company's research and development, or be more successful at marketing new products, any of which factors may hurt our prospects for success.

*THE MARKET ACCEPTANCE OF THE COMPANY'S PRODUCTS IS CRITICAL TO THE COMPANY'S GROWTH*

The Company generates revenue from the design and sale of video surveillance systems; therefore, market acceptance of our products is critical. If our customers do not accept or purchase our products, then our revenue, cash flow and/or operating results will be negatively impacted.

*THE COMPANY COMPETES WITH LARGER AND BETTER-FINANCED CORPORATIONS*

Competition within the international market for fixed and mobile commercial video cameras and other equipment communication systems is intense. While the Company's products are distinguished by next-generation innovations that are more sophisticated, flexible and cost effective than many competitive products currently in the market place, a number of entities offer video surveillance systems, and new competitors may enter the market in the future. Some of our existing and potential competitors have longer operating histories, greater name recognition, larger customer bases and significantly greater financial, technical and marketing resources than we do, including well known multi-national corporations like Sony and JVC.

*THE COMPANY IS LARGELY DEPENDENT UPON FEW CUSTOMERS*

We have in the past, and may in the future, lose our customers or a substantial portion of our business with one or more major customers. If we do not sell products to our existing customers in the quantities anticipated, or if our customers reduce or terminate their relationships with us, market perception of our products and technology, growth prospects, and financial condition and results of operations could be harmed. Any termination of our relationship with our largest customers or any other customers could materially reduce our revenue.

*THE COMPANY DEPENDS UPON ONE MANUFACTURER AND LIMITED SOURCE SUPPLIERS*

Pennsylvania-based Strategic Manufacturing Technologies, Inc. currently procures our components and manufactures our video surveillance systems. Our components are purchased for us from such source suppliers as Motorola, Inc., and Analog Devices, Inc. We anticipate that the Company will continue to depend upon one or few manufacturers, as well as a limited number of source suppliers, which dependence, reduces the level of control we have and exposes us to significant risks such as inadequate capacity, late delivery, substandard quality and higher prices, all of which could adversely affect the Company's business. We currently have no agreement with Strategic Manufacturing Technologies, Inc. for the manufacture of our video surveillance systems.

If our suppliers were unable to provide parts in the volumes needed or at an acceptable price, our manufacturer and the Company would have to identify and qualify acceptable replacements from alternative sources of supply. If the Company was unable to obtain these components in a timely fashion, it would likely not be able to meet demand. Any disruption of either component procurement or manufacturing delays could adversely affect the Company's results of operations.

*OUR CHIEF EXECUTIVE OFFICER MAY NOT BE ABLE TO OFFER HIS UNDIVIDED ATTENTION TO THE COMPANY*

Don Gilbreath serves as our chief executive officer and also as the chief executive officer of ComCam, Inc. Mr. Gilbreath’s dual responsibilities cause him to divide his time between two corporations with disparate interests. Currently, Mr. Gilbreath devotes significant time to the marketing of our products and services. However, ComCam, Inc. may increase its effort to seek out unrelated business opportunities in the technology sector, which pursuit will reduce the amount of time Mr. Gilbreath currently spends on the development of our business.

*THE COMPANY’S SUCCESS DEPENDS ON THE COMPANY’S ABILITY TO ATTRACT AND RETAIN KEY PERSONNEL*

The Company’s future success will depend substantially on the continued services and performance of Don Gilbreath and other key personnel. We have relatively few senior personnel, and so the loss of the services of Don Gilbreath or any other key employees could have a material adverse effect on the Company’s business prospects, financial condition and results of operations. Our future success also depends on the Company’s ability to identify, attract, hire, train, retain and motivate technical, managerial and sales personnel. Competition for such personnel is intense, and we cannot assure that we will succeed in attracting and retaining such personnel. Our failure to attract and retain the necessary technical, managerial and sales personnel could have a material adverse effect on our business prospects, financial condition and results of operations.

*MISAPPROPRIATION OF PROPRIETARY RIGHTS OR CLAIMS OF INFRINGEMENT OR LEGAL ACTIONS RELATED TO INTELLECTUAL PROPERTY COULD ADVERSELY IMPACT THE COMPANY'S FINANCIAL CONDITION*

The Company's success depends significantly on protecting proprietary technology. Despite the Company's efforts to protect its proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use our technology or products. Monitoring unauthorized use of the Company's technology is difficult, and we cannot be certain that the steps we have taken will prevent misappropriation of our technology, particularly in foreign countries where the laws may not protect our proprietary rights as fully as in the United States.

In addition, from time to time, third parties may assert patent, copyright, trademark and other intellectual property rights claims against us with respect to existing or future products or technology. If there is a successful claim of infringement and the Company fails or is unable to develop non-infringing technology or license the infringed or similar technology on a timely basis, the Company's business and results of operations could be seriously harmed.

