

VERIDIGM, INC.
Form 10QSB
August 21, 2007

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-QSB

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the quarterly period ended June 30, 2007

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the transition period from _____ to _____

Veridigm, Inc.

(Exact name of registrant as specified in its charter)

Delaware

22-3530573

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

17383 Sunset Blvd., Suite B-280, Pacific Palisades, California

90272

(Address of principal executive offices)

(Zip-Code)

Registrant's telephone number, including area code: (860) 805-0701

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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 is a shell company (as defined by Rule 12b-2 of the Exchange Act.) **[X]**
Yes [] No

The number of outstanding shares of the registrant's Common Stock, par value \$.0001 per share, was 68,705,989 on June 30, 2007

Transitional Small Business Disclosure format (check one): Yes [] **No [X]**

Form 10-QSB

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PART I - FINANCIAL INFORMATION**ITEM 1: FINANCIAL STATEMENTS****VERIDIGM, INC.**

Balance Sheets

ASSETS

| | June 30, 2007 (Unaudited) | December 31, 2006 |
|------------------------------------|---------------------------------|----------------------|
| CURRENT ASSETS | | |
| Cash | \$ - | \$ 56,205 |
| Accounts receivable | 68,000 | - |
| Total Current Assets | 68,000 | 56,205 |
| PROPERTY AND EQUIPMENT, net | 4,358 | 5,246 |
| TOTAL ASSETS | \$ 72,358 | \$ 61,451 |

LIABILITIES AND STOCKHOLDERS' EQUITY**CURRENT LIABILITIES**

| | | |
|---------------------------------------|------------------|------------------|
| Accounts payable and accrued expenses | \$ 754,730 | \$ 559,422 |
| Deferred income | 68,000 | - |
| Related party payable | 993,135 | 923,235 |
| Notes payable | 223,862 | 223,862 |
| Total Current Liabilities | 2,039,727 | 1,706,519 |
| TOTAL LIABILITIES | 2,039,727 | 1,706,519 |

STOCKHOLDERS' EQUITY

| | | |
|---|-----------------|-----------------|
| Preferred stock:\$.0001 par value;10,000,000 shares authorized; none outstanding | - | - |
| Common stock, \$.0001 par value; 500,000,000 shares authorized; | | |
| 68,705,989 shares issued and outstanding | 6,871 | 6,871 |
| Additional paid in capital | 26,892,823 | 26,892,823 |
| Treasury stock, 500 shares at cost | (1,500) | (1,500) |
| Accumulated deficit | (28,865,563) | (28,543,262) |
| Total Stockholders' Equity | (1,967,369) | (1,645,068) |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 72,358 | \$ 61,451 |

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

VERIDIGM, INC.

Statements of Operations

(Unaudited)

| | For the Three | | For the Six | | August 7, |
|-------------------------------|---------------|--------------|--------------|--------------|--------------|
| | Months Ended | | Months Ended | | 1997 |
| | June 30, | | June 30, | | (Inception) |
| | 2007 | 2006 | 2007 | 2006 | to |
| | | | | | June 30, |
| | | | | | 2007 |
| REVENUES | \$ - | \$ - | \$ - | \$ - | \$ 10,840 |
| COST OF GOODS SOLD | - | - | - | - | 5,662 |
| GROSS PROFIT | - | - | - | - | 5,178 |
| OPERATING EXPENSES | | | | | |
| Depreciation and amortization | 444 | - | 888 | - | 215,732 |
| General and administrative | 178,466 | 19,718 | 250,119 | 30,797 | 4,437,914 |
| Officer compensation | | 7,500 | 15,000 | 7,500 | 2,255,826 |
| Research and development | - | - | - | - | 432,256 |
| SEC litigation settlement | - | 20,699,351 | - | 20,699,351 | 20,725,892 |
| Total Expenses | 178,910 | 20,726,569 | 266,007 | 20,737,648 | 28,067,620 |
| LOSS FROM OPERATIONS | (178,910) | (20,726,569) | (266,007) | (20,737,648) | (28,062,442) |
| OTHER INCOME (EXPENSES) | | | | | |
| Interest expense | (28,147) | - | (56,294) | - | (296,929) |
| Loss on assets | - | - | - | - | (511,449) |
| Interest income | - | - | - | - | 5,257 |

