QUIKBYTE SOFTWARE INC
Form 10-Q
August 13, 2009

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2009
OR
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 number 000-52228
QUIKBYTE SOFTWARE, INC.
(Exact name of registrant as specified in its charter)

Colorado	**33-0344842**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

4400 Biscayne Boulevard
Suite 950
Miami, Florida 33137

(Address of principal executive offices)
(305) 573-4112

(Registrant s telephone number, including area code)

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

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 (§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 o No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated file 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. (Check one):

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

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.

The number of shares of the issuer s common stock, par value $0.0001 per share, outstanding as of August 3, 2009 was 11,073,946.

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements.

This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (PSLRA), Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended, (the Exchange Act), about our expectations, beliefs or intentions regarding our business, financial condition, results of operations, strategies or prospects. You can identify forward-looking statements by the fact that these statements do not relate strictly to historical or current matters. Rather, forward-looking statements relate to anticipated or expected events, activities, trends or results as of the date they are made. Because forward-looking statements relate to matters that have not yet occurred, these statements are inherently subject to risks and uncertainties that could cause our actual results to differ materially from any future results expressed or implied by the forward-looking statements. Many factors could cause our actual operations or results to differ materially from the operations and results anticipated in forward-looking statements. Details about the various risks affecting the Company may be found throughout this Quarterly Report on Form 10-Q, as well as in our Annual Report on Form 10-K for the year ended December 31, 2008. We do not undertake any obligation to update forward-looking statements. We intend that all forward-looking statements be subject to the safe harbor provisions of PSLRA. These forward-looking statements are only predictions and reflect our views as of the date they are made with respect to future events and financial performance.

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QuikByte Software, Inc.

Condensed Balance Sheets

	June 30, 2009 (Unaudited)	December 31, 2008 (Audited)
ASSETS		
Current Assets		
Cash	$ 291,674	$ 380,460
Prepaid expenses	510	14,064
Total Current Assets	292,184	394,524
Total Assets	**$ 292,184**	**$ 394,524**
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	$ 38,008	$ 2,332
Total Current Liabilities	38,008	2,332
Stockholders Equity		
Preferred stock, $0.0001 par value; 100,000,000 shares authorized, none issued and outstanding		
Common stock, $0.0001 par value; 500,000,000 shares authorized, 11,073,946 shares issued and outstanding	1,107	1,107
Additional paid-in capital	2,053,769	2,053,769
Accumulated deficit	(1,800,700)	(1,662,684)
Total Stockholders Equity	**254,176**	**392,192**
Total Liabilities and Stockholders Equity	**$ 292,184**	**$ 394,524**

See accompanying notes to condensed financial statements.

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QuikByte Software, Inc.

Condensed Statements of Operations
(Unaudited)

	For the Three Months Ended June 30, 2009	For the Three Months Ended June 30, 2008	For the Six Months Ended June 30, 2009	For the Six Months Ended June 30, 2008
Revenue	$	$	$	$
Operating Expenses				
Professional fees	65,357	5,194	109,830	18,354
General and administrative	14,421	240	28,784	240
Total Operating Expenses	79,778	5,434	138,614	18,594
Loss from Operations	(79,778)	(5,434)	(138,614)	(18,594)
Other Income				
Interest income	226		598	
Total Other Income	226		598	
Net Loss	$ **(79,552)**	$ **(5,434)**	$ **(138,016)**	**(18,594)**
Net Loss Per Share Basic and Diluted	$ **(0.01)**	$ **(0.00)**	$ **(0.01)**	$ **(0.00)**
Weighted average number of shares outstanding during the period basic and diluted	**11,073,946**	**7,930,246**	**11,073,946**	**7,930,246**

See accompanying notes to condensed financial statements.

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QuikByte Software, Inc.

Condensed Statements of Changes in Stockholders Equity (Deficit)
For the Six Months Ended June 30, 2009 (Unaudited)

	Common Stock		Additional Paid-In	Accumulated	Total Stockholders Equity
	Shares	**Amount**	**Capital**	**Deficit**	**Deficit**
Balances at December 31, 2008 (Audited)	11,073,946	$ 1,107	$ 2,053,769	$ (1,662,684)	$ 392,192
Net (loss), six months ended June 30, 2009 (unaudited)				(138,016)	(138,016)
Balances at June 30, 2009 (Unaudited)	**11,073,946**	$ **1,107**	$ **2,053,769**	$ **(1,800,700)**	$ **254,176**

See accompanying notes to condensed financial statements.