*THE COMPANY’S BUSINESS IS SUBJECT TO GOVERNMENTAL REGULATIONS*

International, national and local standards set by governmental regulatory authorities set the regulations by which communications are transmitted within and across respective territories. The Company's fixed and mobile digital video cameras and communication systems are subject to such regulation in addition to national, state and local taxation. Our products may be required to meet Federal Communications Commission approval, specifically for Classes A & B of Part 15 for the telephone related applications of our hardware products. Although the Company successfully operates within current governmental regulations it is possible that regulatory changes could negatively impact our operations and cause us to diminish or cease operations.

*THE COMPANY'S PRODUCTS ARE SUBJECT TO ENVIRONMENTAL LAWS*

New hazardous materials restrictions have been and are being sought in numerous jurisdictions worldwide. As these restrictions take effect, the Company may need to change the components it uses in certain key products. These components may be difficult to procure or more expensive than the components we currently use. As such, current and future environmental regulations could negatively impact our operations.

**Risks Related to the Company's Stock**

*THE COMPANY WILL NEED TO RAISE ADDITIONAL CAPITAL TO FUND OPERATIONS WHICH COULD ADVERSELY AFFECT OUR SHAREHOLDERS*

The Company will need to raise additional capital to fund operations until such time as our revenues match our expenditures. We expect that revenue will match expenditures at the end of 2009. Until the point at which cash flow from operations can match expenditures we will have to realize up to $3,000,000 in additional capital for operations. Capital realized would be used for research and development expenses, marketing costs and general and administrative expenses. However, we have no commitment from any source of financing to provide us with this necessary additional capital. Should we secure a commitment to provide us with capital such commitment may obligate us to issue additional shares of the Company's common stock or warrants or other rights to acquire common stock which will result in dilution to existing shareholders. Nonetheless, if we are unable to obtain additional capital, then we will need to restrict or even cease operations, which action would adversely affect our shareholders.

*THE COMPANY MAY ATTEMPT TO QUOTE ITS STOCK ON THE OTCBB*

The Company has no public trading market for its shares, and we cannot represent to you that a market will ever develop. Nonetheless, we have sought a quotation on the Over the Counter Bulletin Board (OTCBB) which application is currently pending with the Financial Industry Regulatory Authority (FINRA). However, there can be no assurance that we will obtain a quotation on the OTCBB or that obtaining a quotation will generate a public trading market for our shares.

Further, if we obtain a quotation on the OTCBB, this may not increase our ability to raise money in an equity financing since many institutional investors do not consider OTCBB stocks for their portfolios. Additionally, an investors' ability to trade our stock might be restricted as only a limited number of market makers quote OTCBB stock. Trading volumes in OTCBB stocks are historically lower, and stock prices for OTCBB stocks tend to be more volatile, than stocks traded on an exchange or the NASDAQ Stock Market. We may never qualify for trading on an exchange or the NASDAQ Stock Market.

*THE COMPANY'S STOCK PRICE COULD BE VOLATILE*

Should a public market for our shares develop, the future market price could be subject to significant volatility and trading volumes could be low. Factors affecting the Company's market price could include:

- the Company's perceived prospects;
- negative variances in our operating results, and achievement of key business targets;
- limited trading volume in shares of the Company's common stock in the public market;
- sales or purchases of large blocks of our stock;
- changes in, or the Company's failure to meet, earnings estimates;
- changes in securities analysts' buy/sell recommendations;

- differences between our reported results and those expected by investors and securities analysts;
- announcements of new contracts by the Company or our competitors;
- announcements of legal claims against us;
- market reaction to any acquisitions, joint ventures or strategic investments announced by us or our competitors;
- developments in the financial markets;
- general economic, political or stock market conditions.

In addition, our future stock price may fluctuate in ways unrelated or disproportionate to our operating performance. The general economic, political and stock market conditions that may affect the market price of the Company's common stock are beyond our control. The market price of the Company's common stock at any particular time may not remain the market price in the future. In the past, securities class action litigation has been instituted against companies following periods of volatility in the market price of their securities. Any such litigation, if instituted against us, could result in substantial costs and a diversion of management's attention and resources.

*OUR INTERNAL CONTROLS OVER FINANCIAL REPORTING MAY NOT BE CONSIDERED EFFECTIVE IN THE FUTURE, WHICH COULD RESULT IN A LOSS OF INVESTOR CONFIDENCE IN OUR FINANCIAL REPORTS AND IN TURN HAVE AN ADVERSE EFFECT ON ANY FUTURE STOCK PRICE.*

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 we are required to furnish a report by our management on our internal controls over financial reporting. Such report must contain, among other matters, an assessment of the effectiveness of our internal controls over financial reporting as of the end of the year, including a statement as to whether or not our internal controls over financial reporting are effective. This assessment must include disclosure of any material weaknesses in our internal controls over financial reporting identified by management. If we are unable to continue to assert that our internal controls are effective, our investors could lose confidence in the accuracy and completeness of our financial reports, which in turn could cause any future stock price to decline.