| | | | | | |
|---|--------------|-----------------|--------------|-----------------|-----------------|
| Total Other Income (Expenses) | (28,147) | - | (56,294) | - | (803,121) |
| NET LOSS BEFORE INCOME TAXES | (207,057) | (20,726,569) | (322,301) | (20,737,648) | (28,865,563) |
| INCOME TAX EXPENSE | - | - | - | - | - |
| NET LOSS | \$ (207,057) | \$ (20,726,569) | \$ (322,301) | \$ (20,737,648) | \$ (28,865,563) |
| BASIC LOSS PER SHARE | \$ (0.00) | \$ (0.62) | \$ (0.00) | \$ (1.03) | |
| BASIC WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING | 68,705,989 | 33,292,117 | 68,705,989 | 20,096,645 | |

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

VERIDIGM, INC.

Statements of Cash Flows

(Unaudited)

| | For the Six Months Ended June 30, | | August 7, 1997 (Inception) to June 30, |
|--|---|-----------------|---|
| | 2007 | 2006 | 2007 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net loss | \$ (322,301) | \$ (20,737,648) | \$ (28,865,563) |
| Adjustments to reconcile net loss to net cash used by operating activities: | | | |
| Common stock issued for subsidiaries | - | 20,699,351 | 20,725,892 |
| Common stock issued for services | - | - | 3,837,259 |
| Beneficial conversion feature | - | - | 450,000 |
| Depreciation and amortization | 888 | - | 215,732 |
| Loss on assets | - | - | 226,627 |
| Changes in operating assets and liabilities: | | | |
| (Increase) decrease in notes payable | - | - | 47,530 |
| (Increase) decrease in accounts receivable | (68,000) | (118,750) | (78,840) |
| (Increase) in inventory | - | - | (204,338) |
| Increase (decrease) in accounts payable and and accrued expenses | 263,308 | 13,695 | 858,529 |
| Net Cash Used by Operating Activities | (126,105) | (143,352) | (2,787,172) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property and patent rights | - | - | (231,539) |
| Net Cash Used by Investing Activities | - | - | (231,539) |

CASH FLOWS FROM FINIANCING
ACTIVITIES

| | | | |
|--|----------|-----------|-----------|
| Borrowings of notes payable | - | 151,825 | 358,224 |
| Repayment of notes payable | - | - | (63,348) |
| Purchase of treasury stock | - | - | (1,500) |
| Related party borrowings | 69,900 | 12,000 | 1,629,878 |
| Common stock issued for cash | - | - | 1,095,457 |
| Net Cash Provided by Financing Activities | 69,900 | 163,825 | 3,018,711 |
| NET INCREASE (DECREASE) IN CASH | (56,205) | 20,473 | - |
| CASH AT BEGINNING OF PERIOD | 56,205 | 17 | - |
| CASH AT END OF PERIOD | \$ - | \$ 20,490 | \$ - |

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

VERIDIGM, INC.
 Statements of Cash Flows (Continued)
 (Unaudited)

For the Six
 Months Ended
 June 30,

2007 2006

SUPPLEMENTAL DISCLOSURES OF
 CASH FLOW
 INFORMATION

| | | | | |
|--|----|---|----|---------|
| Short term debt converted to common stock | \$ | - | \$ | 144,543 |
| Officer loans converted to common stock | \$ | - | \$ | 636,743 |
| Cash Paid for: | | | | |
| Interest | \$ | - | \$ | - |
| Income taxes | \$ | - | \$ | - |

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

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VERIDIGM, INC.

Notes to the Condensed Financial Statements

June 30, 2007 and December 31, 2006

NOTE 1 -

CONDENSED FINANCIAL STATEMENTS

The accompanying financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows at June 30, 2007, and for all periods presented herein, have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's December 31, 2006 audited financial statements. The results of operations for the periods ended June 30, 2007 and 2006 are not necessarily indicative of the operating results for the full years.

