

POKER MAGIC INC
Form N-8A
December 13, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-8A

NOTIFICATION OF REGISTRATION FILED PURSUANT TO SECTION 8(a) OF THE INVESTMENT COMPANY ACT OF 1940

The undersigned investment company hereby notifies the Securities and Exchange Commission that it registers under and pursuant to the provisions of Section 8(a) of the Investment Company Act of 1940 and in connection with such notification of registration submits the following information:

Name: MILL CITY VENTURES III, LTD.
(f/k/a Poker Magic, Inc.)

Address of Principal Business Office: 130 West Lake Street
(No. & Street, City, State, Zip Code) Suite 300
Wayzata, Minnesota 55391

Telephone Number (including area code): (952) 473-3442

Name and address of agent for service of process: Douglas Polinsky, *Chief Executive Officer*
Mill City Ventures III, Ltd.
130 West Lake Street
Suite 300
Wayzata, Minnesota 55391

With copies of notices and communications to: Paul D. Chestovich, Esq.
Maslon Edelman Borman & Brand, LLP
3300 Wells Fargo Center

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90 South Seventh Street
Minneapolis, Minnesota 55402

Check Appropriate Box:

Registrant is filing a Registration Statement pursuant to Section 8(b) of the Investment Company Act of 1940 concurrently with the filing of Form N-8A: Yes No

Item 1. Exact name of registrant.

Mill City Ventures III, Ltd. (f/k/a Poker Magic, Inc.)

Item 2. Name of state under the laws of which registrant was organized or created and the date of such organization or creation.

Registrant was organized under the laws of the State of Minnesota on January 10, 2006.

Item 3. Form of organization of registrant.

Registrant is a corporation.

Item 4. Classification of registrant.

Registrant is a management company.

Item 5. If registrant is a management company:

(a) State whether registrant is a “closed-end” company or an “open-end” company;

Registrant is a “closed-end” company.

(b) State whether registrant is registering as a “diversified” company or a “non-diversified” company.

Registrant is registering as a “non-diversified” company.

Item 6. Name and address of each investment adviser of registrant.

Not applicable.

Item 7. If registrant is an investment company having a board of directors, state the name and address of each officer and director of registrant.

Name and Principal Business Address	Position and Offices with Company
Douglas M. Polinsky 130 West Lake Street Suite 300 Wayzata, Minnesota 55391	Chairman and Chief Executive Officer
Joseph A. Geraci, II 900 IDS Center 80 South 8th Street Minneapolis, Minnesota 55402	Director and Chief Financial Officer

Item 8. If registrant is an unincorporated investment company not having a board of directors:

(a) State the name and address of each sponsor of registrant;

Not applicable.

(b) State the name and address of each officer and director of each sponsor of registrant;

Not applicable.

(c) State the name and address of each trustee and each custodian of registrant.

Not applicable.

Item 9. (a) State whether registrant is currently issuing and offering its securities directly to the public.

No.

(b) If the registrant is currently issuing and offering its securities to the public through an underwriter, state the name and address of such underwriter.

Not applicable.

(c) If the answer to Item 9(a) is “no” and the answer to Item 9(b) is “not applicable,” state whether registrant presently proposes to make a public offering of its securities.

Yes.

(d) State whether registrant has any securities currently issued and outstanding.

Yes.

(e) If the answer to 9(d) is “yes,” state as of a date not to exceed ten days prior to the filing of this notification of registration the number of beneficial owners of registrant’s outstanding securities (other than short term

paper) and the name of any company owning 10% or more of registrant's outstanding voting securities.

As of December 12, 2012, the registrant had approximately 278 beneficial owners and no company owned more than 10% of the registrant's outstanding voting securities.

Item 10. State the current value of registrant's total assets.

As of September 30, 2012, the value of registrant's total assets is \$88.

Item 11. State whether registrant has applied or intends to apply for a license to operate as a small business investment company under the Small Business Investment Act of 1958.

No.

Item 12. Attach as an exhibit a copy of the registrant's last regular periodic report to its securityholders, if any.

Attached as Exhibit 1 is the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012.

SIGNATURE

Pursuant to the requirements of the Investment Company Act of 1940, the registrant has caused this notification of registration to be duly signed on its behalf in the city of Minneapolis and state of Minnesota on the 13th day of December 2012.

Mill City Ventures III, Ltd.

/s/ Douglas Polinsky

Douglas Polinsky

Chief Executive Officer

Attest: /s/ Joseph A. Geraci, II

Joseph A. Geraci, II

Chief Financial Officer

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2012

OR

TRANSITION REPORT UNDER SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 0-16686

POKER MAGIC, INC.

(Exact name of registrant as specified in its charter)

Minnesota

(State or other jurisdiction of incorporation or organization)

20-4709758

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

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130 West Lake Street, Suite 300, Wayzata, MN

(Address of Principal Executive Offices)

(952) 473-3442

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed from last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

As of November 14, 2012 there were 1,090,930 shares of the issuer's common stock, \$0.001 par value, outstanding.

