

Ethos Environmental, Inc.
Form 10QSB
December 07, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10 – QSB

[mark one]

- QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: September 30, 2007

- TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 000-30237

Ethos Environmental, Inc.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

88-0467241
(IRS Employer
Identification Number)

6800 Gateway Park
San Diego, CA 92154

(Address of principal executive offices including zip code)

(619) 575-6800

(Registrant's telephone number, including area code)

Paracorp Incorporated
318 N. Carson Street, Suite 208, Carson City, NV 89701
(Name and address of agent for service)

888-972-7273
(Telephone Number, including area code, of agent for service)

with a copy to:
SteadyLaw Group, LLP
501 W. Broadway, Suite 800
San Diego, CA 92101
Telephone (619) 399-3090
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Check whether the issuer (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 shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares outstanding of the issuer's common stock as of the latest practicable date: 26,871,687 shares of common stock, \$.0001 par value per share, as of December 7, 2007.

Transitional Small Business Disclosure Format (check one): Yes No

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Quarterly Report on FORM 10-QSB For The Period Ended

September 30, 2007

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PART I.

Item 1. FINANCIAL STATEMENTS

**ETHOS ENVIRONMENTAL, INC.
CONDENSED BALANCE SHEET
(Unaudited)**

	September 30, 2007
ASSETS	
CURRENT ASSETS:	
Cash	\$ 359,306
Restricted Cash	300,000
Accounts Receivable (Net of allowance for doubtful accounts)	6,001,953
Inventory	145,998
Assets held for Sale	5,667,451
Other Current Assets	56,500
Total Current Assets	\$ 12,531,208
Property and Equipment (Net)	216,137
Other Assets	399,419
Total Assets	\$ 13,146,764

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES:

CURRENT LIABILITIES:	
Accounts Payable	\$ 831,249
Accrued Expenses	124,956
Current Portion of Long Term Debt	623,153
Advances from Related Party	115,124
Total Current Liabilities	1,694,482
Long-Term Debt, Net of Current Portion	4,750,000
Total Liabilities	6,444,482

Commitments

SHAREHOLDERS' EQUITY:

Common Stock, \$.0001 par value; 100,000,000 shares authorized; 26,309,187 issued and outstanding	2,631
Additional Paid-in Capital	25,632,095
Accumulated Deficit	(18,932,444)
Total Shareholders' Equity	6,702,282
Total Liabilities and Shareholders' Equity	\$ 13,146,764

See notes to condensed financial statements.

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ETHOS ENVIRONMENTAL, INC.
CONDENSED STATEMENTS OF OPERATIONS

(Unaudited)

For the Three Months Ended September 30, 2007 and 2006

	2007	2006
Revenue	2,299,183	1,546,078
Cost of Sales	562,931	810,004
Gross Profit	1,736,252	736,074
Operating Expenses:		
Depreciation (other than in cost of sales)	7,924	0
Selling Expenses	163,100	123,255
General & Administrative (See Note 1)	2,342,152	294,589
Total Operating Expenses	2,513,176	417,844
Operating Income (Loss)	(776,924)	318,230
Other Income	0	586
Interest Expense	(120,959)	(170,902)
Net Income (Loss)	(897,883)	147,914
Net Income (Loss) per Common Share (basic & fully diluted)	\$ (0.03)	\$ 0.01
Weighted average shares used in per share calculation (basic & fully diluted)	25,684,187	18,053,000

See notes to condensed financial statements.

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ETHOS ENVIRONMENTAL, INC.
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)
For the Nine Months Ended September 30, 2007 and 2006