NOTE 2 -

GOING CONCERN

The Company's financial statements are prepared using generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. Historically, the Company has incurred significant annual losses, which have resulted in an accumulated deficit of \$28,837,416 at June 30, 2007 which raises substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company increasing sales to the point it becomes profitable. The Company may need to raise additional capital for marketing to increase its sales. If the Company is unable to increase sales sufficiently or obtain adequate capital, it could be forced to cease operation. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result from the outcome of this uncertainty.

Management plans to increase sales by increasing its marketing program and to obtain additional capital from the private placement of shares of its common stock. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

Item 2. Management's Discussion and Analysis

This Quarterly Report on Form 10-QSB, including the information incorporated by reference herein, includes "forward looking statement" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Act") and Section 21E of the Securities Act of 1934, as amended ("Act of 34"). All of the statements contained in this Quarterly Report on Form 10-QSB, other than statements of historical fact, should be considered forward looking statements, including, but not limited to, those concerning the Company's strategies, objectives and plans for expansion of its operation, products and services and growth in demand for its products and services. There can be no assurances that these expectations will prove to have been correct. Certain important factors that could cause actual results to differ materially from the Company's expectations (the "Risk Factors") are disclosed in this Quarterly report on Form 10-QSB. All subsequent written and oral forward looking statements by or attributable to the Company or persons acting on behalf are expressly qualified in their entirety by such Risk Factors. Investors are cautioned not to place undue reliance on these forward looking statements which speak only as of the date hereof and are not intended to give any assurance as to future results. The Company undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or reflect the occurrence of unanticipated events.

The Company has not had revenues from operations in either of the last two fiscal years, or the last fiscal year and any interim period in the current fiscal year for which financial statements are furnished in this Quarterly Report.

The Company incurred operating losses of \$28,658,506 from inception to June 30, 2007. The Company expects its accumulated deficit to grow in the near term as expenses are incurred in developing its business.

Background and General

Veridigm, Inc. was formerly known as eNotes Systems, Inc., and prior to that as TotalMed, Inc., and prior to that as Fonecash, Inc. (the "Company"). The Company was incorporated under the laws of the State of Delaware on August 7, 1997. On May 11, 2005, the Company changed its name from FoneCash, Inc. to TotalMed, Inc., and on April 28, 2006, signed a Stock Purchase Agreement to acquire all of the issued and outstanding shares of eNotes Systems, Inc. in exchange for 20,000,000 restricted shares of the Company's common stock, and thereafter changed its name to eNotes Systems, Inc. On November 6, 2006, the Company changed its name from eNotes Systems, Inc. to Veridigm, Inc. and focused its principal efforts on the telemedicine business and complementary medical software.

The Company's business was initially engaged in the payment processing of transactions for banks and their merchants. During the fourth quarter of December 2002, the Company began to wind down those operations. This occurred because of management's inability to raise sufficient funds to finance the continued development of the Company's business plan. In June 15, 2006 the Company completed a merger transaction and changed its name to eNotes Systems, Inc., and subsequently to Veridigm, Inc. At that point, the Company was engaged in the telemedicine business and intended to develop and commercialize medical software.

In March, 2007, management determined that it was no longer in the best interests of the Company to pursue the telemedicine business, and the Company began to seek other opportunities within the technology sector. Management determined that significant opportunity existed within the gaming

technology sector and since March 2007 this has been the principal focus of the Company's efforts. Under this business model, if successful, the Company would see revenue through licensing, support and development agreements.

The Company has never been involved with any bankruptcy, receivership or similar proceeding.

Plan of Operation

In the Company's quarter ended March 31, 2007 the Company undertook a change of business. Whereas prior to the change of business, the Company was engaged in various software development operations which were ultimately abandoned, management of the Company has commenced the process of repositioning the Company so that the principal focus of the Company's business was the development and commercialization of specialized software and other intellectual property having application within the gaming industry. The Company previously announced the execution of a letter agreement with Dimensions, Inc. (Dimensions), an arms length party, relating to the grant by Dimensions of an exclusive license to use certain gaming related software and other intellectual property owned by or licensed to Dimensions. The Company also intends to pursue other commercial opportunities consistent with this new business focus. At June 30, 2007 these efforts remained in their preliminary or start up stages, and no significant expenditure has been made by the Company.