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PART I – FINANCIAL INFORMATION**Item 1. Financial Statements.**

Poker Magic, Inc.

(A Development Stage Company)

Balance Sheets

	September 30, 2012 (unaudited)	December 31, 2011 (audited)
ASSETS		
Current Assets		
Cash	\$ 88	\$ 22,817
Total Current Assets		22,817
Total Assets	\$ 88	\$ 22,817
Liabilities and Shareholders' Deficit		
Current Liabilities		
Accounts Payable	\$ 36,261	\$ 3,075
Accrued Royalty	619	619
Note Payable Related Party – short-term	-	213,675
Interest Payable	8,149	334
Total Current Liabilities	45,029	217,703
Long-Term Liabilities		
Note Payable Related Party – long-term	251,495	-
Total Long-Term Liabilities	251,495	-
Total Liabilities	296,524	217,703
Commitments and contingencies		
Shareholders' Deficit		
Common Stock, \$.001 par value: Authorized 250,000,000 shares:		
Issued and outstanding 1,090,930 and 1,043,657 shares on September 30, 2012 and December 31, 2011, respectively.	1,091	1,044
Additional paid-in capital	808,249	772,296

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Deficit accumulated during the development stage	(1,105,776)	(968,226)
Total Shareholders' Deficit	(296,436)	(194,886)
Total Liabilities and Shareholders' Deficit	\$ 88		\$ 22,817	

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

Poker Magic, Inc.

(A Development Stage Company)

Statements of Operations

(unaudited)

	Three months ended	Three months ended	Three months ended	Three months ended	Period from January 10, 2006 (inception) through September 30, 2012
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011	
Revenues	\$ -	\$ -	\$ -	\$ -	\$ 12,375
Cost of Revenues	-	-	-	-	61,800
Gross Loss	-	-	-	-	(49,425)
Operating Expenses: Selling, General and Administrative	53,288	23,952	116,915	88,131	1,008,910
Operating Loss	(53,288)	(23,952)	(116,915)	(88,131)	(1,058,335)
Other Income (Expense)					
Interest income	-	-	-	-	2,203
Interest expense	(7,545)	(5,190)	(20,635)	(13,476)	(49,644)
Total Other Income (Expense)	(7,545)	(5,190)	(20,635)	(13,476)	(47,441)
Net Loss	\$ (60,833)	(29,142)	(137,550)	(101,607)	\$ (1,105,776)
Basic and diluted net loss per common share	\$ (0.06)	(0.03)	(0.13)	(0.10)	\$ (1.36)
Weighted-average number of common shares outstanding	1,072,748	1,012,020	1,057,048	1,005,274	815,607

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

Poker Magic, Inc.

(A Development Stage Company)

Statements of Cash Flows

(unaudited)

	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011	Period from January 10, 2006 (inception) to September 30, 2012
Cash flows from operating activities:			
Net loss	\$ (137,550)	\$ (101,607)	\$ (1,105,776)
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization of intangible asset	-	-	38,599
Impairment of inventory and intangible assets	-	-	4,379
Common stock issued for services	-	-	6,500
Consulting service expense paid in stock	-	-	134,341
Officers compensation expense paid in stock	36,000	36,000	242,000
Officers compensation expense as contributed capital	-	-	50,000
Changes in operating assets and liabilities:			
Inventory	-	-	(871)
Prepaid expense	-	-	5,434
Accounts payable	33,186	(913)	36,261
Accrued royalty	-	-	619
Interest payable	20,635	13,475	49,644
Net cash used in operating activities	(47,729)	(53,045)	(538,870)
Cash flows from investing activities:			
Acquisition of Select Video assets	-	-	(17,000)
Net cash used in investing activities	-	-	(17,000)
Cash flows from financing activities:			
Proceeds from subscription receivable	-	-	14,000
Proceeds from issuance of common stock	-	-	426,000
Redemption of common stock	-	-	(91,667)
Proceeds from note payable related party	25,000	60,000	210,000
Payment of short-term debt	-	-	(2,375)
Net cash provided by financing activities	25,000	60,000	555,958

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Net increase (decrease) in cash	(22,729)	6,955	88
Cash, beginning of the period	22,817		3,081	-
Cash, end of the period	\$ 88		\$ 10,036	\$ 88

Non-cash investing and financing activities:

Acquisition of certain assets and liabilities of Select Video
in exchange for common stock

Inventory	\$ -	\$ -	\$ 750	
Intangible Asset	-	-	24,357	
Accounts Payable	-	-	(32,000)
Note Payable	-	-	(7,084)

Accrued interest converted into note payable	12,820		17,502	41,495
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Stock issued in lieu of cash for note payable