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QuikByte Software, Inc.

Condensed Statements of Cash Flows
(Unaudited)

	For the Six Months Ended June 30, 2009	2008
Cash Flows From Operating Activities		
Net Loss	$ (138,016)	$ (18,594)
Changes in operating assets and liabilities:		
(Increase) Decrease in:		
Prepaid expenses	13,554	
Increase (Decrease) in:		
Accounts payable and accrued expenses	35,676	(3,285)
Net Cash Used In Operating Activities	(88,786)	(21,879)
Net Decrease in Cash	(88,786)	(21,879)
Cash at Beginning of Period	380,460	21,879
Cash at End of Period	$ 291,674	$

See accompanying notes to condensed financial statements.

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QuikByte Software, Inc.
Notes to Condensed Financial Statements
June 30, 2009
(Unaudited)

Note 1. Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and the rules and regulations of the United States Securities and Exchange Commission for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all the information and footnotes necessary for a comprehensive presentation of financial position and results of operations.

In management s opinion, however, all material adjustments (consisting of normal recurring adjustments) have been made that are necessary for a fair financial statement presentation. The results for the interim period are not necessarily indicative of the results to be expected for the year.

For further information, refer to the audited financial statements and footnotes of the Company for the year ended December 31, 2008, included in the Company s Form 10-K.

Further, in connection with preparation of the consolidated condensed financial statements and in accordance with the recently issued Statement of Financial Accounting Standards (SFAS) No. 165, *Subsequent Events* (SFAS 165), the Company evaluated subsequent events after the balance sheet date of June 30, 2009 through the issuance date of August 7, 2009.

Note 2. Nature of Operations and Summary of Significant Accounting Policies

(A) Nature of Operations and Liquidity

QuikByte Software, Inc. (the Company) was incorporated under the laws of the State of Colorado on January 26, 1989 for the purpose of developing and marketing computer software. The Company was primarily engaged in developing Internet commerce solutions and products for businesses and consumers, and raising equity funding. The Company ceased operations in 1992 and has since remained inactive.

During the first quarter of fiscal year 2007, a change in control of the Company occurred that resulted in the resignation of the previously existing officers and directors of the Company (see Note 3).

During the third quarter of fiscal year 2008, a second change in control of the Company occurred that also resulted in the resignation of the then-existing officers and directors of the Company (see Note 3).

Since the change in control during the first quarter of fiscal year 2007, the Company has intended to serve as a vehicle to effect an asset acquisition, merger or business combination with a domestic or foreign business.

The accompanying financial statements have been prepared on the going concern basis, which assumes that the Company will continue to operate as a going concern and which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. As reflected in the accompanying financial statements, the Company has a net loss of $138,016 and net cash used in operations of $88,786 for the six months ended June 30, 2009. The Company also has an accumulated deficit of $1,800,700. The Company has positive working capital of $254,176 and management believes the Company has the ability to meet all obligations due over the course of the next twelve months. The Company has not generated any significant operating revenues since inception.

QuikByte Software, Inc.
Notes to Condensed Financial Statements
June 30, 2009
(Unaudited)

(B) Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the periods presented. Actual results may differ from these estimates.

(C) Cash and Cash Equivalents

For the purpose of the Statements of Cash Flows, the Company considers all highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents.

The Company minimizes its credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. The balance exceeded the federally insured limit by $41,674 and $138,222 at June 30, 2009 and December 31, 2008, respectively.

(D) Earnings per Share

Basic earnings (loss) per share is computed by dividing the net income (loss) less preferred dividends for the period by the weighted average number of shares outstanding. Diluted earnings (loss) per share is computed by dividing net income (loss) less preferred dividends by the weighted average number of shares outstanding, including the effect of share equivalents. At June 30, 2009 and 2008, respectively, the Company had no outstanding common stock equivalents.

(E) Income Taxes

The Company accounts for income taxes under the liability method in accordance with SFAS No. 109, *Accounting for Income Taxes* under this method, deferred income tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

We adopted the provisions of Financial Accounting Standards Board (FASB) Interpretation No. 48, *Accounting for Uncertainty in Income Taxes-An Interpretation of FASB Statement No. 109* (FIN 48). FIN 48 contains a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount, which is more than 50% likely of being realized upon ultimate settlement. We consider many factors when evaluating and estimating our tax positions and tax benefits, which may require periodic adjustments. At June 30, 2009 and December 31, 2008, respectively, we did not record any liabilities for uncertain tax position.

