

RICH STAR DEVELOPMENT, CORP
Form 10-K
March 31, 2014

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

FORM 10-K

ý ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the fiscal year ended December 31, 2013

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

For the transition period from _____ to _____

Commission File No. **333-166454**

Rich Star Development Corporation

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

42-1769584

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

10300 Charleston Blvd., Las Vegas, NV

(Address of principal executive offices)

89135

(Zip Code)

(702) 722-0865

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to section 12(g) of the Act: **Common Stock, par value \$.01 per share**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.

Yes No

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 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 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No (Not required)

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: \$175,000, as of June 30, 2013.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: 3,500,000 shares of common stock as of March 27, 2014.

DOCUMENTS INCORPORATED BY REFERENCE

None.

RICH STAR DEVELOPMENT CORPORATION

FOR THE FISCAL YEAR ENDED

DECEMBER 31, 2013

INDEX TO FORM 10-K

		Page
PART I		
Item 1	Business	4
Item 1A	Risk Factors	5
Item 1B	Unresolved Staff Comments	5
Item 2	Properties	6
Item 3	Legal Proceedings	6
Item 4	Mine Safety Disclosures	6
PART II		
Item 5	Market for registrant's Common Equity, related Stockholder Matters and Issuer Purchases of Equity Securities	7
Item 6	Selected Financial Data	8
Item 7	Management's Discussion and Analysis of Financial Condition and Results of Operations	8
Item 7A	Quantitative and Qualitative Disclosures About Market Risk	11
Item 8	Financial Statements and Supplementary Data	11
Item 9	Changes in and Disagreements With Accountants on Accounting and Financial Disclosure	11
Item 9A	Evaluation of Disclosure Controls and Procedures	12
Item 9B	Other Information	14
PART III		
Item 10	Directors, Executive Officers and Corporate Governance	15
Item 11	Executive Compensation	16
Item 12	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	18
Item 13	Certain Relationships and Related Transactions, and Director Independence	19
Item 14	Principal Accounting Fees and Services	19
PART IV		
Item 15	Exhibits, Financial Statement Schedules	19

PART I

Note about Forward-Looking Statements

Certain statements in this report, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

Forward-looking statements may appear throughout this report, including without limitation, the following sections:

Business, Management's Discussion and Analysis, and Risk Factors. These forward-looking statements generally are identified by the words believe, project, expect, anticipate, estimate, intend, strategy, future, opportunity, should, will, would, will be, will continue, will likely result, and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events, or otherwise.

Item 1

Business

Overview

Rich Star Development Corporation (we, our, us, or the Company) was incorporated in the State of Nevada on May 29, 2009.

We are a wholesale distribution company that plans to import and source locally products in the food service.

Products

We intend to source and distribute food products, paper products, janitorial products, restaurant utensils and equipment.

Sources of Supply

Our future plans include buying products directly from factories, participating in joint ventures and branding products to achieve best possible cost levels and maximize profitability.

Customers

Our initial customers will include the restaurant and hospitality industries as well as small retail grocery stores primarily located in the western United States.

Employees

We do not currently have any employees.

Competition

The food service industry is a highly competitive market. Industry sources estimate that there are more than 15,000 companies engaged in food service distribution in the United States. Our customers may also choose to purchase products directly from retail outlets or negotiate prices directly with our suppliers.

Many of our competitors have significant advantages over our Company in terms of scale, operating histories, number of locations in operation, customer base, capital and other resources. The intense competition constitutes significant risk factors for our operations in the industry.

We are a start-up company that has yet to commence commercial operations. Accordingly, there can be no assurances that we can successfully compete in the food service distribution market.

We intend to offer a complete package of high quality products to our customers at competitive prices. Management believes that these characteristics will provide us with the ability to compete successfully within the industry.

Government Regulation

As a distributor of food products, we will be subject to the U.S. Federal Food, Drug and Cosmetic Act and regulations promulgated by the U.S. Food and Drug Administration (FDA).

The FDA regulates food safety through various statutory and regulatory mandates. The agency also specifies the standards of identity for certain foods, prescribes the format and content of information required to appear on food product labels, regulates food contact packaging and materials, and maintains a Reportable Food Registry for the industry to report when there is a reasonable probability that an article of food will cause serious adverse health consequences.

For certain product lines, we may also be subject to the Federal Meat Inspection Act, the Poultry Products Inspection Act, the Perishable Agricultural Commodities Act, the Packers and Stockyard Act and regulations promulgated by the U.S. Department of Agriculture (USDA) to interpret and implement these statutory provisions. The USDA imposes standards for product safety, quality and sanitation through the federal meat and poultry inspection program. The USDA reviews and approves the labeling of these products and also establishes standards for the grading and commercial acceptance of produce shipments from our suppliers.

