ON THE MOVE SYSTEMS CORP.
Form 10-Q
October 17, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

FORM 10-Q

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

For the quarterly period ended August 31, 2011

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the transition period from ____________, to ____________

Commission File Number 333-168530

On the Move Systems Corp.

(Exact Name of Registrant as Specified in Charter)

Florida	**27-2343603**
(State or Other Jurisdiction of	**(I.R.S. Employer**
Incorporation or Organization)	**Identification Number)**

3001 North Rocky Point East, Suite 200, Tampa, FL 33607

(Address of Principal Executive Offices)

(813) 367-7748

(Registrant s Telephone Number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 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 x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of “accelerated filer, large accelerated filer and smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer	¨	Smaller reporting company	x

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

There were 14,000,000 shares of the Registrant’s $0.0001 par value common stock outstanding as of September 30, 2011.

On the Move Systems Corp.

(Previously A Development Stage Company)

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PART I FINANCIAL INFORMATION

Statements in this Form 10-Q Quarterly Report may be forward-looking statements. Forward-looking statements include, but are not limited to, statements that express our intentions, beliefs, expectations, strategies, predictions or any other statements relating to our future activities or other future events or conditions. These statements are based on our current expectations, estimates and projections about our business based, in part, on assumptions made by our management. These assumptions are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors, including those risks discussed in this Form 10-Q Quarterly Report, under Management s Discussion and Analysis of Financial Condition or Plan of Operation and in other documents which we file with the Securities and Exchange Commission.

In addition, such statements could be affected by risks and uncertainties related to our financial condition, factors that affect our industry, market and customer acceptance, changes in technology, fluctuations in our quarterly results, our ability to continue and manage our growth, liquidity and other capital resource issues, competition, fulfillment of contractual obligations by other parties and general economic conditions. Any forward-looking statements speak only as of the date on which they are made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this Form 10-Q Quarterly Report, except as required by law.

Item 1. Financial Statements

On the Move Systems Corp.

Financial Statements

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On the Move Systems Corp.

(previously a development stage company)

Balance Sheets

	August 31, 2011 (Unaudited)	February 28, 2011
ASSETS		
Current assets:		
Cash	$ 65,117	$ 128,760
Accounts receivable	1,213	
Inventory	13,643	
Total current assets	79,973	128,760
Fixed assets, net of accumulated depreciation of $19,408 and $-, respectively	40,088	
Intangible assets, net of accumulated amortization of $1,667 and $-, respectively	18,333	
Goodwill	108,724	
TOTAL ASSETS	$ 247,118	$ 128,760
LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued liabilities	$ 14,630	$ 2,225
Accounts payable and accrued liabilities related party	1,034	
Current portion of notes payable and accrued interest payable	172,782	
Total current liabilities	188,446	2,225
Convertible note payable	100,100	100,100
Note payable	14,671	
Note payable to related party	86,867	
Total liabilities	390,084	102,325
STOCKHOLDERS EQUITY (DEFICIT)		
Preferred Stock, $0.0001 par value, 10,000,000 shares authorized, no shares issued and outstanding at August 31, 2011 and February 28, 2011		
Common Stock, $0.0001 par value, 100,000,000 shares authorized, 14,000,000 and 12,500,000 shares issued and outstanding at August 31, 2011 and February 28, 2011, respectively	1,400	1,250
Additional paid-in capital	3,810,100	60,250
Accumulated deficit	(3,954,466)	(35,065)

Total stockholders equity (deficit)		(142,966)		26,435
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)	$	247,118	$	128,760

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

On the Move Systems Corp.

