

## Item 1. Business.

### *General Development of Business*

Valles Capital Management Group concept was developed in 2006 and incorporated to operate as an Arizona Corporation in January of 2007. The Group was formed as a closely held corporation to invest primarily in short and long-term US treasuries, varying the percentage of participation in short and long-term Treasuries as needed to meet targets set by management using both paid-in capital and paid-in capital surpluses. The guidelines management will be using are those set by the SEC governing Money Market funds and will be set so that VCMG IS NOT considered as a Money Market fund. The company will also offer wealth management counseling to the public. The company is raising \$100 million dollars with a 200:1 raise of capital using a Form D rule 506 exemption after the filling this Form 10 registration statement. The basis of its common stock is based on par value of \$0.05 per share. The total authorized number of shares to be issued is 10 million making the basis of the raise \$500k resulting in a market value of \$10 per share. Any paid in capital surplus of over \$500k will result in an immediate increase in market price above the initial market value of \$10 per share. The company intends to hold any property owned by the company free and clear of any type of loans and mortgages until converted to cash. The Group also intends to incorporate additional funds in the same manner further increasing the value of the company.

### *Financial Information about Segments*

The group currently manages only a zero risk investment portfolio. The group does have plans to expand into several incorporated companies and held as subsidiaries, each incorporated with initial stock values based on par value. As of yet no further companies have been formed

### ***Narrative Description of Business***

The day-to-day operations of the group will consist of investing paid in capital and paid in capital surpluses of the company in short long-term treasuries maintaining the basis of the company with property held free and clear of any encumbrances. While the group does not intend to sell shares to the public, shareholders are currently free to sell shares at their discretion whenever the opportunity to do so arises. The selling of shares to the public will not be a segment utilized for revenue.

The group was formed as a privately held corporation. The corporation is un-affected by federal variances of interest rates. This is accomplished by minimum sales of corporate shares to margin accounts held by officers of the company. While the portfolios maintained by the group rely on interest rate to generate revenue, the value of the company is maintained over an extended period of time through the types of investments purchased. The group currently consists of only the 1 person, but plans predict the addition of several accountants and back office employees shortly.

### ***Financial information about geographic areas***

The corporation currently operates solely in the United State of America and is based in Phoenix, Arizona. VCMG has no other subsidiaries or counterparts in any country other than the US currently.

### ***Reports to Security Holders***

The earning level and number of shareholders of the corporation currently are below the requirements set by the SEC for reporting earning levels and number of shareholders. The corporation

however has elected to submit quarterly and annual reports. This will aid in the dissemination of information to the general public.

## **Item 1A. Risk Factors**

### ***Lack of Operating History***

The formation of the company provides little history of management's ability to manage the business. The lack of reportable earnings and a history showing ability to carryout the day-to-day duties to achieve the desired results of the company could prove to be the cause of losing value of shares if not total loss of investment.

### ***Financial Position***

The financial position of the company could be affected by the in-experience of management. While the immediate condition seems to be solid, the mismanagement of investments, working capital and other resources of the company could be lost.

### ***Proposed Business***

The risks associated with investing in short-term treasuries by a relatively new management team could prove to be the cause of loss of share value and loss of investment.

### ***Lack of Market for Common Equity Securities***

The risks associated with developing a market to provide an exit strategy for shareholders of the companies' common stock could prove to be the cause of loss of value of shares and total loss of investment.

## **Item 2. Financial Information.**

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

### *Full Fiscal Years*

No information is available for any past full fiscal years of operation.

### *Liquidity*

The liquidity of short-term treasuries in the open market will always be an option to satisfy any of the company immediate or emergency obligations. If ever the need to sell an amount of treasuries to satisfy capital requirements of the company or to distribute assets among shareholders the liquidity of these investments will be readily available. The liquidity of the initial basis depends entirely of the type the company uses.

### *Capital Resources*

The capital resources of the company consist of shares owned by the corporation. The only commitments we expect on this resource are sales to the public to cover expenses and will invest 65% of fund proceeds in short-term zero risk investments and the remaining 35% in long-term zero risk investments.

### *Results of Operations*

Results of operations will be affected by the federal interest rates and policies of the Federal Reserve. The group expects that interest rates will continue to maintain their current upward direction. The results depicted in the supplied operations statement are based on maintaining current interest rates as of April 3, 2007 for the entire period depicted in the statement.