We are also subject to the Public Health Security and Bioterrorism Preparedness and Response Act of 2002, which imposes certain registration and record keeping requirements on facilities that manufacture, process, pack or hold food for human or animal consumption.

We are also subject to regulation by numerous federal, state and local regulatory agencies, including, but not limited to, the U.S. Department of Labor, which set employment practice standards for workers, and the U.S. Department of Transportation, which regulate transportation of perishable and hazardous materials and waste, and similar state, provincial and local agencies.

Compliance with these laws is not anticipated to have a material effect on our capital expenditures, earnings or competitive position.

Patents and Trademarks

We do not own, either legally or beneficially, any patents or trademarks.

Subsidiaries

We do not currently have any subsidiaries.

Item 1A Risk Factors

Not required for a smaller reporting company.

Item 1B

Unresolved Staff Comments

Not required for a smaller reporting company.

Item 2

Properties

Our principal corporate offices are located at 10300 Charleston Boulevard, Las Vegas, Nevada 89135. We do not have a lease agreement for the space and our usage of the space could be terminated at any time.

Item 3

Legal Proceedings

From time to time, we may become involved in various lawsuits and legal proceedings that arise in the ordinary course of business. We are currently not aware of any such legal proceedings or claims that we believe will have, individually or in the aggregate, a material adverse affect on our business, financial condition or operating results.

Item 4

Mine Safety Disclosures

Not applicable.

PART II**Item 5.****Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

Our Common Stock is listed to trade in the over-the-counter securities market through the Financial Industry Regulatory Authority ("FINRA") Automated Quotation Bulletin Board System, under the symbol "RCHR". We have been eligible to participate in the OTC Bulletin Board since May 3, 2011.

The following table sets forth the quarterly high and low bid prices for our Common Stock during the last two fiscal years, as reported by a Quarterly Trade and Quote Summary Report of the OTC Bulletin Board. The quotations reflect inter-dealer prices, without retail mark-up, markdown or commission, and may not necessarily represent actual transactions.

2012 Fiscal Year	Bid Prices (\$)	
	High	Low
March 31, 2012	\$0.00	\$0.00
June 30, 2012	\$0.00	\$0.00
September 30, 2012	\$0.00	\$0.00
December 31, 2012	\$0.00	\$0.00
2013 Fiscal Year		
March 31, 2013	\$0.00	\$0.00
June 30, 2013	\$0.00	\$0.00
September 30, 2013	\$0.00	\$0.00
December 31, 2013	\$0.00	\$0.00

On March 27, 2014, the closing price for the common stock on the OTCBB was \$0.00 per share.

Holder

As of December 31, 2013, we had 36 holders of our common stock.

Dividend Policy

The payment of dividends in the future rests within the discretion of our Board of Directors and will depend upon our earnings, capital requirements and financial condition, as well as other relevant factors. We do not intend to pay any cash dividends in the foreseeable future, but intend to retain all earnings, if any, for use in our business.

Equity Compensation Plan Information

None.

Recent Sales of Unregistered Securities

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 6.

Selected Financial Data

Not required for smaller reporting companies.

Item 7.

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

We intend to become a distribution company that will import and source locally, products in the food service business. We are in the developmental stage and have not yet implemented our business plan.

Results of Operations

The following discussion of the financial condition and results of operations should be read in conjunction with the financial statements included herewith. This discussion should not be construed to imply that the results discussed herein will necessarily continue into the future, or that any conclusion reached herein will necessarily be indicative of actual operating results in the future.

For the years ended December 31, 2013 and 2012 and for the period from May 29, 2009 (inception) to December 31, 2013:

Revenue

We did not generate any revenue during the period from May 29, 2009 (inception) to December 31, 2013. During this development stage, we were primarily focused on corporate organization, the initial public offering and the development of our business plan.

Expenses

Our total expenses for the year ended December 31, 2013 were \$22,757 for general, administrative and interest expenses, as compared to \$23,759 for the year ended December 31, 2012. The largest components of general and administrative expense were professional fees in the amounts of \$15,283 and \$18,565, respectively.

Our total expenses for the period from May 29, 2009 (inception) to December 31, 2013 were \$166,144 for general, administrative and interest expenses. The largest components of general and administrative expense during that period were professional fees in the amount of \$75,068 and consulting fees in the amount of \$65,000.

Net Loss

Our net loss for the year ended December 31, 2013 was \$26,588 as compared to a net loss of \$26,055 for the year ended December 31, 2012. Our accumulated deficit for the period from May 29, 2009 (inception) to December 31, 2013 was \$166,144.