(previously a development stage company)

Statements of Operations

(Unaudited)

	Six Months Ended August 31, 2011	Period from March 25, 2010 (Date of Inception) through August 31, 2010	Three months ended August 31, 2011	Three months ended August 31, 2010
REVENUE	$ 42,035	$	$ 21,119	$
COST OF GOODS SOLD	22,486		11,081	
GROSS PROFIT	19,549		10,038	
Selling, general and administrative expense	3,931,781	7,117	3,872,654	7,117
LOSS FROM OPERATIONS	(3,912,232)	(7,117)	(3,862,616)	(7,117)
OTHER INCOME (EXPENSE)				
Interest expense	(7,169)		(3,810)	
Net loss	$ (3,919,401)	$ (7,117)	$ (3,866,426)	$ (7,117)
Net loss per share	$ (0.30)	$ (0.00)	$ (0.28)	$ (0.00)
Weighted average number of common shares outstanding	13,078,804	9,000,000	13,657,609	9,000,000

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

On the Move Systems Corp.

(previously a development stage company)

Statement of Changes in Stockholders Deficit

For the Six Months Ended August 31, 2011

(Unaudited)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Total
Balance, February 28, 2011	12,500,000	$ 1,250	$ 60,250	$ (35,065)	$ 26,435
Stock issued for services	1,500,000	150	3,749,850		3,750,000
Net loss				(3,919,401)	(3,919,401)
Balance, August 31, 2011	14,000,000	$ 1,400	$ 3,810,100	$ (3,954,466)	$ (142,966)

The accompanying notes are an integral part of these financial statements

On the Move Systems Corp.

(previously a development stage company)

Statements of Cash Flows

(Unaudited)

	Six Months Ended August 31, 2011	Period from March 25, 2010 (Date of Inception) through August 31, 2010
OPERATING ACTIVITIES:		
Net loss	$ (3,919,401)	$ (7,117)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	3,916	
Stock-based compensation	3,750,000	
Changes in operating assets and liabilities:		
Accounts receivable	829	
Inventory	(13,193)	
Accounts payable and accrued liabilities	8,317	
Accrued interest payable	7,169	
Net cash used in operating activities	(162,363)	(7,117)
INVESTING ACTIVITIES:		
Acquisition of Crawford Mobile, net of cash acquired	(7,700)	
Purchases of fixed assets	(23,290)	
Net cash used by investing activities	(30,990)	
FINANCING ACTIVITIES:		
Proceeds from issuance of loans	172,480	
Proceeds from issuance of common stock		9,000
Repayments of notes payable	(32,770)	
Repayments of notes payable to related parties	(10,000)	
Net cash provided by financing activities	129,710	9,000
NET INCREASE (DECREASE) IN CASH	(63,643)	1,883
CASH, BEGINNING OF PERIOD	128,760	
CASH, END OF PERIOD	$ 65,117	$ 1,883

Supplemental Disclosures of Cash Flow Information:

Cash paid during the period for:

Interest	$	$
Taxes	$	$
Noncash Investing and Financing Transactions:		
Acquisition of Crawford Mobile Installation for note payable	$ 90,000	$

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

On the Move Systems Corp.

Notes to Unaudited Financial Statements

1. Background Information

On The Move Systems Corp., a Florida corporation (the Company), was formed to provide mobile electronic services to automobile, recreational vehicle and boat dealerships, government agencies as well as individual consumers. The Company installs its inventoried after market electronic products desired by the customer at their location. The Company was incorporated on March 25, 2010 (Date of Inception) with its corporate headquarters located in Tampa, Florida. Its fiscal year-end is February 28.

On March 25, 2011, Crawford Mobile Installation Corp. (CMIC), a wholly owned subsidiary of the Company acquired all of the assets and assumed certain liabilities of Crawford Mobile Install (CMI). The assets of CMI included cash, inventory, a vehicle and installation equipment. On the date of the acquisition, a material relationship existed between the parties, because John Crawford was the sole officer and director of both the Company and CMIC as well as being the sole proprietor of CMI. The purchase price for the assets and liabilities of CMI was $100,000.

Development Stage Company

From the date of inception, March 25, 2010, through the date of the acquisition of CMI on March 25, 2011, the Company was in the development stage as defined in ASC 915, Accounting and Reporting by Development Stage Enterprises . As a result of the acquisition of CMI, the Company has begun to generate revenue from operations and has emerged from the development stage.