The Company will require significant new capital in order to pursue its operations within the next 12 months. At June 30, 2007, there were no commitments in place to raise any new funds although management is actively seeking financing opportunities. At present, the Company has no cash on hand. Without new capital, which cannot be assured, the Company it will be difficult for the Company to purchase or otherwise acquire new equipment or add any new employees, and the advancement of the Company's business objectives will be principally through the continued in house efforts of the Company's current management.

Results of Operations

General and administrative expenses during the six month period ending June 30, 2007 were \$250,119 as compared to \$30,797 for the same period in 2006. This amount principally contributed to a total loss from operations of \$266,007 for the six month period ended June 30, 2007 compared to \$20,737,648 for the same period in 2006. After accounting for interest expenses, the total net loss before income taxes for the six months ended June 30, 2007 was \$322,301, compared with \$20,737,648 for the same period in 2006.

No compensation was paid to any officers of the Company for the quarter ended June 30, 2007 (\$15,000 for the six months period).

At June 30, 2007 the Company had no cash or cash equivalents (\$20,490 at June 30, 2006). No revenues were earned during the same period (zero for the same period in 2006).

Total assets at June 30, 2007 comprised of accounts receivable of \$68,000 (zero at December 31, 2006), and property and equipment of \$4,358 (\$5,246 at December 31, 2006).

The Company has historically had, and continues to have in the current period, significant losses and has yet to establish an ongoing source of revenue sufficient to meet its operating costs. As such, the ability of the Company to continue to operate as a going concern remains in doubt, and will be subject to the Company either realizing revenues or raising additional capital. There can be no assurance that this will occur.

Off Balance-Sheet Arrangements

The Company has no off-balance sheet arrangements as defined in Item 303(c) of the SEC's Regulation S-B.

Item 3. Controls and Procedures

Our directors have been principally responsible for evaluation of the Company's disclosure controls and procedures. While the Company presently does not have an audit committee, the current directors have performed that function. There have been changes in the composition of the board during the current quarter which have presented challenges in evaluating the Company's disclosure controls, and management is of the view that addressing the disclosure process will need to be a clear priority for the Company during the current quarter. It is anticipated that this will be addressed in part through the recruitment of new members of the board and senior management team, allowing these functions to be delegated in a more effective manner.

In addition, the Company's principal certifying accountant resigned during the current quarter and a new certifying accountant was engaged. By letter dated June 20, 2007 the Company's principal independent accountant, Michael F. Albanese, CPA, (sometimes referred to herein as the former accountant) advised the board of directors of his resignation. Effective July 1, 2007, the Company has engaged Michael Moore, CPA as the new principal independent accountant for the Company. In resigning, the former accountant has noted, and has given as the reason for his resignation, that the Company did not give him interim financial statements for his review for the period ended March 31, 2007. As a result, management has re-evaluated the Company's internal control over financial reporting during the current fiscal quarter to ensure compliance with all applicable requirements related to the preparation and disclosure of the Company's financial information..

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company was served in the past with a summons and complaint alleging prior management's failure to pay the monthly payments on a line of credit with Fleet National Bank. Fleet seeks \$107,645 plus interest and attorneys' fees, and the Company intends vigorously to defend against the action.

On April 8, 2002 the Securities and Exchange Commission filed a complaint alleging that a registration statement and amendments, filed with the Commission by the Company in December 2001, January 2002 and March 2002, and signed by the former president of the Company, Daniel E. Charboneau, contained material misrepresentations and omissions. On January 6, 2004, a United States District Judge from the District of Columbia entered a default judgment against the Company restraining the Company from further violations of Section 17(a) of the Securities Act of 1933, Sections 10(b) and 13a-13 of the Securities Exchange Act of 1934 and Rules 10b-5, 12b-20, 13a-1 and 13a-13 thereunder. As part of this order the Court also ordered penalties and interest in the amount of \$110,977.

The Company intends to work with the Securities and Exchange Commission in an effort to reach an amicable resolution of this matter.

No changes in the status of any of the foregoing proceedings have occurred since the Company's last Form 10-QSB for the period ended March 31, 2007.