Liquidity and Financial Condition

As of December 31, 2013 we had no current assets, current liabilities of \$58,517 and a working capital deficit of \$58,517 as compared to current asset of \$nil, current liabilities of \$35,760 and working capital deficit of \$35,760 at December 31, 2012.

Operating Activities

During the year ended December 31, 2013, we used cash in the amount of \$22,629 for operating activities. This included a net loss of \$26,588, imputed interest of \$3,831 and a \$128 increase in accounts payable.

By comparison, during the year ended December 31, 2012, we used cash in the amount of \$34,437 for operating activities. This included a net loss of \$26,055, imputed interest of 2,296 and a decrease of \$10,678 in accounts payable.

During the period from May 29, 2009 (inception) to December 31, 2013, we used \$157,967 of cash in operating activities. This included a net loss of \$166,144, imputed interest of \$6,127, stock issued for services in the amount of \$1,500 and a \$550 increase in accounts payable.

Investing Activities

There were no investing activities for the year ended December 31, 2013 and 2012 or for the period from May 29, 2009 (inception) to December 31, 2013.

Financing Activities

During the year ended December 31, 2013, we received stockholder advances in the amount of \$22,629 for total cash provided by financing activities of \$22,629.

By comparison, during the year ended December 31, 2012, we received stockholder advances in the amount of \$34,322 for total cash provided by financing activities of \$34,322.

From May 29, 2009 (inception) to December 31, 2013, we received note payable advances in the amount of \$122,967, repaid \$65,000 due to the stockholder and received proceeds from issuance of common stock in the amount of \$100,000 for total cash provided by financing activities of \$157,967.

We currently do not have sufficient funds to satisfy the minimum cash requirements to implement our business plan over the next twelve months. Due to our brief history and historical net losses, our operations have not been a source of liquidity. Therefore, our ability to continue as a going concern is dependent on our ability to raise additional capital.

We presently do not have any available credit, financing or other external sources of liquidity. In order to obtain capital, we may need to sell additional shares of common stock or borrow funds from private lenders. However, the low trading price of our common stock and a downturn in the U.S. stock and debt markets is likely to make it more difficult to obtain financing through the issuance of equity or debt securities. As a result, there can be no assurance that we will be successful in obtaining additional funding.

Even if we are able to raise the funds required, it is possible that we could incur unexpected costs and expenses, fail to collect amounts owed to us, or experience unexpected cash requirements that would force us to seek alternative financing. Further, if we issue additional equity or debt securities, stockholders may experience dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of common stock.

Going Concern

As reflected in the accompanying financial statements, we had a net loss of \$26,588, net cash used in operations of \$22,629 and a working capital deficit and stockholders' deficit of \$58,517 at December 31, 2013. We have had no revenues and incurred losses since inception resulting in a deficit accumulated during the development stage of \$166,144.

We anticipate that we will continue to generate losses from operations in the near future raising substantial doubt about our ability to continue as a going concern. Our ability to continue operations is dependent on Management's plans, which include the raising of capital through debt and/or equity markets until such time that funds provided by operations are sufficient to fund working capital requirements.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should we be unable to continue as a going concern.

Plan of Operations

We are a start-up wholesale distribution company that plans to import and source locally products in the food service business including food, paper, janitorial products, restaurant utensils and equipment.

Our business is in the developmental stage. We have not yet begun to implement our business plan. Our ability to commence operations is entirely dependent upon our ability to raise additional capital. If we cannot raise additional capital, we will not be able to establish a base of operations to generate revenue. We do not have any formal or informal agreements to attain such financing. We cannot assure any investor that, if needed, sufficient financing can be obtained or, if obtained, that it will be on reasonable terms.

Upon receipt of sufficient financing, our goal is to buy direct from factories, establish joint ventures and develop private brand products to achieve the best possible cost levels and maximize profitability. We have no current plans, proposals or arrangements, written or otherwise, to seek a business combination with another entity in the near future.

Summary of Significant Accounting Policies

Our financial statements and related public financial information are based on the application of accounting principles generally accepted in the United States (GAAP). GAAP requires the use of estimates; assumptions, judgments and subjective interpretations of accounting principles that have an impact on the assets, liabilities, revenues and expense amounts reported. These estimates can also affect supplemental information contained in our external disclosures including information regarding contingencies, risk and financial condition. We believe our use of estimates and underlying accounting assumptions adhere to GAAP and are consistently and conservatively applied. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ materially from these estimates under different assumptions or conditions. We continue to monitor significant estimates made during the preparation of our financial statements.

Our significant accounting policies are summarized in Note 2 of our financial statements. While all these significant accounting policies impact our financial condition and results of operations, we view certain of these policies as critical. Policies determined to be critical are those policies that have the most significant impact on our financial statements and require management to use a greater degree of judgment and estimates. Actual results may differ from those estimates. Our management believes that given current facts and circumstances, it is unlikely that applying any other reasonable judgments or estimate methodologies would cause effect on our results of operations, financial position or liquidity for the periods presented in this report.