Interim Financial Statements

These financial statements are prepared on the accrual basis of accounting in conformity with GAAP and the rules of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the audited financial statements for the period ended February 28, 2011 and notes thereto contained in the Company s Annual Report filed with the SEC on Form 10-K on May 31, 2011. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosures contained in the audited financial statements for the most recent fiscal year ended February 28, 2011, as reported in the Form 10-K filed on May 31, 2011, have been omitted.

2. Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. For the six months ended August 31, 2011, the Company had a net loss of $3,919,401. The Company has not generated positive cash flow from operations since inception and does not expect to generate positive cash flow from operations during the coming year. In view of these matters, the Company's ability to continue as a going concern is dependent upon the Company's ability to achieve a level of profitability which would generate positive cash flow. The Company intends on financing its operations and its working capital needs largely through the issuance of debt. There is no assurance that the Company will be able to obtain adequate financing when needed or that such financing will be available on terms that are acceptable to the Company. The financial statements of the Company do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

3. Significant Accounting Policies

The significant accounting policies followed are:

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

CASH AND CASH EQUIVALENTS - All cash, other than cash held in escrow, is maintained with a major financial institution in the United States. Deposits with this bank may exceed the amount of insurance provided on such deposits. Temporary cash investments with an original maturity of three months or less are considered to be cash equivalents.

INVENTORY - Inventory represents purchased aftermarket electronic products and other items valued at the lower of cost or market with cost determined using the specific identification method, and with market defined as the lower of replacement cost or realizable value.

FIXED ASSETS Fixed assets of the Company include vehicles and are stated at cost. Expenditures for fixed assets which substantially increase the useful lives of existing assets are capitalized at cost and depreciated. Routine expenditures for repairs and maintenance are expensed as incurred.

Depreciation is provided principally on the straight-line method over the estimated useful lives ranging of four years for financial reporting purposes. The Company recognized depreciation expense of $2,249 during the six months ended August 31, 2011.

IMPAIRMENT OF LONG-LIVED ASSETS Long-lived assets, including fixed assets and intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the long-lived asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If it is determined that an impairment loss has occurred, the loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value. The Company determined that there was no impairment of long-lived assets during the six months ended August 31, 2011.

GOODWILL - Goodwill represents the excess of purchase price and related costs over the value assigned to the net tangible and intangible assets of businesses acquired. We evaluate goodwill for impairment utilizing undiscounted projected cash flows in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 350, Intangibles Goodwill and Other (ASC Topic 350). The Company has determined tha there was no impairment of goodwill during the six months ended August 31, 2011.

REVENUE AND COST RECOGNITION - The Company recognizes revenue when persuasive evidence of an arrangement exists, product delivery has occurred or the services have been rendered, the price is fixed or determinable and collectability is reasonably assured. Revenue is recognized net of sales returns and allowances.

ADVERTISING COSTS - The Company's policy regarding advertising is to expense advertising when incurred.

INCOME TAXES - Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes resulting from temporary differences. Such temporary differences result from differences in the carrying value of assets and liabilities for tax and financial reporting purposes. The deferred tax assets and liabilities represent the future tax consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company adopted the provisions of FASB ASC 740-10 "Uncertainty in Income Taxes" (ASC 740-10), on January 1, 2007. The Company has not recognized a liability as a result of the implementation of ASC 740-10. A reconciliation of the beginning and ending amount of unrecognized tax benefits has not been provided since there is no unrecognized benefit since the date of adoption. The Company has not recognized interest expense or penalties as a result of the implementation of ASC 740-10. If there were an unrecognized tax benefit, the Company would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses.

EARNINGS (LOSS) PER SHARE - Basic loss per share is computed by dividing net loss attributable to common stockholders by the weighted average common shares outstanding for the period. Diluted loss per share is computed giving effect to all potentially dilutive common shares. Potentially dilutive common shares may consist of incremental shares issuable upon the exercise of stock options and warrants and the conversion of notes payable to common stock. In periods in which a net loss has been incurred, all potentially dilutive common shares are considered anti-dilutive and thus are excluded from the calculation. The Company s convertible debt is considered anti-dilutive due to the Company s net loss for the six months and three months ended August 31, 2011 and 2010. As a result, at August 31, 2011, the Company did not have any potentially dilutive common shares.

