CONCIERGE TECHNOLOGIES INC
Form 10QSB
May 16, 2007

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2007

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _________ to __________

CONCIERGE TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

Commission File No. 000-29913

State of Incorporation: Nevada
IRS Employer I.D. Number: 95-4442384

22048 Sherman Way, Suite 301
Canoga Park, CA 91303
818-610-0310

(Address and telephone number of registrant's principal
executive offices and principal place of business)

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 twelve 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 o

As of May 1, 2007, there were 147,292,747 shares of the Registrant’s Common Stock, $0.001 par value, outstanding.

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

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

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONCIERGE TECHNOLOGIES, INC. AND SUBSIDIARY
(A development stage company)
CONSOLIDATED BALANCE SHEET
March 31, 2007
(UNAUDITED)

ASSETS		
CURRENT ASSETS:		
Cash & cash equivalents	$	600
Due from related party		40,479
	$	41,079
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$	394,635
Notes payable - related parties		152,500
Total current liabilities		547,135
STOCKHOLDERS' DEFICIT:		
Preferred stock, par value $.001 per share; 10,000,000 shares authorized; none issued		-
Common stock, $.001 par value; 190,000,000 shares authorized; issued and outstanding 147,292,747		147,293
Shares to be issued		50,000
Additional paid in capital		3,258,334
Deficit accumulated during the development stage		(3,961,683)
Total stockholders' deficit		(506,056)
	$	41,079

The accompanying notes are an integral part of these finanical statements

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CONCIERGE TECHNOLOGIES, INC. AND SUBSIDIARY
(A development stage company)
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Month Periods Ended March 31, 2007	For the Three Month Periods Ended March 31, 2006	For the Nine Month Periods Ended March 31, 2007	For the Nine Month Periods Ended March 31, 2006	For the Period From September 20, 1996 (Inception) to March 31, 2007
NET REVENUES	$ -	$ -	$ -	$ -	$ -
COSTS OF REVENUES					
Product Launch Expenses	$ -	$ -	$ -	$ -	$ 1,077,785
GROSS LOSS	-	-	-	-	(1,077,785)
OPERATING EXPENSES:					
Impairment of Assets	-	-	-	-	988,443
General & Administrative Expenses	8,993	7,368	50,775	21,756	1,522,645
TOTAL OPERATING EXPENSES	8,993	7,368	50,775	21,756	2,511,088
OPERATING LOSS	(8,993)	(7,368)	(50,775)	(21,756)	(3,588,873)
OTHER INCOME (EXPENSES)					
Other Income	-	-	5	-	118
Settlement Income	-	-	-	-	52,600
Litigation Settlement	-	-	-	-	(135,000)
TOTAL OTHER INCOME (EXPENSES)	-	-	5	-	(82,282)
NET LOSS BEFORE INCOME TAXES	(8,993)	(7,368)	(50,770)	(21,756)	(3,671,155)
Provision for Income Taxes	-	-	1,600	1,600	12,000
NET LOSS	$ (8,993)	$ (7,368)	$ (52,370)	$ (23,356)	$ (3,683,155)
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING, BASIC AND DILUTED	145,607,964	142,292,747	143,950,356	142,292,747	
	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	

BASIC AND DILUTED
NET LOSS PER SHARE

The accompanying notes are an integral part of these finanical statements

CONCIERGE TECHNOLOGIES, INC. AND SUBSIDIARY
(A development stage company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the nine month periods ended March 31, 2007	For the nine month periods ended March 31, 2006	For the period from September 20, 1996 (inception) to March 31, 2007
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (52,370)	$ (23,356)	$ (3,683,155)
Adjustments to reconcile net loss to net cash used in operating activities:			
Impairment of asset	-	-	742,643
Depreciation and amortization	-	-	13,155
Stock issued for services	25,000	-	521,352
Decrease in current assets:			
Prepaid expense	-	-	(245,800)
Increase (decrease) in current liabilities:			
Notes Payable	22,749	-	22,749
Accrued expenses	(8,342)	(11,732)	310,102
Net cash used in operating activities	(12,963)	(35,088)	(2,318,954)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash received on acquisition of subsidiary	-	-	2,912
Note receivable - related party	(40,319)	-	(140,319)
Acquisition of equipment	-	-	(12,910)
Net cash used in investing activities	(40,319)	-	(150,317)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Due from related party	-	61	(160)
Proceeds from Issuance of Shares		-	587,007
Proceeds from stock subscription forfeited	-	-	10,000
Proceeds from advance subscriptions	50,000	-	1,822,983
Costs and expenses of advance subscriptions	-	-	(79,710)
Proceeds from (payments to) related party loans	-	38,251	129,751
Net cash provided by financing activities	50,000	38,312	2,469,871
NET INCREASE IN CASH & CASH EQUIVALENTS	(3,282)	3,224	600
CASH & CASH EQUIVALENTS, BEGINNING BALANCE	3,882	648	-
CASH & CASH EQUIVALENTS, ENDING BALANCE	$ 600	$ 3,872	$ 600