(F) Fair Value of Financial Instruments

The carrying amounts of the Company s short-term financial instruments, including prepaid expenses and accounts payable and accrued expenses, approximate fair value due to the relatively short period to maturity for these instruments.

(G) Segment Information

The Company follows SFAS No. 131, *Disclosures about Segments of an Enterprise and Related Information.* During 2009 and 2008, the Company only operated in one segment; therefore, segment information has not been presented.

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(Unaudited)

(H) Recent Accounting Pronouncements

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements, an amendment of Accounting Research Bulletin No 51* (SFAS 160). SFAS 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, changes in a parent s ownership of a noncontrolling interest, calculation and disclosure of the consolidated net income attributable to the parent and the noncontrolling interest, changes in a parent s ownership interest while the parent retains its controlling financial interest and fair value measurement of any retained noncontrolling equity investment. SFAS 160 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited. The adoption of SFAS 160 did not have a material effect on the Company s financial position, results of operations or cash flows.

In December 2007, the FASB issued SFAS 141R, *Business Combinations* (SFAS 141R), which replaces FASB SFAS 141, *Business Combinations* . SFAS 141R retains the fundamental requirements in SFAS 141 that the acquisition method of accounting be used for all business combinations and for an acquirer to be identified for each business combination. SFAS 141R defines the acquirer as the entity that obtains control of one or more businesses in the business combination and establishes the acquisition date as the date that the acquirer achieves control. SFAS 141R requires an entity to record separately from the business combination the direct costs, where previously these costs were included in the total allocated cost of the acquisition. SFAS 141R requires an entity to recognize the assets acquired, liabilities assumed, and any non-controlling interest in the acquired business at the acquisition date, at their fair values as of that date. This compares to the cost allocation method previously required by SFAS 141. SFAS 141R requires an entity to recognize an asset or liability at fair value for certain contingencies, either contractual or non-contractual, if certain criteria are met. Finally, SFAS 141R requires an entity to recognize contingent consideration at the date of acquisition, based on the fair value at that date. SFAS 141R is effective for business combinations completed on or after the first annual reporting period beginning on or after December 15, 2008. Early adoption of this standard is not permitted and the standards are to be applied prospectively only. Upon adoption of this standard, there would be no impact to the Company s results of operations and financial condition for acquisitions previously completed. The adoption of SFAS No. 141R did not have a material effect on the Company s financial position, results of operations or cash flows.

In March 2008, the FASB issued SFAS No. 161 *Disclosures about Derivative Instruments and Hedging Activities An Amendment of FASB Statement No. 133* (SFAS 161). SFAS 161 establishes the disclosure requirements for derivative instruments and for hedging activities with the intent to provide financial statement users with an enhanced understanding of the entity s use of derivative instruments, the accounting of derivative instruments and related hedged items under Statement 133 and its related interpretations, and the effects of these instruments on the entity s financial position, financial performance and cash flows. This statement is effective for financial statements issued for fiscal years and interim periods within those fiscal years beginning after November 15, 2008. The adoption of SFAS No. 161 did not have a material effect on the Company s financial position, results of operations or cash flows.

In April 2008, the FASB issued FASB Staff Position (FSP) SFAS No. 142-3, *Determination of the Useful Life of Intangible Assets* (FSP 142-3). FSP 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB SFAS No. 142, *Goodwill and Other Intangible Assets* (SFAS 142). The intent of FSP 142-3 is to improve the consistency between the useful life of a recognized intangible asset under SFAS 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS 141R and other GAAP. FSP 142-3 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited. The adoption of FSP 142-3 did not have a material effect on the Company s financial position, results of operations or cash flows.

In May 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles* (SFAS 162). SFAS 162 identifies the sources of accounting principles and the framework for selecting principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles in the United States. This statement is effective 60 days following the SEC s approval of the Public Company Accounting Oversight Board s amendments to AU section 411, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*. The Company is currently evaluating the impact of SFAS 162, but does not expect that the adoption of this pronouncement will have a material impact on its financial position, results of operations or cash flows.