FINANCIAL INSTRUMENTS - In September 2006, the Financial Accounting Standards Board (FASB) introduced a framework for measuring fair value and expanded required disclosure about fair value measurements of assets and liabilities. The Company adopted the standard for those financial assets and liabilities as of the beginning of the 2008 fiscal year and the impact of adoption was not significant. FASB Accounting Standards Codification (ASC) 820 "Fair Value Measurements and Disclosures" (ASC 820) defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.. ASC 820 also establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs that are both significant to the fair value measurement and unobservable.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of August 31, 2011. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments. These financial instruments include accounts receivable, other current assets, accounts payable, accrued compensation and accrued expenses. The fair value of the Company's notes payable is estimated based on current rates that would be available for debt of similar terms which is not significantly different from its stated value.

RECENT ACCOUNTING PRONOUNCEMENTS

Recent accounting pronouncements issued by the FASB (including its EITF), the AICPA, and the SEC did not or are not believed by management to have a material impact on the Company's present or future financial statements.

4. Acquisition of CMI

On March 25, 2011, the Company purchased the assets and businesses of CMI, a sole proprietorship owned by the Company s sole officer and director, in execution of its business plan. The terms of the acquisition required a down payment of $10,000 payable at closing with a Promissory Note for $90,000, at 10% interest rate, payable in monthly installments of $2,500 with a balloon payment of the remaining principal and interest due February 1, 2014.

The acquisition of CMI was accounted for using purchase accounting as OTMSC acquired substantially all of the assets, debt and business of CMI. CMI s results of operations and cash flows are included in the accompanying consolidated financial statements from the date of acquisition.

The acquisition price was allocated to the assets acquired and liabilities assumed based upon their estimated fair values. The Company determined that assets acquired included an intangible asset associated with the customer list for CMI s existing customer relationships. The customer list was valued at $20,000 and has an estimated life of five years. The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition:

		Amount
Cash	$	2,300
Accounts receivable		2,042
Inventory		450
Fixed assets		19,047
Intangible asset		20,000
Goodwill		108,724
Total assets acquired		152,563
Debt assumed (accounts and notes payable)		52,563
Net assets acquired	$	100,000
Cash payment at closing	$	10,000
Note payable to John Crawford		90,000
Total purchase price	$	100,000

5. Related Party Transactions

During May 2010, the Company sold 9,000,000 shares of its $0.0001 common stock to John Crawford, the sole officer and director of the Company for $9,000.

The officers and directors of the Company are involved in other business activities and may, in the future, become involved in other business opportunities that become available. They may face a conflict in selecting between the Company and other business interests. The Company has not formulated a policy for the resolution of such conflicts.

On March 25, 2011, CMIC, a wholly owned subsidiary of the Company, entered into an agreement to purchase all of the assets and the business of CMI for $100,000. CMI was a sole proprietorship owned and operated by John Crawford. John Crawford is also the sole officer-director of the Company and CMIC. The purchase price was paid with $10,000 in cash at closing and a note payable for the remaining $90,000. The note bears interest at 10% per year and is payable in monthly installments of $2,500 with a balloon payment of the remaining principal and interest due February 1, 2014.

The above terms and amounts are not necessarily indicative of the terms and amounts that would have been incurred had comparable transactions been entered into with independent parties.

6. Notes Payable

On February 28, 2011, the Company borrowed $100,100 through a convertible note, for the purpose of raising operating capital. Under the terms of the note, interest shall accrue at 7% per annum; and principal and accrued interest shall become due on February 27, 2013, unless extended by mutual consent of the parties. Unpaid principal and accrued interest are convertible into common stock of the company at $0.015 per share.

During the six months ended August 31, 2011, the Company received advances in the amount of $172,480 for working capital. These advances are non-interest bearing and payable on demand.

7. Stockholders Equity

On June 21, 2011, the Company issued 1,500,000 shares of common stock as compensation for consulting services. The shares were valued at $3,750,000 based on the market value of the stock on the date of issuance.