The accompanying notes are an integral part of these finanical statements

CONCIERGE TECHNOLOGIES, INC. AND SUBSIDIARY
(A development stage company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Concierge Technologies, Inc., (the "Company"), a California corporation, was incorporated on August 18, 1993 as Fanfest, Inc. In August 1995 the Company changed its name to Starfest, Inc. During 1998, the Company was inactive, just having minimal administrative expenses. During 1999 the Company attempted to pursue operations in the online adult entertainment field. There were no revenues from this endeavor. On March 20, 2002, the Company changed its name to Concierge Technologies, Inc.

In March 2000, the Company acquired approximately 96.83 percent (8,250,000 shares) of the common stock of MAS Acquisition XX Corp. (MAS XX) for $314,688. This amount was expensed in March 2000 as at the time of the acquisition, MAS XX had no assets or liabilities and was inactive. On March 21, 2002, the Company consummated a merger with Concierge, Inc.

Concierge, Inc. ("CI") was a development stage enterprise incorporated in the state of Nevada on September 20, 1996. The CI had undertaken the development and marketing of a new technology, a unified messaging product "The Personal Communications Attendant" ("PCA™"). "PCA™" will provide a means by which the user of Internet e-mail can ha e-mail messages spoken to him/her over any touch-tone telephone or wireless phone in the world. To-date, the Company has not earned any revenue.

On April 6, 2004 the Company entered into a Stock Purchase Agreement with Planet Halo, Inc. (PHI) whereby, the Company purchased all of the outstanding and issued shares of PHI in exchange for 10 million shares of the Company's common stock valued at $500,000. On May 5, 2004 the Company issued the shares on a ratio of 8.232 shares of its common stock to each share of PHI stock to the former shareholders of PHI. The existing PHI shares were then retired and cancelled. The Company is now the sole shareholder of PHI, a Nevada corporation. On May 5, 2004 the President of PHI was officially appointed to the Board of Directors of the Company along with one other PHI named appointee (Note 12).

PHI is a development stage company in the wireless telecommunications industry and plans to design, manufacture, sale and distribution of hardware and services that include a hand-held wireless Internet appliance/cell phone known as the "Halo", and an integrated wireless gateway interface to the Internet named "Halomail."

The accounting policies of the Company are in accordance with generally accepted accounting principles and conform to the standards applicable to development stage companies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The accompanying Interim Condensed Financial Statements are prepared in accordance with rules set forth in Regulation SB of the Securities and Exchange Commission. Accordingly, these statements do not include all disclosures required under generally accepted principles and should be read in conjunction with the audited financial statements included in the Company's form 10KSB for the year ended June 30, 2006. In the opinion of management, all adjustments consisting of normal reoccurring accruals have been made to the financial statements. The results of operation for the nine months ended March 31, 2007 are not necessarily indicative of the results to be expected for the fiscal year ending June 30, 2007.

CONCIERGE TECHNOLOGIES, INC. AND SUBSIDIARY
(A development stage company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of Concierge Technologies, Inc. (parent) and its wholly owned subsidiary, Planet Halo, Inc. All significant inter-company transactions and accounts have been eliminated in consolidation.

Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles 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.

Basic and diluted net loss per share

Net loss per share is calculated in accordance with the Statement of financial accounting standards No. 128 (SFAS No. 128), “Earnings per share”. SFAS No. 128 superseded Accounting Principles Board Opinion No.15 (APB 15). Net loss per share for all periods presented has been restated to reflect the adoption of SFAS No. 128. Basic net loss per share is based upon the weighted average number of common shares outstanding. Diluted net loss per share is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period.

Stock-based compensation

Effective July 1, 2006, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 123-R, “Share-Based Payment”(“SFAS 123-R”), which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors, including stock options based on their fair values. SFAS 123-R supersedes Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees” (“APB 25”), which the Company previously followed in accounting for stock-based awards.