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In May 2009, the FASB issued SFAS 165, the objective of which is to establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In particular, SFAS 165 sets forth: (i) the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, (ii) the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements and (iii) the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. In accordance with SFAS 165, an entity should apply the requirements to interim or annual financial periods ending after June 15, 2009. The adoption of SFAS 165 did not have a material impact on the Company s financial statements or condition.

In June 2009, the FASB issued SFAS 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles a replacement of FASB Statement No. 162* (SFAS 168). SFAS 168 provides for the FASB Accounting Standards Codification (the Codification) to become the single official source of authoritative, nongovernmental U.S. generally accepted accounting principles (GAAP). The Codification did not change GAAP but reorganizes the literature. SFAS 168 is effective for interim and annual periods ending after September 15, 2009.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies do not require adoption until a future date and are not expected to have a material impact on the financial statements upon adoption.

Note 3. Stock Purchase Agreements and Changes of Control

In the following discussion, all share amounts reflect a 1 for 20 reverse stock split effective as of March 16, 2007, and a 1 for 10 reverse stock split effected as of October 6, 2008.

On March 23, 2007, KI Equity Partners V, LLC, a Delaware limited liability company (KI Equity), acquired control of the Company under the terms of that certain Securities Purchase Agreement, dated March 2, 2007 (the 2007 Agreement), between the Company and KI Equity (the 2007 Transaction). Pursuant to the terms of the 2007 Agreement, the Company agreed to sell to KI Equity, and KI Equity agreed to purchase from the Company, 6,000,000 shares of the Company s common stock, par value $0.0001 per share (the Common Stock), for a purchase price of $600,000. Prior to the closing of the 2007 Transaction, the Company was controlled by Ponce Acquisition, LLC, a Colorado limited liability company (Ponce Acquisition). To the Company s knowledge, the source of funds for the 2007 Transaction was from the working capital of KI Equity. The proceeds from this sale were used to settle a variety of the Company s pre-existing liabilities.

Prior to the closing of the 2007 Transaction, Bruno Koch, J.B. Heidebrecht and Mark Nixon, each of whom was a former executive officer and director of the Company for all or a portion of the period commenced January 26, 1989 and ended on or about December 31, 1991 (collectively, the Former Principals) agreed to terminate any and all agreements and contracts with the Company and irrevocably release the Company from any and all debts, liabilities and obligations, pursuant to the terms and conditions of certain settlement agreements executed by the parties thereto. The Company paid the Former Principals, at the closing of the 2007 Transaction, an aggregate cash payment of $30,000. The Former Principals also cancelled, and returned to the Company, an aggregate of 245,000 shares of Common Stock.

Also prior to the closing of the 2007 Transaction, Ponce Acquisition agreed to cancel, and returned to the Company, an aggregate of 745,000 shares of Common Stock.

Effective as of the closing of the 2007 Transaction, in accordance with the terms of the 2007 Agreement, the then-existing officers and directors of the Company resigned, and Mr. Kevin R. Keating (Keating) was appointed the Chief Executive Officer, Chief Financial Officer, President, Secretary and Treasurer of the Company and a member of the board of directors of the Company (the Board), and Jeff L. Andrews and Margie L. Blackwell were appointed as members of the Board.

QuikByte Software, Inc.
Notes to Condensed Financial Statements
June 30, 2009
(Unaudited)

On June 2, 2008, KI Equity, at the time the largest holder of the Company s Common Stock, and Keating, who at the time was the Company s Chief Executive Officer, Chief Financial Officer, President, Secretary, Treasurer and a Director, entered into a Stock Purchase Agreement, as amended (the KI/Keating Purchase Agreement), with Mr. Glenn L. Halpryn, as agent for certain investors in the Company (the Investors), pursuant to which KI Equity and Keating agreed to sell to the Investors, and the Investors agreed to purchase from KI Equity and Keating, an aggregate of 6,910,000 shares of Common Stock (the KI/Keating Shares), for an aggregate purchase price of $926,273.

Also on June 2, 2008, the Investors entered into a Stock Purchase Agreement, as amended (the Garisch Purchase Agreement), with Garisch Financial, Inc., an Illinois corporation (Garisch), pursuant to which Garisch agreed to sell to the Investors, and the Investors agreed to purchase from Garisch, 550,000 shares of Common Stock (the Garisch Shares), for an aggregate purchase price of $73,727.