8. Subsequent Events

On September 12, 2011 our Board of Directors appointed Patrick Brown to serve as Chief Executive Officer and President. Mr. Brown was also appointed as a director. Over the past two decades, Mr. Brown has cultivated a wealth of knowledge and expertise as an executive and financial consultant for international clean-energy innovators in the U.S. and abroad. In addition to his work assessing the prospects and feasibility of clean-energy projects, Mr. Brown is highly experienced in securing financing for new technologies from government and venture capital sources. Prior to joining On The Move Systems Corp., Mr. Brown was the President of West Coast Financial Services, Ltd. which provided boutique financial consulting services for private and pre-listed public companies. From 2009 2011, he worked for MNP, LLP, a Canadian accounting firm, where he maintained a client base in entertainment, renewable energy and emerging markets. From 2005 to 2009, he worked for RSM Richter, LLP where he branded the firm s emerging markets and renewable energy practice specialty. He is a Canadian Chartered Accountant, and holds a diploma from the British Columbia Institute of Technology in Financial Management with an option in Taxation.

Mr. Brown will be compensated $120,000 per year for his services. There is no written employment agreement between the Company and Mr. Brown.

Additionally, on September 12, 2011 Mr. Chet Gutowsky resigned as our CEO, President and Director in order to pursue other interests. Mr. Gutowsky s resignation was not the result of a disagreement with the Company. As part of Mr. Gutowsky s resignation, the Company agreed to pay him $5,000 per month severance for the months of October, November, and December, in exchange for the release of all claims against the Company.

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

THIS FILING CONTAINS FORWARD-LOOKING STATEMENTS. THE WORDS ANTICIPATED, BELIEVE, EXPECT, PLAN, INTEND, SEEK, ESTIMATE, PROJECT, WILL, COULD, MAY, AND SIMILA EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. THESE STATEMENTS INCLUDE, AMONG OTHERS, INFORMATION REGARDING FUTURE OPERATIONS, FUTURE CAPITAL EXPENDITURES, AND FUTURE NET CASH FLOW. SUCH STATEMENTS REFLECT THE COMPANY S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND FINANCIAL PERFORMANCE AND INVOLVE RISKS AND UNCERTAINTIES, INCLUDING, WITHOUT LIMITATION, GENERAL ECONOMIC AND BUSINESS CONDITIONS, CHANGES IN FOREIGN, POLITICAL, SOCIAL, AND ECONOMIC CONDITIONS, REGULATORY INITIATIVES AND COMPLIANCE WITH GOVERNMENTAL REGULATIONS, THE ABILITY TO ACHIEVE FURTHER MARKET PENETRATION AND ADDITIONAL CUSTOMERS, AND VARIOUS OTHER MATTERS, MANY OF WHICH ARE BEYOND THE COMPANY S CONTROL. SHOULD ONE OR MORE OF THESE RISKS OR UNCERTAINTIES OCCUR, OR SHOULD UNDERLYING ASSUMPTIONS PROVE TO BE INCORRECT, ACTUAL RESULTS MAY VARY MATERIALLY AND ADVERSELY FROM THOSE ANTICIPATED, BELIEVED, ESTIMATED, OR OTHERWISE INDICATED. CONSEQUENTLY, ALL OF THE FORWARD-LOOKING STATEMENTS MADE IN THIS FILING ARE QUALIFIED BY THESE CAUTIONARY STATEMENTS AND THERE CAN BE NO ASSURANCE OF THE ACTUAL RESULTS OR DEVELOPMENTS.

The following discussion and analysis of our financial condition and plan of operations should be read in conjunction with our financial statements and related notes appearing elsewhere herein. This discussion and analysis contains forward-looking statements including information about possible or assumed results of our financial conditions, operations, plans, objectives and performance that involve risk, uncertainties and assumptions. The actual results may differ materially from those anticipated in such forward-looking statements. For example, when we indicate that we expect to increase our product sales and potentially establish additional license relationships, these are forward-looking statements. The words expect, anticipate, estimate or similar expressions are also used to indicate forward-looking statements.