Issuance of shares for service

Valuation of shares for services is based on the estimated fair market value of the services performed.

Fair value of financial instruments

Statement of financial accounting standard No. 107, Disclosures about fair value of financial instruments, requires that the Company disclose estimated fair values of financial instruments. The carrying amounts reported in the statements of financial position for current assets and current liabilities qualifying as financial instruments are a reasonable estimate of fair value.

Revenue Recognition

Revenue is recognized when earned. The Company's revenue recognition policies are in compliance with all applicable accounting regulations, including American Institute of Certified Public Accountants (AICPA) Statement of Position (SOP) 97-2, Software Revenue Recognition, SOP 98-9, Modification of SOP 97-2 and Staff accounting bulletin (SAB) 104. With Respect to Certain Transactions. Revenue from license programs is recorded when the software has been delivered and the customer is invoiced. Revenue from packaged product sales to and through distributors and resellers is recorded when related products are shipped. The Company does not charge monthly service fee, instead charges only one-time purchase price and the option of buying upgrades at a fixed fee based on fair value of the upgrade. When the revenue recognition criteria required for distributor and reseller arrangements are not met, revenue is recognized as payments are received. Costs related to insignificant obligations, which include telephone support for certain products, are accrued. Provisions are recorded for returns, concessions and bad debts. Cost of revenue includes direct costs to produce and distribute product and direct costs to provide online services, consulting, product support, and training and certification of system integrators. Research and development costs are expensed as incurred. The company did not earn any revenue in the years ended June 30, 2006 and 2005.

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Income Taxes

The Company accounts for income taxes under the provisions of Statement of Financial Accounting Standards No. 109 ("SFAS 109"). Under SFAS 109, deferred income tax assets or liabilities are computed based on the temporary difference between the financial statement and income tax bases of assets and liabilities using the currently enacted marginal income tax rate. Deferred income tax expenses or credits are based on the changes in the deferred income tax assets or liabilities from period to period. Under SFAS 109, deferred tax assets may be recognized for temporary differences that will result in deductible amounts in future periods and for loss carry forwards. A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period presentation.

3. RECENT PRONOUNCEMENTS

In February 2007, FASB issued FASB Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. FAS 159 is effective for fiscal years beginning after November 15, 2007. Early adoption is permitted subject to specific requirements outlined in the new Statement. Therefore, calendar-year companies may be able to adopt FAS 159 for their first quarter 2007 financial statements.

The new Statement allows entities to choose, at specified election dates, to measure eligible financial assets and liabilities at fair value that are not otherwise required to be measured at fair value. If a company elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting periods must be recognized in current earnings. FAS 159 also establishes presentation and disclosure requirements designed to draw comparison between entities that elect different measurement attributes for similar assets and liabilities. The management is currently evaluating the effect of this pronouncement on financial statements.

In September 2006, FASB issued SFAS 158 'Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106, and 132(R)' This Statement improves financial reporting by requiring an employer to recognize the overfunded or underfunded status of a defined benefit postretirement plan (other than a multiemployer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income of a business entity or changes in unrestricted net assets of a not-for-profit organization. This Statement also improves financial reporting by requiring an employer to measure the funded status of a plan as of the date of its year-end statement of financial position, with limited exceptions. An employer with publicly traded equity securities is required to initially recognize the funded status of a defined benefit postretirement plan and to provide the required disclosures as of the end of the fiscal year ending after December 15, 2006. An employer without publicly traded equity securities is required to recognize the funded status of a defined benefit postretirement plan and to provide the required disclosures as of the end of the fiscal year ending after June 15, 2007. However, an employer without publicly traded equity securities is required to disclose the following information in the notes to financial statements for a fiscal year ending after December 15, 2006, but before June 16, 2007, unless it has applied the recognition provisions of this Statement in preparing those financial statements:

a. A brief description of the provisions of this Statement

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b. The date that adoption is required

c. The date the employer plans to adopt the recognition provisions of this Statement, if earlier.

The requirement to measure plan assets and benefit obligations as of the date of the employer's fiscal year-end statement of financial position is effective for fiscal years ending after December 15, 2008. The management is currently evaluating the effect of this pronouncement on financial statements.