The closings of the transactions (the Change of Control Transaction) contemplated by the KI/Keating Purchase Agreement and the Garisch Purchase Agreement (the Closings) occurred simultaneously on July 7, 2008. At the time of the Closings, the KI/Keating Shares represented approximately 87% of the issued and outstanding shares of the Common Stock of the Company, and the Garisch Shares represented approximately 6.9% of the issued and outstanding shares of the Common Stock of the Company. To the Company s knowledge, the source of the purchase price for the KI/Keating Shares and the Garisch Shares was from the personal funds and the working capital of the Investors.

In connection with the Change of Control Transaction, the Company terminated that certain Management Agreement, dated as of March 26, 2007, as amended (the Management Agreement), by and between the Company and Vero Management, L.L.C., a Delaware limited liability company (Vero). The Company did not incur any termination penalties in connection with the termination of the Management Agreement. Under the terms of the Management Agreement, Vero provided the Company with managerial and administrative services in exchange for a monthly fee of $1,000.

Vero is owned and controlled by Keating, who, prior to the Change of Control Transaction, served as a director and the Chief Executive Officer, Chief Financial Officer, President, Treasurer and Secretary of the Company. Keating is the father of Mr. Timothy J. Keating, the managing member of Keating Investments, LLC. Keating Investments, LLC is the managing member of KI Equity, which, prior to the Change of Control Transaction, was the controlling shareholder of the Company.

Also on July 7, 2008, the Company terminated (i) those certain Registration Rights Agreements, dated March 23, 2007 and March 26, 2007, by and between the Company and KI Equity (the KI Equity Rights Agreements), (ii) that certain Registration Rights Agreement, dated March 26, 2007, by and between the Company and Keating (the Keating Rights Agreement), (iii) that certain Registration Rights Agreement, dated March 26, 2007, by and between Garisch and the Company (the Garisch Rights Agreement , collectively, with the KI Equity Rights Agreements and the Keating Rights Agreement, the Rights Agreements), and (iv) that certain Consulting Agreement, dated March 26, 2007, by and among the Company, KI Equity and Garisch, pursuant to which Garisch provided certain financial consulting services to the Company. The Rights Agreements granted certain demand and piggyback registration rights to KI Equity, Keating and Garisch. The Rights Agreements and the Consulting Agreement were terminated as a condition to the closing of the Change in Control Transaction. The Company did not incur any termination penalties in connection with the termination of the Rights Agreements or the Consulting Agreement.

Pursuant to the terms of the KI/Keating Purchase Agreement and effective upon the Closings, Keating resigned from his positions as the Chief Executive Officer, Chief Financial Officer, President, Secretary and Treasurer of the Company, and Keating, Jeff Andrews and Margie Blackwell (the Existing Directors) resigned from their positions as the directors of the Company. Also pursuant to the terms of the KI/Keating Purchase Agreement, the Existing Directors (i) amended the Bylaws of the Company in order to increase the size of the Board from three directors to five directors, (ii) appointed Mr. Glenn L. Halpryn, Mr. Alan Jay Weisberg, Mr. Noah M. Silver, Dr. Curtis Lockshin and Mr. Ronald Stein as the directors of the Company (the New Directors), effective upon the Closings, and (iii) appointed Mr. Glenn L. Halpryn to serve as the President and Chief Executive Officer of the Company, effective upon the Closings. Subsequent to the Closings, the New Directors appointed Mr. Noah M. Silver as the Vice President, Secretary and Treasurer of the Company and Mr. Alan Jay Weisberg as the Chief Financial and Accounting Officer of the Company.

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June 30, 2009
(Unaudited)

On July 7, 2008, after the closing of the Change of Control Transaction, the Company issued 3,143,700 shares of its Common Stock for an aggregate offering price of $562,500. There were no underwriting discounts or commissions associated with the transaction and the shares of Common Stock were issued pursuant to the private placement exemption provided by Section 4(2) of the Securities Act and Rule 506 promulgated thereunder. As of July 7, 2008, after giving effect to the issuance of the 3,143,700 shares of Common Stock as discussed above, a total of 11,073,946 shares of Common Stock were issued and outstanding.