### *Contractual Obligations*

	Payments Due by Period				
	Total	Less than a Year	1-3 Years	3-5 Years	More than 5-Years
Long-term Debt Obligations	0	0	0	0	0
Capital Lease Obligations	0	0	0	0	0
Operating Lease Obligations	0	0	0	0	0
Purchase Obligations	0	0	0	0	0
Other LT Liabilities	0	0	0	0	0
Total	0	0	0	0	0

### **Quantitative and Qualitative Disclosures About Market Risk**

#### *Quantitative Information about Market Risk*

Investment Type	Year 1	Year 2	Year 3	Year 4	Year 5
Trading Purposes	65%	65%	65%	65%	65%
Other than Trading Purposes	35%	35%	35%	35%	35%

Investments entered into for trading purposes will be entered into primarily to generate revenue for the company. Investments entered into for purposes other than trading will be used to maintain the basis of the raise. The results of both are reflected in the annual earnings of the company.

#### *Qualitative information about Market Risk*

The entire portfolio has a material exposure of risk directly related to changes in short-term U.S. prime interest rates. However, the repayment of principle and interest upon maturity of the investment is fully guaranteed by the full faith and credit of the United States Government creating a zero-risk investment.

#### *Interim Periods*

The following is the expected year end financial position after completion of raise, SEC registration filing and is based on a hypothetical sale of common stock of 1 million dollars.

	Raise	2007 Projected Sales
<b>Net Revenues</b>		
Corporate Stock Sales	\$ 500,000	\$ 1,000,000
31-day zero-risk Investments	-	595,064
<b>Total</b>	500,000	1,595,064
<b>Value of shares held by Corporation</b>	\$ 40,000,000	160,740,758
Number of Shares Not Issued	4,000,000	3,900,000
Market Value per share	\$ 10.00	\$ 41.22
Margined Amount		
<b>Gross Profit</b>	500,000	1,595,064
<b>Operating Costs</b>		
Office Expense	500,000	-
Fund Managers salary	-	34,285
Equipment and Property	-	-
<b>Total Operating Expenses</b>	500,000	34,285
<b>Operating Income</b>	-	1,560,779
<b>Interest and Other Expenses</b>		
Existing Debt	-	-
Interest Payments		
Retained Earnings/(Ded)	-	1,560,779
US Debt Portfolio		(1,560,779)
<b>Long Term Debt</b>	-	-
<b>Paid In Capital</b>		
Stock Account	(300,000)	307,975
Contributions/Withdrawals		1,252,804
<b>Balance at end of Year</b>		1,560,779
<b>Equipment &amp; Property (est.)</b>		500,000
<b>Total Assets (NAV)</b>		2,060,779

<b>Income Before Tax</b>		(1,595,064)
<b>Special Deductions</b>		-
<b>Adjusted Taxable Income</b>	-	(1,595,064)
<b>Tax Expense</b>	-	-
<b>Net Income</b>	\$-	\$-
<b>Net Increase per Share</b>	\$ 0.050	\$ 0.156
Annual Yield	0.500%	0.379%
NAV increase %	100.000%	412.156%
12-month ROI		0.500%
<b>Value of Shares Outstanding</b>		
Basic Value	\$0.08	\$0.33
Diluted Value	\$0.05	\$0.21
<b>Shares Used to Determine Value</b>		
Basic	6,000,000	6,159,506
Diluted	10,000,000	10,000,000
Market Capitalization	\$100,000,000	\$412,155,790
Authorized Number of Shares to be Issued	10,000,000	10,000,000

### Item 3. Properties

#### Description of Property

No property is owned by the company at this time.

### Item 4. Security Ownership of Certain Beneficial Owners and Management

(1)	(2)	(3)	(4)
Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class
Common Stock	Angel Michel Valles 112 E. Fairmont Dr. Tempe, AZ 85282	5,000,000 <sup>1</sup>	100%
Common Stock	Angel Michel Valles 112 E Fairmont Dr Tempe, AZ 85282	1,000,000 <sup>2</sup>	20%
Common Stock	Valles Capital Management Group 112 E Fairmont Dr. Tempe, AZ 85282	4,000,000 <sup>2</sup>	80%

<sup>1</sup> Sole Voting Power with Sole Investment Power

<sup>2</sup>Non-voting with No Investment Power

**Item 5. Directors and Executive Officers**

**Identification of Directors**

At this time VCMG has no Directors.