We believe the following critical accounting policies and procedures, among others, affect our more significant judgments and estimates used in the preparation of our financial statements:

Development Stage

Our financial statements are presented as those of a development stage enterprise. Activities during the development stage primarily include negotiating distribution agreements and marketing the territory for product distribution outlets. While seeking to implement its business plan, we will look to obtain additional debt and/or equity related funding opportunities. We have not generated any revenues since inception.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Such estimates and assumptions have an impact on the fair value of share-based payments, estimates and the valuation allowance for deferred tax assets due to continuing and expected future operating losses.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from estimates.

Cash

We consider all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2013 and 2012, respectively.

Share Based Payments

We recognizes share-based compensation, including stock option grants, warrants, restricted stock grants and stock appreciation rights, at their fair value on the grant date. Share based payment awards issued to non-employees for services rendered are recorded at either the fair value of the services rendered or the fair value of the share-based payment, whichever is more readily determinable. Compensation expense is generally recognized on a straight-line basis over the service period.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as special purpose entities (SPEs).

Item 7A.

Quantitative and Qualitative Disclosures about Market Risk

Not required for smaller reporting companies.

Item 8.

Financial Statements and Supplementary Data

See page 22.

Item 9.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the Exchange Act), are our controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Act is accumulated and communicated to our management to allow timely decisions regarding required disclosure. Rules 13a-15(b) and 15d-15(b) under the Exchange Act, requires us to carry out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2013. This evaluation was implemented under the supervision and with the participation of our officers and directors.

Based on this evaluation, management concluded that, as of December 31, 2013, our disclosure controls and procedures are ineffective in ensuring that information required to be disclosed in our Exchange Act reports is (1) recorded, processed, summarized and reported in a timely manner and (2) accumulated and communicated to our management to allow timely decisions regarding required disclosure.

Our officers and directors have concluded that our disclosure controls and procedures had the following material weaknesses:

- We were unable to maintain any segregation of duties within our financial operations due to our reliance on limited personnel in the finance function. While this control deficiency did not result in any audit adjustments to our financial statements, it could have resulted in a material misstatement that might have been prevented or detected by a segregation of duties;
- We lack sufficient resources to perform the internal audit function and do not have an Audit Committee;
- We do not have an independent Board of Directors, nor do we have a board member designated as an independent financial expert. The Board of Directors is comprised of two members who also serve as executive officers. As a result, there is a lack of independent oversight of the management team, lack of independent review of our operating and financial results, and lack of independent review of disclosures made by us; and
- Documentation of all proper accounting procedures is not yet complete.

To the extent reasonably possible given our limited resources, we intend to take measures to cure the aforementioned weaknesses, including, but not limited to, the following:

- Engaging consultants to assist in ensuring that accounting policies and procedures are consistent across the organization and that we have adequate control over financial statement disclosures;
- Hiring additional qualified financial personnel;
- Expanding our current board of directors to include additional independent individuals willing to perform directorial functions; and
- Increasing our workforce in preparation for exiting the development stage and commencing revenue producing operations.

Since the recited remedial actions will require that we hire or engage additional personnel, these material weaknesses may not be overcome in the near-term due to our limited financial resources. Until such remedial actions can be realized, we will continue to rely on the limited advice of outside professionals and consultants. These initiatives will be subject to our ability to obtain sufficient future financing and subject to our ability to start generating revenue.

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation and fair presentation of our financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our officers have assessed the effectiveness of our internal controls over financial reporting as of December 31, 2013. In making this assessment, management used the criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based upon its assessment, management concluded that, as of December 31, 2013, our internal control over financial reporting was ineffective.

Management has identified a lack of sufficient personnel in the accounting function due to our limited resources with appropriate skills, training and experience to perform the review processes to ensure the complete and proper application of generally accepted accounting principles. We are in the process of developing and implementing remediation plans to address our material weaknesses in our internal controls.

Management has identified specific remedial actions to address the material weaknesses described above:

- Improve the effectiveness of the accounting group by augmenting our existing resources with additional consultants or employees to improve segregation procedures and to assist in the analysis and recording of complex accounting transactions and preparation of tax disclosures. We plan to mitigate the segregation of duties issue by hiring additional personnel in the accounting department once we have achieved positive cash flow from operations and/or have raised significant additional working capital; and

Improve segregation procedures by strengthening cross approval of various functions including cash disbursements and quarterly internal audit procedures where appropriate.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

This Annual Report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to an exemption for smaller reporting companies under Section 989G of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Changes in Internal Control over Financial Reporting

During the fourth quarter ended December 31, 2013, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B.