Note 4. Stockholders Equity

In the following discussion, except for the discussion of the Company s authorized shares, all share amounts reflect a 1 for 20 reverse stock split of the Company s Common Stock effective as of March 16, 2007 and a 1 for 10 reverse stock split of the Company s Common Stock effected as of October 6, 2008.

On January 31, 2007, the Company issued 750,000 shares of its Common Stock to Ponce Acquisition for $15,000.

On March 2, 2007, the Company amended its Articles of Incorporation to reduce its authorized capital stock. The amendment reduced the authorized Common Stock from 500,000,000 shares, with a par value of $0.0001 per share, to 250,000,000 shares, with a par value of $0.0001 per share. The amendment also reduced the authorized preferred stock from 100,000,000 shares, with a par value of $0.0001 per share, to 2,000,000 shares, with a par value of $0.0001 per share.

The amendment also provided for a 1-for-20 reverse stock split of the Company s Common Stock outstanding on March 16, 2007. All share and per share amounts were retroactively restated at that time.

On March 21, 2007, a total of 990,000 shares of Common Stock were cancelled and retired.

On March 21, 2007, the Company issued 6,000,000 shares of Common Stock for $600,000.

On March 26, 2007, the Company issued 750,000 shares of Common Stock for $75,000.

On March 26, 2007, the Company issued 710,000 shares of Common Stock for $71,000.

On July 7, 2008, the Company issued an aggregate of 3,143,700 shares of Common Stock for $562,500.

On October 6, 2008, the Company amended its Articles of Incorporation to increase its authorized capital stock. The amendment increased the authorized Common Stock from 250,000,000 shares, with a par value of $0.0001 per share, to 500,000,000 shares, with a par value of $0.0001 per share. The amendment also increased the authorized preferred stock from 2,000,000 shares, with a par value of $0.0001 per share, to 100,000,000 shares, with a par value of $0.0001 per share.

The amendment also provided for a 1-for-10 reverse stock split of the Company s Common Stock outstanding on October 6, 2008. All share and per share amounts were retroactively restated at that time.

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(Unaudited)

Note 5. Subsequent Event

On July 14, 2009, the Company entered into a Merger Agreement (the Merger Agreement) by and among the Company, Sorrento Therapeutics, Inc., a Delaware corporation (Sorrento), Sorrento Merger Corp., Inc., a Delaware corporation and wholly-owned subsidiary of the Company (Merger Sub), Stephen Zaniboni, as Stockholders Agent thereunder, and Glenn Halpryn, as Parent Representative thereunder. Upon the satisfaction or waiver of the conditions set forth in the Merger Agreement, the Company will acquire Sorrento via a merger whereby Merger Sub will be merged with and into Sorrento (the Merger) with Sorrento continuing as the surviving entity in the Merger and as a wholly-owned subsidiary of the Company. At the effective time of the Merger, all of the issued and outstanding shares of Sorrento common stock will be converted into the right to receive shares of the Company s Common Stock. Following consummation of the Merger, the Company s primary business will be that of Sorrento s, and the Company anticipates that it will no longer be a shell company. The closing of the Merger is subject to, among other conditions, the Company s receipt of an aggregate investment of $2 million from certain investors (the Investors) in exchange for shares of the Company s Common Stock. The Company anticipates that among the Investors will be affiliates of Glenn Halpryn, Chairman of the Board, President and Chief Executive Officer of the Company, and Steven Jerry Glauser, a holder of more than 5% of the Company s Common Stock. Proceeds from these investments are expected to be used to fund the Company s general working capital and post-Merger research and development activities.

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Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations.

QuikByte Software, Inc. (the Company), currently acts as a vehicle to investigate and, if such investigation warrants, acquire a target company or business seeking the perceived advantages of being a publicly held corporation. Currently, the Company is a shell company as defined in Rule 12b-2 of the Exchange Act. The Company s principal business objective for the next 12 months and beyond will be to achieve potential long-term growth through a combination with a business, rather than immediate, short-term earnings.

As described in Note 5 to the accompanying Condensed Financial Statements, subsequent to the period covered by this Quarterly Report, the Company entered into a Merger Agreement with Sorrento Therapeutics, Inc., a privately-held company with a proprietary platform technology for the generation of fully human monoclonal antibodies. Upon the satisfaction or waiver of the conditions set forth in the Merger Agreement, the Company will acquire Sorrento via a merger whereby Merger Sub will be merged with and into Sorrento with Sorrento continuing as the surviving entity in the Merger and as a wholly-owned subsidiary of the Company. Following consummation of the Merger, the Company s primary business will be that of Sorrento s, and the Company anticipates that it will no longer be a shell company.