In September 2006, FASB issued SFAS 157 'Fair Value Measurements'. This Statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. This Statement applies under other accounting pronouncements that require or permit fair value measurements, the Board having previously concluded in those accounting pronouncements that fair value is the relevant measurement attribute. Accordingly, this Statement does not require any new fair value measurements. However, for some entities, the application of this Statement will change current practice. This Statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The management is currently evaluating the effect of this pronouncement on financial statements.

In March 2006 FASB issued SFAS 156 'Accounting for Servicing of Financial Assets' this Statement amends FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, with respect to the accounting for separately recognized servicing assets and servicing liabilities. This Statement:

1. Requires an entity to recognize a servicing asset or servicing liability each time it undertakes an obligation to service a financial asset by entering into a servicing contract.

2. Requires all separately recognized servicing assets and servicing liabilities to be initially measured at fair value, if practicable.

3. Permits an entity to choose 'Amortization method' or 'Fair value measurement method' for each class of separately recognized servicing assets and servicing liabilities.

4. At its initial adoption, permits a one-time reclassification of available-for-sale securities to trading securities by entities with recognized servicing rights, without calling into question the treatment of other available-for-sale securities under Statement 115, provided that the available-for-sale securities are identified in some manner as offsetting the entity's exposure to changes in fair value of servicing assets or servicing liabilities that a servicer elects to subsequently measure at fair value.

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5. Requires separate presentation of servicing assets and servicing liabilities subsequently measured at fair value in the statement of financial position and additional disclosures for all separately recognized servicing assets and servicing liabilities.

This Statement is effective as of the beginning of the Company's first fiscal year that begins after September 15, 2006. Management believes that this statement will not have a significant impact on the consolidated financial statements.

In February 2006, FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments". SFAS No. 155 amends SFAS No 133, "Accounting for Derivative Instruments and Hedging Activities", and SFAF No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities". SFAS No. 155, permits fair value remeasurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation, clarifies which interest-only strips and principal-only strips are not subject to the requirements of SFAS No. 133, establishes a requirement to evaluate interest in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation, clarifies that concentrations of credit risk in the form of subordination are not embedded derivatives, and amends SFAS No. 140 to eliminate the prohibition on the qualifying special-purpose entity from holding a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. This statement is effective for all financial instruments acquired or issued after the beginning of the Company's first fiscal year that begins after September 15, 2006. The Company has not evaluated the impact of this pronouncement its financial statements.

4. GOING CONCERN

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles which contemplate continuation of the Company as a going concern. However, the Company did not earn any revenue during the three month period ended March 31, 2007. The Company has accumulated deficit of $3,961,683 a net loss of $52,370 during the nine month period ended March 31, 2007. The continuing losses have adversely affected the liquidity of the Company. Losses are expected to continue for the immediate future. The Company faces continuing significant business risks, which includes but not limited to, its ability to maintain vendor and supplier relationships by making timely payments when due.

In view of the matters described in the preceding paragraph, recoverability of a major portion of the recorded asset amounts shown in the accompanying balance sheet is dependent upon continued operations of the Company, which in turn is dependent upon the Company’s ability to raise additional capital, obtain financing and to succeed in its future operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Management has taken the following steps to revise its operating and financial requirements, which it believes are sufficient to provide the Company with the ability to continue as a going concern. Management devoted considerable effort from inception through the quarter ended March 31, 2007, towards (i) obtaining additional equity (ii) management of accrued expenses and accounts payable (iii) initiation of the business strategies of the Planet Halo subsidiary and (vi) searching for a suitable strategic partner.

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Management believes that the above actions will allow the Company to continue operations through the next fiscal year.

5. DUE FROM RELATED PARTY

Concierge Technologies, Inc. has no bank account in its own name. Wallen Group, a consulting company headed by the president and director of the Company, maintains an administrative account for the Company. As of March 31, 2007, $40,479 is due from Wallen Group.