Item 1A. Risk Factors

Risk Factors

An investment in the Company's common stock involves a high degree of risk. Investors should consider the following risk factors and the other information in this registration statement carefully before investing in the Company's common stock. The Company's business and results of operations could be seriously harmed if any of these risks actually happen.

Change of Business

The Company has recently changed its principal business focus, and accordingly faces risks which are generally present where a company enters into a new business. The Company's new business will depend on the success of management in commercializing the gaming technologies which it has licenses, and there is no guarantee that this will be successful, or that the revenues earned by the Company through such commercialization will meet or exceed the Company's expenses. The Company is still at the start up stage of this change of business and it will be some time before the Company's business transition is complete. Specifically, the Company has entered into a letter agreement dated March 4, 2007 with Dimensions, Inc. ("Dimensions"), an arms length party, relating to the grant by Dimensions of an exclusive license to use certain software and other intellectual property owned by or licensed to Dimensions having application within the gaming industry. This relationship is still in the start-up stage and there is no guarantee that the relationship will result in revenue to the Company.

The Company's Limited Operating History May Prevent it From Achieving Success.

The Company's inception date was August 1997. It has a limited operating history, which may prevent it from achieving success. The Company's has had limited revenues and its operating profits are unproven. It will encounter challenges and difficulties frequently encountered by early-stage companies in new and rapidly evolving markets. The Company may fail to address any of these challenges and the failure to do so would seriously harm the Company's business and operating results. It has limited insights into trends that may emerge and affect the Company's business.

The Company has Incurred Losses and Expects Future Losses

The Company has experienced operating losses in each period since inception and expects to incur losses in the future. For the six months ended June 30, 2007, the Company had an accumulated net loss before taxes of \$322,301, and it can be anticipated that there will be further increases in the Company's operating expenses. As a result, the Company will need to achieve revenues and profits, or raise additional capital. None of this can be assured, and failure to do so would seriously harm the Company's business and operating results and its ability to continue to operate.

Future Operating Results Will Likely Fluctuate

The Company's quarterly operating results will likely vary significantly in the future, particularly as the Company has refocused its principal business activities into the area of commercializing technologies for use in the gaming industry. As a result, period-to-period comparisons of the Company's operating results will not be meaningful and should not be relied upon as indicators of the Company's future performance. In the future, the Company's operating results may be below the expectations of securities analysts and investors. The Company's failure to meet these expectations would likely depress the market price of the Company's common stock. To date, the Company has not had sufficient operating results to gauge any period-to-period fluctuations.

Independent Certified Public Accountant's Opinion - Going Concern.

The Company's financial statements for the year ended December 31, 2006, were audited by the Company's independent certified public accountant, whose report includes an explanatory paragraph stating that the financial statements have been prepared assuming the Company will continue as a going concern and that the Company has incurred operating losses since its inception that raise substantial doubt about its ability to continue as a going concern.

Our majority shareholders may take action without shareholder vote.

Under certain circumstances, our major shareholders, most of whom are also our officers and directors, may authorize or take corporate action without the notice, approval, consent or vote of the remaining stockholders, subject only to their obligation to timely notify the minority stockholders of the action taken.

The Company Must Retain and Attract Key Personnel

The Company's success depends largely on the skills, experience and performance of the members of its senior management and other key personnel. In the future, the Company's growth will depend upon its ability to attract and retain key management personnel.

Reliance on Key Personnel

The Company presently has no key employees. In the event the Company engages any person as a key employee in the future, the loss of services of such person could seriously harm the Company's business and would add a significant burden to the Company's future prospects.

There may be potential conflicts of interest.

Our officers and directors may be involved in other ventures and activities and may continue such activities in the future. If a specific business opportunity should become available, conflicts of interest may arise in the selection between the Company and the other ventures of the officers and directors. Since no policy has been formulated for the resolution of such potential conflicts, any conflicts which arise will be settled on a case-by-case basis. There is no guarantee that such a conflict will not result in the Company's inability to participate in particular ventures.

Future Sales of Shares Could Affect the Company's Stock Price

If the Company's stockholders sell substantial amounts of the Company's common stock in the public market, the market price of the Company's common stock could fall. Of the Company's outstanding common stock as of June 30, 2007, 66.1% is eligible for sale in the public market immediately.