**Identification of Executive Officers**

Angel Michel Valles, Chief Executive Officer                      2006-Indefinitely

**Business experience**

For the past 22 years starting in 1984 Angel Michel Valles has home studied the Federal and State Titles related to Securities and Corporations as well as developed cash flows and revenue projections for imaginary products that have for some reason been seen on the market. Products such as a proprietary configured string-in-a-can shape into a comic characters weapon of choice and a new pre-mixed pancake batter.

**Audit committee financial expert**

The company does have an audit committee financial expert on the board.

**Item 6. Executive Compensation.**

No executive of the company has earned a salary as of this date. However, a salary budget has been established. The budget is .41666% of monthly revenue earned.

**Item 7. Certain Relationships and Related Transactions.**

No relationships or transactions that are required to be reported have occurred within the past 5-years.

**Item 8. Legal Proceedings.**

There are no legal proceedings pending at this time.

**Item 9. Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters**

**Market Information**

An initial in house analyst review of the issue has calculated the following market ratios based on a 200:1 raise of \$100 million dollars, based on 10 million authorized number of shares to be issued and \$500k in equity in the form of a \$0.05 per share par value and the consideration fully paid by services rendered.

	<b>Raise</b>	<b>2007</b>
<b>Short-Term Solvency</b>		
Current ratio	0.00	0.00
Quick ratio	0.00	0.00

**Activity**

Total asset turnover	0%	122%
Average total assets	500,000	1,280,389
Receivables turnover	0%	149%
Average recieveables	500,000	1,047,532
Average collection period	#DIV/0!	244.97
Inventory turnover	#DIV/0!	4%
Average inventory	-	780,389
Days in inventory		637.34

**Financial Leverage**

Debt ratio	-	-
Debt-equity ratio	0.00	0.00
Equity multiplier	1.00	4.12
Interest coverage		#DIV/0!

**Profitability**

<b>Profit margin</b>		
gross	#DIV/0!	102.20%
net	#DIV/0!	100.0%
<b>Return on assets</b>		
gross	100.00%	124.58%
net	0.00%	121.90%
<b>DuPont system</b>		
<i>return on assets</i>		
gross	#DIV/0!	124.58%
net	#DIV/0!	0.000095%
Return on equity	#DIV/0!	100.00%
Average stockholders equity	-	780,389
ROA vs. ROE	#DIV/0!	502.41%
Payout ratio	#DIV/0!	-
Retention ratio	#DIV/0!	100%
Retained Earnings	-	1,560,779
Net Asset Value	500,000	2,060,779

**Market Value Ratios**

Market Price	\$10.000	\$10.000
Target Price	\$10.00	\$41.22
P/E ratio	200	200
Yield	0.500%	0.379%
Market to Book Value	20000%	20000%
Return on Investment	.	50773.52%
4th Quarter Value of Issued Shares	\$60,000,000	\$253,867,620

Market Capitalization \$100,000,000 \$412,155,790

### ***Holders***

There are currently 1 shareholder and owns 6 million shares of common stock. That equals 60% of the authorized number of shares to be issued.

### ***Dividends***

The company will not disburse any dividends instead, however, profits will be contributed to Paid in capital and all increase in assets will be reflected in the market vale of shares. This will increase capital available to earn interest and offset any tax exposure. Any gains recognized when converting stock to cash maybe subject to tax, please consult a tax professional.

## **Item 10. Recent Sales of Unregistered Securities**

### ***Securities Sold***

<b>Class of Purchaser</b>	<b>Date</b>	<b>Title</b>	<b>Amount</b>	<b>Consideration</b>	<b>Consideration</b>
Beneficial Owner		Common Stock	6 million shares	\$500,000	Services Rendered
Other					

### ***Exemption from Registration Claimed***

Because fewer than 35 persons were involved in the formation of this company and the amount of capital raised we are relying on the Regulation D rule 506 exemption.

## **Item 11. Description of Registrant’s Securities to be Registered**

The name of the stock will be VCMG Voting Common Stock and VCMG Non-voting Common Stock. The authorized number of shares to be issued by the corporation equals 10 million shares of capital stock and is being registered in whole with the SEC at this time. The capital stock of the company shall have a par value of \$0.05 per share and have the following rights; 50% of the shares have voting rights, 50% have no voting rights. See Articles of Incorporation exhibit item 3.