Other Information

None.

PART III

Item 10.

Directors, Executive Officers and Corporate Governance Disclosure

Below are the names and certain information regarding our executive officers and directors during the year ended December 31, 2013.

Name	Age	Position
Siu Mun Kung	54	President, Chief Executive and Financial Officer, Secretary and Director

Biographical information regarding our sole officer and director is listed below and contain information regarding the person's service as a director, business experience, public company director positions currently held or held at any time during the last five years, information regarding involvement in certain legal or administrative proceedings, if applicable, and the experiences, qualifications, attributes or skills that caused the Board to determine that the person should serve as a director in light of our business and structure.

Ms. Siu Mun Kung, age 54, is the Company's President, CEO, CFO, Secretary and sole Director. She was appointed as secretary and as a director effective as of August 28, 2013, and was appointed as CEO and CFO effective as of September 5, 2013. Ms. Kung was the Shipping Officer of New Era Knitting Corp., Hong Kong, from March 1987 to May, 2004, and has been the Shipping Officer of Hung Fat Decorations, Ltd., Hong Kong, from June 2004 to the present. Ms. Kung graduated from high school in Hong Kong, in 1978.

Directors

Our bylaws authorize no less than one (1) director. We currently have one director.

Term of Office

Our directors are appointed for a one-year term to hold office until the next annual meeting of our shareholders or until removed from office in accordance with our bylaws. Our executive officers are appointed by our board of directors and hold office until removed by the board.

Family Relationships

There are no family relationships among our officer and directors.

Board of Director Committees

We do not have any board committees due to the limited size of the Board and the Company, and as such the board as a whole carries out the functions of audit, nominating and compensation committees.

Compliance with Section 16(a) of the Exchange Act

Not applicable.

Item 11.**Executive Compensation**

The following table sets forth the compensation paid to our officers and directors for the years ended December 31, 2013 and 2012:

Name & Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non- Equity Incentive Plan (\$)	Change in	All Other Compensation (\$)	Total (\$)
							Pension Value and Non- Qualified Deferred Earnings (\$)		
Siu Mun Kung(1)	2013	-	-	-	-	-	-	-	-
Man Yee Kung (2)	2013 2012	- -	- -	- -	- -	- -	- -	- -	- -
Ying Yiu Chan (3)	2013 2012	- -	- -	- -	- -	- -	- -	- -	- -

(1) President, Chief Executive and Financial Officer, and Director

(2) Formerly President, CEO, Financial Officer and Director

(3) Formerly Secretary and Director

Employment Agreements

None.

Director Compensation

None.

Item 12.**Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The following table sets forth certain information regarding beneficial ownership of our common stock as of December 31, 2013.

- By each person who is known by us to beneficially own more than 5% of our common stock;
- By each of our officers and directors; and
- By all of our officers and directors as a group.

Title of Class	Name and address of beneficial owner	Amount of beneficial ownership	Percent of class*
Common	Man Yee Kung 2051 No 6 Road Unit Vancouver, BC V6V 1P3 Canada	1,000,000	28.6%
Common	Derek Tak Wing Wong 2051 No 6 Road Unit Vancouver, BC V6V 1P3 Canada	600,000	17.1%
Common	Diane Tak Nga Wong 2051 No 6 Road Unit Vancouver, BC V6V 1P3 Canada	600,000	17.1%
Common	Dickson Tak Sang Wong 2051 No 6 Road Unit Vancouver, BC V6V 1P3 Canada	600,000	17.1%
Common	Ying Yiu Chan Vancouver, BC V6V 1P3 Canada	500,000	14.3%

Edgar Filing: RICH STAR DEVELOPMENT, CORP - Form 10-K

2051 No 6 Road Unit

Common	Vancouver, BC V6V 1P3 Canada Siu Mun Kung	2,000	0.057%
--------	--	-------	--------

Flat A1, 23/F, Block 1, Rivera Garden

20-30 Tai Chung Kin Road

Shatin, NT, Hong Kong

Common	All Officers and Directors as a Group (1 person)	2,000	0.057%
---------------	---	--------------	---------------

As used in this table, "beneficial ownership" means the sole or shared power to vote, or to direct the voting of, a security, or the sole or shared investment power with respect to a security (i.e., the power to dispose of, or to direct the disposition of, a security). In addition, for purposes of this table, a person is deemed, as of any date, to have "beneficial ownership" of any security that such person has the right to acquire within 60 days after such date.

Other than the shareholders listed above, we know of no other person who is the beneficial owner of more than five percent (5%) of our common stock.