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

None.

## ITEM 3. DEFAULTS ON SENIOR SECURITIES

None.

## ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

## ITEM 5. OTHER INFORMATION

None.

## ITEM 6. EXHIBITS

Exhibits required to be attached by Item 601 of Regulation S-K are listed in the Index to Exhibits on page 26 of this Form 10-Q, and are incorporated herein by this reference.

**SIGNATURES**

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

***ComCam International, Inc.***

/s/ Don Gilbreath August 14, 2008
Don Gilbreath
Chief Executive Officer, Chief Financial Officer, and Principal Accounting Officer

## EXHIBITS

| *Exhibit* | *Description* |
|---|---|
| 3 (i)* | Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to the Form 10-SB/A filed with the Commission on June 26, 2006). |
| 3 (ii)* | Bylaws of the Company (incorporated by reference to the Form 10-SB/A filed with the Commission on June 26, 2006). |
| 10 (i)* | Stock Exchange Agreement between ComCam, Inc. and the Company dated May 8, 2002 (incorporated by reference to the Form 10-SB/A filed with the Commission on June 6, 2006). |
| 10 (ii)(a)* | Securities Purchase Agreement between the Company, ComCam, Inc. and ACC Investors, LLC dated June 22, 2005 (incorporated by reference to the Form 10-SB/A filed with the Commission on June 26, 2006). |
| 10 (ii)(b)* | Convertible Secured Promissory Note between the Company, ComCam, Inc. and ACC Investors, LLC dated June 22, 2005 (incorporated by reference to the Form 10-SB/A filed with the Commission on June 26, 2006). |
| 10 (ii)(c)* | Warrant to Purchase Common Stock between the Company and ACC Investors, LLC dated June 22, 2005 (incorporated by reference to the Form 10-SB/A filed with the Commission on June 26, 2006). |
| 10 (ii)(d)* | Warrant to Purchase Common Stock between the Company and ACC Investors, LLC dated June 22, 2005 (incorporated by reference to the Form 10-SB/A filed with the Commission on June 26, 2006). |
| 10 (ii)(e)* | Registration Rights Agreement between the Company and ACC Investors, LLC dated June 22, 2005 (incorporated by reference to the Form 10-SB/A filed with the Commission on June 26, 2006). |
| 10 (ii)(f)* | Shareholders Agreement between Don Gilbreath and ACC Investors, LLC dated June 22, 2005 (incorporated by reference to the Form 10-SB/A2 filed with the Commission on October 31, 2006). |
| 10 (ii)(g)* | Employment Agreement between the Company, ComCam, Inc. and Don Gilbreath dated June 22, 2005 (incorporated by reference to the Form 10-SB/A filed with the Commission on June 26, 2006). |
| 10 (iii)* | Joinder, Amendment and Consent Agreement between ComCam, Inc., ComCam International, Inc. and HNI, LLC dated September 28, 2007 (incorporated by reference to the Form 10-QSB filed with the Commission on November 14, 2007). |
| 10(iv)* | Amendment Agreement dated February 14, 2008 (incorporated by reference to the Form 10-K filed with the Commission on April 14, 2008). |
| 14* | Code of Ethics adopted March 24, 2008 (incorporated by reference to the Form 10-K filed with the Commission on April 14, 2008). |
| 31 | Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14 of the Securities and Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (attached). |
| 32 | Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (attached). |

* Incorporated by reference to previous filings of the Company.

***Exhibit 31***

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Don Gilbreath certify that:

1. I have reviewed this report on Form 10-Q of ComCam International, Inc.;

2. Based on my knowledge, this report 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 period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the period presented in this report;

4. The small business issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f) for the small business issuer and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the small business issuer’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the small business issuer’s internal control over financial reporting that occurred during the small business issuer’s most recent fiscal quarter (the small business issuer’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer’s internal control over financial reporting; and

5. The small business issuer’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal controls over financial reporting.

Date: August 14, 2008

/s/ Don Gilbreath

Don Gilbreath, Chief Executive Officer and Chief Financial Officer

*Exhibit 32*

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the report on Form 10-Q of ComCam International, Inc. for the quarterly period ended June 30, 2008 as filed with the Securities and Exchange Commission on the date hereof, I, Don Gilbreath, do hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) This report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in this report fairly represents, in all material respects, the financial condition of the small business issuer at the end of the period covered by this report and results of operations of the small business issuer for the period covered by this report.

Date: August 14, 2008

/s/ Don Gilbreath
Don Gilbreath
Chief Executive Officer and Chief Financial Officer

This certification accompanies this report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the small business issuer for the purposes of §18 of the Securities Exchange Act of 1934, as amended. This certification shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of this report), irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by §906 has been provided to the small business issuer and will be retained by the small business issuer and furnished to the Securities and Exchange Commission or its staff upon request.