6. NOTES PAYABLE - RELATED PARTIES

Notes payable consisted of the following at March 31, 2007:

Notes payable to shareholder, interest rate of 8%, unsecured and payable on October 1, 2006 (past due)	35,000
Notes payable to director/shareholder, non-interest bearing unsecured and payable on demand	8,500
Notes payable to shareholder, interest rate of 10%, unsecured, and payable on July 31, 2004 (past due)	5,000
Notes payable to shareholder, interest rate of 10%, unsecured and payable on October 1, 2004 (past due)	28,000
Notes payable to shareholder, interest rate of 8%, unsecured and payable on October 1, 2004 (past due)	14,000
Notes payable to director/shareholder, interest rate of 8%, unsecured and payable on September 1, 2004 (past due)	3,500
Notes payable to shareholder, interest rate of 8%, unsecured and payable on October 1, 2005	20,000
Notes payable to director/shareholder, interest rate of 8%, unsecured and payable on February 1, 2006	5,000
Notes payable to director/shareholder, interest rate of 8%, unsecured and payable on June 1, 2006	5,000
Notes payable to director/shareholder, interest rate of 8%, unsecured and payable on February 1, 2006	2,500
Notes payable to director/shareholder, interest rate of 6%, Unsecured and payable on September 1, 2007	1,000

Notes payable to shareholder, interest rate of 8%, unsecured and payable on November 1, 2007		15,000
Note payable to shareholder, interest rate of 6%, unsecured and payable on November 1, 2007		10,000
Total Notes payable	$	152,500

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CONCIERGE TECHNOLOGIES, INC. AND SUBSIDIARY
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The Company has recorded interest expenses, amounting to $3,140 and $2,547 for the three month periods ended March 31, 2007 and 2006, respectively. The Company has recorded interest expenses of $8,593 and $7,134 for the nine month period ended March 31, 2007 and 2006, respectively.

7. COMMON STOCK

During the period from January 1, 2007 through March 31, 2007 the Company offered the sale of its common stock to accredited investors known to Marc Angell, who is a director and officer of Concierge and its wholly owned subsidiary Planet Halo. During that period a total of $50,000 was subscribed for at a sale price of $0.0033 per share. The offering remains open until such time as $100,000 has been subscribed for or management terminates the offering. No public solicitation has been made nor is any planned. Until the shares are issued the subscription funds have been recorded as “Shares to be issued”. Shares to be issued pursuant to the subscription agreement will not be registered and will bear a restrictive legend requiring an available exemption to registration prior to any future sale of these securities.

8. SUPPLEMENTAL DISCLOSURE OF CASH FLOWS

The Company prepares its statements of cash flows using the indirect method as defined under the Financial Accounting Standard No. 95.

The amount reserved for income tax in the accompanying financial statements as been appropriately adjusted to reflect the current status.

9. LITIGATION

On May 6, 2002, a default judgment was awarded to Brookside Investments Ltd against, jointly and severally, Concierge, Inc, Allen E. Kahn, and The Whitehall Companies in the amount of $135,000 plus legal fees. The Company did not defend against the complaint by Brookside, which alleged that Brookside was entitled to a refund of their investment as a result of a breach of contract. Brookside had entered into a subscription agreement with Concierge, Inc., which called for, among other things, the pending merger between Starfest and Concierge to be completed within 180 days of the investment. The merger was not completed within 180 days and Brookside sought a refund of their investment, which Concierge was unable to provide. The Company has accrued the judgment amount of $135,000 in the year 2002 as litigation settlement in the accompanying financial statements. This amount is included in accrued expenses as of March 31, 2007.

CONCIERGE TECHNOLOGIES, INC. AND SUBSIDIARY
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10. ACQUISITION & IMPAIRMENT OF INTANGIBLE ASSET

On April 6, 2004 the Company and Planet Halo entered into Stock Purchase agreement whereby, when consummated, the Company would purchase all of the outstanding and issued shares of Planet Halo in exchange for 10 Million shares of the Company's common stock valued at $500,000. On April 20, 2004 all of the conditions of the acquisition were met apart from the issuance of the shares. On May 5, 2004, the Company issued the shares on a ratio of 8.232 shares of the Company to each share of Planet Halo stock. The shares were issued directly to the shareholders of Planet Halo. The existing Planet Halo shares were retired and cancelled. The Company is now a sole shareholder of Planet Halo, a Nevada corporation. On May 5, 2004 the President of Planet Halo was officially appointed to the Board of Directors of the Company along with one other Planet Halo named appointee.

Planet Halo is a development stage company involved in the wireless telecommunications industry through the design, manufacture, sale and distribution of hardware and services that include a hand-held wireless Internet appliance/cell phone known as the "Halo", and an integrated wireless gateway interface to the Internet named "Halomail."