The persons named above have full voting and investment power with respect to the shares indicated. Under the rules of the Securities and Exchange Commission, a person (or group of persons) is deemed to be a "beneficial owner" of a security if he or she, directly or indirectly, has or shares the power to vote or to direct the voting of such security, or the power to dispose of or to direct the disposition of such security. Accordingly, more than one person may be deemed to be a beneficial owner of the same security. A person is also deemed to be a beneficial owner of any security, which that person has the right to acquire within 60 days, such as options or warrants to purchase our common stock.

Item 13.

Certain Relationships and Related Transactions, and Director Independence

None.

Item 14.

Principal Accounting Fees and Services

The fees billed for professional services rendered by our principal accountant are as follows:

Fiscal Year	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
2013	\$9,500	-	-	-
2012	\$9,500	-	-	-

Pre-Approval Policies and Procedures

The board of directors must pre-approve any use of our independent accountants for any non-audit services. All services of our auditors are approved by our whole board and are subject to review by our whole board.

PART IV

Item 15.

Exhibits, Financial Statement Schedules

Edgar Filing: RICH STAR DEVELOPMENT, CORP - Form 10-K

Number	Exhibit
31.1	Rule 13a-14(a) Certification of Principal Executive Officer
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of Principal Executive Officer
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document

* Pursuant to applicable securities laws and regulations, we are deemed to have complied with the reporting obligation relating to the submission of interactive data files in such exhibits and are not subject to liability under any anti-fraud provisions of the federal securities laws as long as we have made a good faith attempt to comply with the submission requirements and promptly amend the interactive data files after becoming aware that the interactive data files fail to comply with the submission requirements. Users of this data are advised that, pursuant to Rule 406T, these interactive data files are deemed not filed and otherwise are not subject to liability.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Rich Star Development Corporation

Date: March 31, 2014

/s/ Siu Mun Kung
Siu Mun Kung

Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: March 31, 2014

/s/ Siu Mun Kung
Siu Mun Kung

Director, President, Chief Executive Officer
(Principal

Executive Officer) and Interim Chief Financial
Officer (Interim Principal Financial and Accounting
Officer)

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders

Rich Star Development Corporation

We have audited the accompanying balance sheets of Rich Star Development Corporation as of December 31, 2013 and 2012, and the related statements of operations, stockholders' deficit, and cash flows for each of the years in the two-year period ended December 31, 2013. These financial statements are the responsibility of the entity's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rich Star Development Corporation as of December 31, 2013 and 2012, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the entity will continue as a going concern. As discussed in Note 3 to the financial statements, the entity has suffered recurring losses from operations and has a net capital deficiency that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Las Vegas, NV

March 31, 2014

RICH STAR DEVELOPMENT CORPORATION
(A DEVELOPMENT STAGE COMPANY)
BALANCE SHEETS

	December 31, 2013	December 31, 2012
Assets		
Current assets		
Cash	\$	\$
	-	-
Total current assets	-	-
Total assets	\$	\$
	-	-
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable	\$	\$
	550	422
Notes payable	57,967	35,338
Total current liabilities	58,517	35,760
Stockholders' deficit		
Common stock, \$0.001 par value, 75,000,000 shares authorized; 3,500,000 shares issued and outstanding, respectively	3,500	3,500
Additional paid in capital	104,127	100,296
Deficit accumulated during the development stage	(166,144)	(139,556)
Total stockholders' deficit	(58,517)	(35,760)
	\$	\$
Total liabilities and stockholders' deficit	-	-

See accompanying notes to financial statements.

RICH STAR DEVELOPMENT CORPORATION
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF OPERATIONS
UNAUDITED

	Twelve Months Ended		From May 29, 2009
	December 31, 2013	December 31, 2012	(Inception) to December 31, 2013
Operating expenses	\$	\$	\$
General and administrative expenses	22,757	23,759	160,017
Total operating expenses	22,757	23,759	160,017
Loss from operations	(22,757)	(23,759)	(160,017)
Interest expense	(3,831)	(2,296)	(6,127)
	\$	\$	\$
Net loss	(26,588)	(26,055)	(166,144)
Net loss per common share -	\$	\$	
basic and fully diluted	(0.01)	(0.01)	
Weighted average number of common shares outstanding during the period - basic and fully diluted	3,500,000	3,500,000	

See accompanying notes to financial statements.