OVERVIEW OF THE COMPANY

We were incorporated in the State of Florida on March 25, 2010. Our fiscal year end is February 28. We emerged from the development stage on March 25, 2011. Our auditor has issued a going concern opinion regarding our financial statements. This means there is substantial doubt that we can continue as an ongoing business for the next eighteen (18) months unless we obtain additional capital to pay our bills. Accordingly, we must raise capital in order to remain in business.

Our ability to continue to implement our business plan is dependent on our ability to generate positive cash flow from operations and to secure sufficient financing; however, there is no guarantee that we will be successful in this regard.

In order to implement our business plan, we anticipate that we will require at least $425,000 in financing in order to sustain the Company for the next eighteen months. We have taken no steps to secure the $425,000 in additional financing that we will need to implement our business plan. Furthermore, even if we successfully execute our business and establish operations, there is no guarantee that there will be a significant market for our services or that we will achieve significant revenues, if any.

In their audit report dated May 31, 2011, our auditors expressed their opinion that substantial doubt exists as to whether we can continue as an ongoing business. We believe that if we do not raise additional capital within the next twelve months, we may be required to suspend or cease the implementation of our business plan. If we have to cease operations, then you could lose your entire investment.

Acquisition of Crawford Mobile Install

On March 25, 2011, Crawford Mobile Installation Corp. (CMIC), a wholly owned subsidiary of the Company acquired all of the assets and assumed certain liabilities of Crawford Mobile Install (CMI) (the Acquisition). The assets of CMI included cash, inventory, a vehicle and installation equipment. On the date of the Acquisition, a material relationship existed between the parties, because John Crawford was the sole officer and director of both the Company and CMIC as well as being the sole proprietor of CMI. The purchase price for the assets and liabilities of CMI was $100,000.

The Company is exploring opportunities in the technology market as it relates to mobile and wireless technology and applications.

Results of Operations

Six months ended August 31, 2011 compared to the period from March 25, 2010 (date of inception) through August 31, 2010

The following table sets forth selected financial information, which should be read in conjunction with the information set forth in the accompanying financial statements and related notes included elsewhere in this disclosure.

		Six months ended August 31, 2011		Period from March 25, 2010 (date of inception) through August 31, 2010
Revenue	$	42,035	$	
Cost of Sales	$	22,486	$	
Gross Profit	$	19,549	$	
General and Administrative Expenses	$	3,931,781	$	7,117
Net Loss	$	(3,919,401)	$	(7,117)
Net Loss per Share	$	(0.30)	$	(0.00)

The Company began operations on March 25, 2011 when it acquired the assets of CMI. Prior to that date, the Company was in the development stage and did not generate any revenue.

Included in general and administrative expense for the six months ended August 31, 2011 is a noncash expense in the amount of $3,750,000 for stock-based compensation.

Three months ended August 31, 2011 compared to the three months ended August 31, 2010

		Three months ended August 31, 2011		2010
Revenue	$	21,119	$	
Cost of Sales	$	11,081	$	
Gross Profit	$	10,038	$	

General and Administrative Expenses	$	3,872,654	$	7,117
Net Loss	$	(3,866,426)	$	(7,117)
Net Loss per Share	$	(0.28)	$	(0.00)

The Company began operations on March 25, 2011 when it acquired the assets of CMI. Prior to that date, the Company was in the development stage and did not generate any revenue.

Included in general and administrative expense for the three months ended August 31, 2011 is a noncash expense in the amount of $3,750,000 for stock-based compensation.

LIQUIDITY AND CAPITAL RESOURCES

		As of August 31, 2011
Cash and cash equivalents	$	65,117
Working Capital (Deficit)	$	(108,473)
Total Assets	$	247,118
Total Current Liabilities	$	188,446

For the six months ended August 31, 2011, we had net cash used in operations of $162,363. As of August 31, 2011, we had cash on hand of $65,117 and negative working capital. We expect that this cash will be adequate to fund our operations for just over one month. We will require additional funding to continue our business plan.