The purchase price was determined in arms-length negotiations between the parties. The assets acquired in this acquisition include without limitation computer hardware and goodwill. A summary of the Planet Halo assets acquired and consideration for is as follows:

		Allocated amount
Cash	$	2,912
Equipment, net		245
Goodwill		496,843
	$	500,000

		Consideration paid
10,000,000 shares of common stock	$	500,000

The Company evaluates intangible assets, goodwill and other long-lived assets for impairment, at least on an annual basis and whenever events or changes in circumstances indicate that the carrying value may not be recoverable from its estimated future cash flows. Recoverability of intangible assets, other long-lived assets and, goodwill is measured by comparing their net book value to the related projected undiscounted cash flows from these assets, considering a number of factors including past operating results, budgets, economic projections, market trends and product development cycles. If the net book value of the asset exceeds the related undiscounted cash flows, the asset is considered impaired, and a second test is performed to measure the amount of impairment loss. Potential impairment of goodwill is being evaluated in accordance with SFAS No. 142. The SFAS No. 142 is applicable to the financial statements of the Company beginning July 1, 2002.

On December 31, 2004, the Company evaluated the valuation of goodwill based upon the performance and market value of the acquisition. The Company determined the goodwill is impaired and recorded the impairment of $496,843 in the accompanying financial statements.

The Company evaluated value of its prepaid expenses during the year ended June 30, 2004 and based upon uncertainness surrounding the utilization of its software for the "PCA" development, the Company has recorded an impairment of the prepaid expense amounting $245,800.

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11. FORMATION OF NEVADA SUBSIDIARY

On April 20, 2005, the Company formed a subsidiary corporation under the laws of the State of Nevada. The subsidiary corporation, Concierge Technologies, Inc. (Nevada) was formed for the purpose of re-domesticating the Company stock in the State of Nevada and dissolving the California Corporation. The action was taken pursuant to a vote in favor by a majority of shareholders of the Company. On March 2, 2006, the Company filed articles of merger with the Secretary of State in Nevada effectuating the merger of Concierge Technologies, Inc. of California into the Nevada subsidiary. In order to consummate the merger, the Secretary of State in California requires a Certificate of Tax Clearance from the Franchise Tax Board. The delay in acquiring the tax clearance caused for the Nevada Corporation to become inactive. On September 22, 2006 the Franchise Tax Board issued the tax clearance certificate. On October 6, 2006 the tax clearance certificate from California, and the other documents necessary to reactivate Concierge Technologies, Inc. in Nevada, were filed in the respective states. The Secretary of State of California has acknowledged receipt of the tax clearance certificate and the merger documents and the Articles of Merger were filed with the State of California on October 5, 2006. Concierge Technologies, Inc. is now a Nevada corporation. Consent of Service will be to the Resident Agent in Nevada, Capitol Corporate Services, Inc., 202 South Minnesota Street, Carson City, NV 89703.

Item 2. Plan of Operation

Our plan of operation for the next twelve months is to do the following:

- Activate Planet Halo as an operating company in the business of designing, constructing and selling service on wireless broadband networks utilizing MESH technology. In addition to providing a wireless Internet connection, Planet Halo envisions use of its Halomail gateway and other software developments to create a community portal within the bounds of local-area service provided by its wireless coverage,

- acquire revenue streams by partnering and other business combinations with development stage wireless and technology companies seeking marketing expertise and investment liquidity,

- source a buyer for our PCA pre-paid inventory in bulk form and utilize the proceeds for working capital.

On April 6, 2004, our company signed a definitive agreement to acquire the privately-held company, Planet Halo, in a cash-free stock transaction. On April 20, 2004 the companies completed the necessary documentation to effect the acquisition. On May 5, 2004 Concierge Technologies instructed its transfer agent to issue the purchase price in shares of common stock to the shareholders of Planet Halo. The transaction was officially closed and the shares considered issued as of May 5, 2004.

Planet Halo has obtained agreements with various suppliers of wireless networking equipment whereby Planet Halo is now able to acquire, install and support a wireless local area network operating on a metro-scale MESH technology. The Company, through its subsidiary, Planet Halo, intends to design, build and operate several such networks in the Southern California area. Planet Halo also plans to offer online advertising, local area community web portal service and a variety of other value-added features once the proposed networks are operational. As the initial networks become stable, Planet Halo will expand in opportunistic fashion to other niche markets, providing wireless connectivity to areas underserved by competing technologies.