RICH STAR DEVELOPMENT CORPORATION
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
UNAUDITED

	Common Stock Shares	Common Stock Amount	Additional Paid in Capital	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
Issuance of common stock					
for services at \$0.001 per share	1,500,000	1,500	-	-	1,500
Issuance of common stock for cash at \$0.05 per share	2,000,000	2,000	98,000	-	100,000
Net loss	-	-	-	(51,529)	(51,529)
Balance, December 31, 2009	3,500,000	3,500	98,000	(51,529)	49,971
Net loss	-	-	-	(34,882)	(34,882)
Balance, December 31, 2010	3,500,000	3,500	98,000	(86,411)	15,089
Net loss	-	-	-	(27,090)	(27,090)

Edgar Filing: RICH STAR DEVELOPMENT, CORP - Form 10-K

Balance, December 31, 2011	3,500,000	3,500	98,000	(113,501)	(12,001)
Imputed interest	-	-	2,296	-	2,296
Net loss	-	-	-	(26,055)	(26,055)
Balance, December 31, 2012	3,500,000	3,500	100,296	(139,556)	(35,760)
Imputed interest	-	-	3,831	-	3,831
Net loss	-	-	-	(26,588)	(26,588)
	\$	\$	\$	\$	
Balance, December 31, 2013	3,500,000	3,500	104,127	(166,144)	(58,517)

See accompanying notes to financial statements.

RICH STAR DEVELOPMENT CORPORATION
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF CASH FLOWS
UNAUDITED

	Twelve Months Ended		From May 29, 2009
	December 31, 2013	December 31, 2012	(Inception) to December 31, 2013
Cash flows from operating activities:			
	\$		\$
Net loss	(26,588)	(26,055)	(166,144)
Adjustments to reconcile net loss to net cash used in operating activities			
Imputed interest	3,831	2,296	6,127
Issuance of common stock for non-employee services	-	-	1,500
Changes in operating assets and liabilities:			
Accounts payable	128	(10,678)	550
Net cash used in operating activities	(22,629)	(34,437)	(157,967)
Cash flows from financing activities:			
Proceeds from notes payable	22,629	34,322	122,967
Repayments on notes payable	-	-	(65,000)
Proceeds from issuance of common stock	-	-	100,000
Net cash provided by financing activities	22,629	34,322	157,967
Net decrease in cash	-	(115)	-
Cash - beginning of period	-	115	-
	\$	\$	\$
Cash - end of period	-	-	-
Supplemental disclosure of cash flow information:			
Interest paid	\$	\$	\$

	\$	-	\$	-	\$	-
Income tax paid		-		-		-

See accompanying notes to financial statements.

RICH STAR DEVELOPMENT CORPORATION

(A DEVELOPMENT STAGE COMPANY)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

1. DESCRIPTION OF BUSINESS

Rich Star Development Corporation (the Company) was incorporated in the State of Nevada on May 29, 2009.

The Company is a wholesale distribution company that plans to import and source locally products in the food service business including food, paper products, janitorial products, restaurant utensils and equipment.

2.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accompanying financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Year-End - The Company has selected December 31 as its year end.

Development Stage Company - The Company's financial statements are presented as those of a development stage enterprise. Activities during the development stage primarily include negotiating distribution agreements and marketing the territory for product distribution outlets. The Company, while seeking to implement its business plan, will look to obtain additional debt and/or equity related funding opportunities. The Company has not generated any revenues since inception.

Use of Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Such estimates and assumptions have an impact on the fair value of share-based payments, estimates and the valuation allowance for deferred tax assets due to continuing and expected future operating losses.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from estimates.

Cash - The Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2013 and 2012, respectively.

The Company maintains cash balances at an institution that is insured by the Federal Deposit Insurance Corporation. As of December 31, 2013 no amounts were in excess of the federally insured program.

Fair Value of Financial Instruments - The Company adopted the FASB standard related to fair value measurement at inception. The standard defines fair value, establishes a framework for measuring fair value and expands disclosure of fair value measurements. The standard applies under other accounting pronouncements that require or permit fair value measurements and, accordingly, does not require any new fair value measurements. The standard clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. The recorded values of long-term debt approximate their fair values, as interest approximates market rates. As a basis for considering such assumptions, the standard established a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows.

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The Company's financial instruments are accounts payable and notes payable. The recorded values of accounts payable and notes payable approximate their fair values based on their short-term nature.

Share-based Compensation - The Company recognizes share-based compensation, including stock option grants, warrants, restricted stock grants and stock appreciation rights, at their fair value on the grant date. Share based payment awards issued to non-employees for services rendered are recorded at either the fair value of the services rendered or the fair value of the share-based payment, whichever is more readily determinable. Compensation expense is generally recognized on a straight-line basis over the service period.

Dividends - The payment of dividends by the Company in the future will be at the discretion of the Board of Directors and will depend on earnings, capital requirements and financial condition, as well as other relevant factors. The Company does not intend to pay any cash dividends in the foreseeable future but intend to retain all earnings, if any, for use in the business.

Earnings (Loss) per Share - Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during each period. Diluted earnings (loss) per share is computed by dividing net income (loss), adjusted for changes in income or loss that resulted from the assumed conversion of convertible shares, by the weighted average number of shares of common stock, common stock equivalents and potentially dilutive securities outstanding during the period.