We anticipate needing a minimum of $425,000 to effectively execute our business plan over the next eighteen months. Currently available cash is not sufficient to allow us to commence full execution of our business plan. Our business expansion will require significant capital resources that may be funded through the issuance of common stock or of notes payable or other debt arrangements that may affect our debt structure. Despite our current financial status, we believe that we may be able to issue notes payable or debt instruments in order to start executing our business plan. However, there can be no assurance that we will be able to raise money in this fashion and have not entered into any agreements that would obligate a third party to provide us with capital.

As of the date of this report, the current funds available to the Company will not be sufficient to continue maintaining a reporting status. Management believes that if the Company cannot maintain its reporting status with the SEC, then the Company would have to cease its business operations. As such, any investment previously made would be lost in its entirety.

The Company currently has no external sources of liquidity such as arrangements with credit institutions or off-balance sheet arrangements that will have or are reasonably likely to have a current or future effect on our financial condition or immediate access to capital.

Our independent auditor has expressed substantial doubt about our ability to continue as a going concern and believes that our ability is dependent on our ability to implement our business plan, raise capital and generate revenues. See Note 3 of our financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any 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 investors.

Item 3.   Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4T. Controls and Procedures

The Company s Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of and for the period covered by this Quarterly Report on Form 10-Q. Based upon such evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company s disclosure controls and procedures were not effective. The controls were determined to be ineffective due to the lack of segregation of duties. Currently, management contracts with an outside accountant to perform the duties of the Chief Financial Officer and Principal Accounting Officer and an outside consultant to assist with the preparation of the filings. However, until the Company has received additional funding, it is unable to remediate the weakness.

<u>Changes in Internal Control Over Financial Reporting</u>

No change in the Company s internal control over financial reporting occurred during the three months ended August 31, 2011, that materially affected, or is reasonably likely to materially affect, the Company s internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

As of the date of this Quarterly Report, neither we nor any of our officers or directors is involved in any litigation either as plaintiffs or defendants. As of this date, there is not any threatened or pending litigation against us or any of our officers or directors.

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

During the three month period ended August 31, 2011, there was no modification of any instruments defining the rights of holders of the Company s common stock and no limitation or qualification of the rights evidenced by the Company s common stock as a result of the issuance of any other class of securities or the modification thereof.

Item 3. Defaults upon Senior Securities

There have been no defaults in any material payments during the covered period.

Item 4. Removed and Reserved

Item 5. Other Information

None.

Item 6. Exhibits

(a) Exhibits included herewith are:

2.1	Asset Purchase Agreement, dated as of March 25, 2011, by and among Crawford Mobile Installation Corporation and Crawford Mobile Install (sole proprietorship) (2)
3.1	Articles of Incorporation of On The Move Systems Corporation (1)
3.2	Bylaws of On The Move Systems Corporation (1)
3.3	Articles of Incorporation of Crawford Mobile Installation Corporation (2)
3.4	Bylaws of Crawford Mobile Installation Corporation (2)

10.1	Convertible Note from On the Move Systems Corporation to Global Equities Limited (2)
10.2	Note from Crawford Mobile Installation to John Crawford (2)
10.3	Note from Crawford Mobile Install to Greg Crawford dated September 28, 2010 (2)
10.4	Note from Crawford Mobile Install to Greg Crawford dated February 11, 2011 (2)
31.1 *	Section 302 Certification
32.1 *	Section 906 Certification
101 *, **	XBRL Interactive Data

* Filed or furnished herewith

** In accordance with Regulation S-T, the Interactive Data Files in Exhibit 101 to the Quarterly Report on Form 10-Q shall be deemed furnished and not filed .

(1) Incorporated by reference to the comparable exhibit filed with our Registration Statement on Form S-1

(2) Incorporated by reference to the Form 8-K filed on March 28, 2011

SIGNATURES

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

ON THE MOVE SYSTEMS CORP

Dated: October 17, 2011	By:	/s/ Patrick Brown Patrick Brown President, Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer, Secretary, Treasurer and Director