Shareholders Will Receive No Dividends

The Company has never paid dividends and has no current plans to do so. Given the Company's financial position, it is unlikely that it will pay any dividends in the foreseeable future. The Company plans instead to retain earnings, if any, to fund internal growth.

The Company Needs Future Capital

The Company needs to raise funds, and funds may not be available on favorable terms or at all. Failure to obtain funds on favorable terms could seriously harm the Company's business and operating results. Furthermore, if the Company issues additional equity securities, stockholders will experience dilution, and the new equity securities could have rights senior to those of the holders of the Company's common stock. If the Company cannot raise funds on acceptable terms, it will seriously hamper its growth.

Government Regulation

The Company has recently refocused its principal business activities into the area of gaming technologies. The gaming business is significantly regulated, but for the most part such regulation applies to the conduct of gaming activities, and the processing of gaming transactions. Management believes that the Company is compliant with all applicable laws generally. However, due to the increasing usage of the Internet and to possible concerns about online gaming in general, it is possible that a number of laws and regulations may be adopted in the future that

would affect our conducting business over the Internet. Presently there are few laws or regulations that apply specifically to the sale of goods and services on the Internet. Any new legislation applicable to us could expose us to substantial liability, including significant expenses necessary to comply with these laws and regulations, and reduce use of the Internet on which we depend. Furthermore, the growth and development of the market for e-commerce may promote more stringent consumer protection and privacy laws that may impose additional burdens on those companies conducting business online. The adoption of additional laws or regulations may decrease the growth of the Internet or other online services, which could, in turn, decrease the demand for our services and increase our cost of doing business. For example in the future, we might be subjected to some or all of the following sources of regulation: state or federal banking regulations; federal money laundering regulations; international banking or financial services regulations or laws governing other regulated industries; or U.S. and international regulation of Internet transactions. The application to us of existing laws and regulations relating to issues such as banking, currency exchange, online gaming, pricing, taxation, quality of services, electronic contracting, and intellectual property ownership and infringement is unclear. In addition, we may become subject to new laws and regulations directly applicable to the Internet or our activities. If we are found to be in violation of any current or future regulations, we could be exposed to financial liability, including substantial fines which could be imposed on a per transaction basis; forced to change our business practices; or forced to cease doing business altogether or with the residents of one or more states or countries.

Item 2. Changes in Securities

There were no new securities of the Company issued in the quarter ended June 30, 2007.

Items 3. Defaults upon Senior Securities

None

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

The Company's board of directors on March 19, 2007, approved the amendment to the Company's Certificate of Incorporation to change the name of the Company from Veridigm, Inc. to Magnus Entertainment Group Ltd.

Pursuant to Delaware law, the Company thereafter on March 30, 2007 received the written consent from shareholders of our company holding a majority of the outstanding shares of our common stock. The Company has filed a Preliminary Information Statement pursuant to Rule 14c-2 and in accordance with the provisions of the General Corporation Law of the State of Delaware, and intends to file a Certificate of Amendment to our Certificate of Incorporation as soon as practicable after the expiration of 20 days after we file the Information Statement with the Securities and Exchange Commission and caused the deliver of the Information Statement to our shareholders of

record. At June 30, 2007 these filings have not yet been completed, although it remains the intention of management to complete the name change and all requisite filings within the next quarter.

Item 5. Other Information

None

Item 6. Exhibits.

Index to Exhibits

*Exhibit 31 Certification required by Rule 13a-14(a) or Rule 15d-14(a),

*Exhibit 32 Certification Required by Rule 13a-14(b) or Rule 15d-14(b) and section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350

*Attached

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SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant caused this report to be signed on behalf by the undersigned, thereunto duly authorized on August 20, 2007.

Veridigm, Inc.

By:/s/ Rowland Mosser

Rowland Mosser

President, Chief Executive Officer, and acting Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1934 this report signed below by the following person on behalf of the Registrant and in the capacities on the date indicated.

By:/s/ Alise Mills

Director, Vice-President: Corporate Communications

August 20, 2007