The computation of basic and diluted loss per share for the periods presented is equivalent since the Company had continuing losses. The Company had no common stock equivalents as of December 31, 2013 or December 31, 2012.

Risks and Uncertainties - The Company's operations and future are dependent in a large part on its ability to develop its business model in a competitive market. The Company intends to operate in an industry that is subject to intense competition and change in consumer demand. The Company's operations are subject to significant risk and uncertainties including financial and operational risks and the potential risk of business failure. The Company's inability to meet its business plan and target customer demand may have a material adverse effect on its financial condition, results of operations and cash flows.

Income Taxes - Income taxes are accounted for under the asset and liability method. Deferred income tax assets and liabilities are established for temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities at tax rates expected to be in effect when such assets or liabilities are realized or settled. Deferred income tax assets are reduced by valuation allowances when necessary.

Assessing whether deferred tax assets are realizable requires significant judgment. The Company considers all available positive and negative evidence, including historical operating performance and expectations of future operating performance. The ultimate realization of deferred tax assets is often dependent upon future taxable income and therefore can be uncertain. To the extent the Company believes it is more likely than not that all or some portion of the asset will not be realized, valuation allowances are established against the Company's deferred tax assets, which increase income tax expense in the period when such a determination is made.

Income taxes include the largest amount of tax benefit for an uncertain tax position that is more likely than not to be sustained upon audit based on the technical merits of the tax position. Settlements with tax authorities, the expiration of statutes of limitations for particular tax positions, or obtaining new information on particular tax positions may cause a change to the effective tax rate. The Company recognizes accrued interest and penalties related to unrecognized tax benefits in the provision for income taxes on the statements of operations.

3. GOING CONCERN

As reflected in the accompanying financial statements, the Company had a net loss of \$26,588, net cash used in operations of \$22,629 and a working capital deficit and stockholders' deficit of \$58,517 at December 31, 2013. The Company had no revenues and incurred losses since inception resulting in a deficit accumulated during the development stage of \$166,144.

The Company anticipates that it will continue to generate losses from operations in the near future raising substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue its operations is dependent on Management's plans, which include the raising of capital through debt and/or equity markets until such time that funds provided by operations are sufficient to fund working capital requirements.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

4. NOTE PAYABLE

During the year ended December 31, 2009, the Company received stockholder advances in the amount of \$50,000 for general and administrative purposes. In January 2010, the stockholder advanced an additional \$15,000. In January 2010, the \$65,000 was repaid.

As of December 31, 2013, the stockholder advanced an additional \$57,967 for general working capital purposes. All advances are non-interest bearing, unsecured, and due on demand. See Note 7 for additional advances subsequent to

December 31, 2013. Imputed interest of \$3,831 was recorded to donated capital at 8% for the year ended December 31, 2013.

5. INCOME TAX

The Company had net operating loss carry forwards for income tax reporting purposes of \$166,144 and \$139,556 as of December 31, 2013 and 2012, respectively. These carry forwards may be used to offset against future taxable income and begin to expire in the year 2029. Current tax laws limit the amount of loss available to be offset against future taxable income when a substantial change in ownership occurs or a change in the nature of the business. Therefore, the amount available to offset future taxable income may be limited.

No tax benefit has been reported in the financial statements for the realization of loss carry forwards, as the Company believes there is high probability that the carry forwards will not be utilized in the foreseeable future. Accordingly, the potential tax benefits of the loss carry forwards are offset by a valuation allowance of the same amount.

Significant components of the Company's deferred tax liabilities and assets as of December 31, 2013 and 2012 are as follows:

	December 31, 2013	December 31, 2012
Deferred tax asset:		
Net operating loss	\$ 166,144	\$ 139,556
Income tax rate	35%	35%
	58,150	48,845
Less valuation allowance	(58,150)	(48,845)
Deferred tax asset	\$ -	\$ -

Through December 31, 2013, a valuation allowance has been recorded to offset the deferred tax assets related to the net operating losses.

6. STOCKHOLDERS' EQUITY (DEFICIT)

Stock Issued for Services - In August 2009, the Company issued 1,500,000 shares of common stock to its founders for pre-incorporation services, at \$0.001 per share having a fair value of \$1,500, based upon the fair value of the services rendered. The Company expensed this stock issuance as a component of general and administrative expense.

Stock Issued for Cash - In November 2009, under the terms of a private placement, the Company issued 2,000,000 shares of common stock at \$0.05 per share for total gross proceeds of \$100,000.

7. SUBSEQUENT EVENTS

As of March 31, 2014, the stockholder had advanced an additional \$8,190 for a total due of \$66,156.