## **Item 12. Indemnification of Directors and Officers.**

The Corporation shall indemnify any person who incurs expenses or liabilities by reason of the fact he or she is or was an officer, director, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise. This indemnification shall be mandatory in all circumstances in which indemnification is permitted by law.

## **Item 13. Financial Statements and Supplementary Data.**

At this time there is no supplementary data to report.

**Item 14. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.**

There have been no changes or disagreements with any accountants or financial disclosers.

**Item 15. Financial Statements and Exhibits**

Articles of Incorporation Exhibit

ARTICLES OF INCORPORATION OF  
**The Valles Capital  
Management Group, Inc.**  
(An Arizona Business Corporation)

**1. Name.**

The name of the Corporation is:

The Valles Capital Management Group, Inc

**2. Initial Business.**

The Corporation initially intends to conduct the business of:

Wealth Management Counseling

**3. Authorized Capital.**

The Corporation shall have authority to issue:

10,000,000 shares of Common Stock

Of the authorized shares to be issued 5,000,000 shares will be Voting Stock and have a Par Value of \$0.05 per share and 5,000,000 shares will be Non-Voting Stock and have a Par Value of \$0.05 per share.

Fully paid stock of this corporation shall not be liable to any further call or assessment.

**4. Repurchase of Shares**

The Board of Directors of the Corporation may, from time to time, cause the Corporation to re-purchase its own shares to the extent of the un-reserved and un-restricted earned and capital surplus of the Corporation.

**5. Known Place of Business. (In Arizona)**

The street address of the known place of business of the Corporation is:

112 East Fairmont Drive  
Tempe, Arizona 85282

**6. Statutory Agent. (In Arizona)**

The name and address of the statutory agent of the Corporation is:

Angel Michel Valles  
112 East Fairmont Drive  
Tempe, Arizona 85282

**7. Board of Directors**

The initial board of directors shall consist of 1 director. The name and address of the person who is to serve as the director until the first annual meeting of shareholders or until their successor is elected and qualifies is:

Angel Michel Valles  
112 East Fairmont Drive  
Tempe, Arizona 85282

The number of persons to serve on the board of directors thereafter shall be fixed by the Bylaws.

**8. Incorporators.**

The name and address of the incorporator is:

Angel Michel Valles  
112 East Fairmont Drive  
Tempe, Arizona 85282

All powers, duties and responsibilities of the incorporators shall cease at the time of delivery of these Articles of Incorporation to the Arizona Corporation Commission.

**9. Indemnification of Officers, Directors, Employees and Agents.**

The Corporation shall indemnify any person who incurs expenses or liabilities by reason of the fact he or she is or was an officer, director, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise. This indemnification shall be mandatory in all circumstances in which indemnification is permitted by law.

**10. Limitation of Liability.**

To the fullest extent permitted by the Arizona Revised Statutes, as the same exists or may hereafter be amended, a director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for any action taken or any failure to take any action as a director. No repeal, amendment or modification of this article, whether direct or indirect, shall eliminate or reduce its effect with respect to any act or omission of a director of the Corporation occurring prior to such repeal, amendment or modification.

**EXECUTED** this 29<sup>th</sup> day of December, 2006 by all of the incorporators.

Signed: Angel M Valles  
Angel Michel Valles  
PHONE: 480-626-8376

**Acceptance of Appointment by Statutory Agent**

The undersigned hereby acknowledges and accepts the appointment as statutory agent of the above-named corporation effective this 29<sup>th</sup> day of December, 2006.

Signed: Angel M Valles

Angel Michel Valles

**CERTIFICATIONS\***

I, Angel Michel Valles, certify that:

1. I have reviewed this Form 10 of Valles Capital Management Group, Incorporated;
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 registrant as of, and for, the periods presented in this report;
4. The registrant'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 Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant 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 registrant, 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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent

fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant'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 registrant's internal control over financial reporting.

Date: 04-11-2007

A rectangular box containing a handwritten signature in black ink, which appears to read "Angel M Valles".

Angel M Valles  
CEO

**SIGNATURES**

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

The Valles Capital Management Group, Inc.

Date: 04-11-2007

A rectangular box containing a handwritten signature in black ink, which appears to read "Angel M Valles".

By: Angel M Valles, CEO