On June 17, 2002, David W. Neibert became our President and Chief Operations Officer. Upon assuming that role, he moved the general accounting and administrative offices of our company to a co-location with his firm, The Wallen Group. We do not currently pay rent and have no lease for the facilities being provided by Mr. Neibert.

As of March 31, 2007, we had no employees and no fixed overhead other than the variable cost of web hosting, legal and professional fees, fees charged by our transfer agent and minimum tax payments. We have a limited amount of office fixtures, furniture and computer equipment acquired with the Planet Halo transaction. Our president, the president of Planet Halo, our CEO and directors are continuing to provide services without cash compensation; however, there are no assurances that this situation will continue for the indefinite future.

Liquidity

Our primary source of operating capital has been funding sourced through insiders or shareholders under the terms of unsecured promissory notes. During the three-month period ended March 31, 2007, we sold shares of our common stock to parties known to our officers or directors in order to fund the expansion of the Planet Halo business plan. The shares subscribed for have not yet been issued as of May 1, 2007. The amount of borrowed funds and funds from equity sales has been sufficient to pay the cost of legal and accounting fees as necessary to maintain a current reporting status with the Securities and Exchange Commission and pay our required state income taxes. However, sufficient funds have been unavailable to significantly pay down past-due commercial and vendor accounts payable. We have also been unable to pay salaries to our officers and several of our outside consultants who had performed services during the past and present fiscal years. In two instances we have issued shares of our common stock to a consulting company in exchange for services needed to maintain our operations.

Revenues from the Planet Halo business are expected to be insignificant during the initial stages of operations; however, management expects that overall the network will be able to support its expenses through revenues within the first year of operations. Furthermore, management has been providing their services without compensation and there are no assurances that they will continue to do so for the indeterminate future. In the event revenues are insufficient to support the cost of operations, the Company may seek additional funding through debt financing or sale of its common stock.

Item 3. Controls and Procedures

Evaluation of disclosure controls and procedures. The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective and provide reasonable assurances that the information the Company is required to disclose in the reports it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time period required by the Commission's rules and forms. Further, the Company’s officers concluded that its disclosure controls and procedures are also effective to ensure that information required to be disclosed in the reports that it files or submits under the Exchange Act is accumulated and communicated to its management, including its chief executive officer and chief financial officer, to allow timely decisions regarding required disclosure. There were no significant changes in the Company's internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect our internal controls over financial reporting.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) **Exhibits**

The following exhibits are filed, by incorporation by reference, as part of this Form 10-QSB:

Exhibit		Item
2	-	Stock Purchase Agreement of March 6, 2000 between Starfest, Inc. and MAS Capital, Inc.*
3.1	-	Certificate of Amendment of Articles of Incorporation of Starfest, Inc. and its earlier articles of incorporation.*
3.2	-	Bylaws of Concierge, Inc., which became the Bylaws of Concierge Technologies upon its merger with Starfest, Inc. on March 20, 2002.*
3.5	-	Articles of Merger of Starfest, Inc. and Concierge, Inc. filed with the Secretary of State of Nevada on March 1, 2002.**
3.6	-	Agreement of Merger between Starfest, Inc. and Concierge, Inc. filed with the Secretary of State of California on March 20, 2002.**
3.7	-	Articles of Incorporation of Concierge Technologies, Inc. filed with the Secretary of State of Nevada on April 20, 2005.+
3.8	-	Articles of Merger between Concierge Technologies, Inc., a California corporation, and Concierge Technologies, Inc., a Nevada corporation, filed with the Secretary of State of Nevada on March 2, 2006 and the Secretary of State of California on October 5, 2006.+
10.1	-	Agreement of Merger between Starfest, Inc. and Concierge, Inc.*
14	-	Code of Ethics for CEO and Senior Financial Officers.***

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31	-	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.1	-	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	-	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.1	-	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

*Previously filed with Form 8-K12G3 on March 10, 2000; Commission File No. 000-29913, incorporated herein.

**Previously filed with Form 8-K on April 2, 2002; Commission File No. 000-29913, incorporated herein.
***Previously filed with Form 10-K FYE 06-30-04 on October 13, 2004; Commission File No. 000-29913, incorporated herein.
+Previously filed with Form 10-K FYE 06-30-06 on October 13, 2006; Commission File No. 000-29913, incorporated herein.

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SIGNATURES

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

Dated: May 16, 2007

CONCIERGE TECHNOLOGIES, INC.

By */s/ David W. Neibert*

David W. Neibert, Chief Executive Officer

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