In the event that the Company does not effectuate the Merger, the Company will resume its search for a target company with which to merge or to complete a business combination. The Company will not restrict its potential candidate target companies to any specific business, industry or geographical location and, thus, may acquire any type of business.

In any transaction, including the Merger, the Company s shareholders will retain a percentage ownership interest in the post-transaction company. The amount of the retained equity ownership of its shareholders will be negotiated by the Company s management and the target company.

The Company anticipates that it will be able to complete only one potential business combination because of its nominal assets and limited financial resources. The Company also believes that it will require additional capital from time to time to be able to support its reporting obligations and maintenance of its corporate status and to fund any business combination expenses. The Company anticipates receiving a capital infusion of $2 million during the next quarter as a condition to the closing of the Merger, if the Merger is consummated.

The Company currently does not have any relevant operating business, revenues from operations or assets.

There is no assurance that the Company will be able to effectuate the Merger, or, in the event that it does not effectuate the Merger, find another business opportunity, or that it will be able to complete a business combination.

Plan of Operations

The Company s Plan of Operations is based on identifying and attracting a suitable company that has both a business history and operating assets, with which to effect a business combination. The Company has not restricted its search to any specific business, industry or geographical location, and may participate in a business venture of virtually any kind or nature. As previously noted, subsequent to the period covered by this Quarterly Report, the Company entered into a Merger Agreement with Sorrento.

In the event that the Company does not effectuate the Merger, the Company will resume its search for a target company with which to merge or to complete a business combination. The Company may seek a business combination with entities which have recently commenced operations, or wish to utilize the public marketplace in order to raise additional capital in order to expand into new products or markets, to develop a new product or service, or for other corporate purposes. The Company may acquire assets and establish wholly-owned subsidiaries in various businesses or acquire existing businesses as subsidiaries.

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The Company anticipates that the selection of a business opportunity, including the Merger, will be complex and extremely risky. The Company s management believes that there are many entities seeking the benefits of merging with or being acquired by an issuer which has complied with the reporting requirements of the Exchange Act. Such benefits may include facilitating or improving the terms on which additional equity financing may be sought, providing incentive stock options or similar benefits to key employees, and providing liquidity (subject to restrictions of applicable statutes and regulations) for shareholders. Potentially, available business opportunities may occur in many different industries and at various stages of development, all of which will make the task of comparative investigation and analysis of such business opportunities extremely difficult. The Company has, and will continue to have, limited capital with which to provide the owners of business opportunities with any significant cash or other assets upon consummation of a transaction. However, if the Merger is not consummated, management believes the Company will be able to offer owners of acquisition candidates the opportunity to acquire a controlling ownership interest in an issuer who has complied with the reporting requirements of the Exchange Act without incurring the cost and time required to conduct an initial public offering.

The analysis of new business opportunities has been, and if necessary will continue to be, undertaken by, or under the supervision of, the officers and directors of the Company. Management concentrated on preliminarily identifying business opportunities through current associations of the Company s officers and directors and shareholders, and if necessary intends to continue to do so in the future. The Company may engage financial advisors and investment banking firms to assist it in identifying and analyzing potential business opportunities. Due to the limited financial resources of the Company, it is likely that these advisors and firms will be compensated on a success basis, in the form of cash and the Company s stock. The Company has not engaged financial advisors or investment banking firms in connection with the Merger. Officers and directors of the Company expect to interview and/or meet personally with management and key personnel of the business opportunity as part of their investigation and did so in the course of the Merger. To the extent possible, the Company intends to utilize written reports and personal investigation to evaluate the above factors, including such reports and investigations prepared by its financial advisors.

In analyzing potential business opportunities, the Company s management has considered, and if necessary will continue to consider, such matters as the available technical, financial and managerial resources; working capital and other financial requirements; history of operations, if any; prospects for the future; nature of present and expected competition; the quality and experience of management services which may be available and the depth of that management; the potential for further research, development or exploration; specific risk factors not now foreseeable but which then may be anticipated to impact the proposed activities of the Company; the potential for growth or expansion; the potential for profit; the public recognition of acceptance of products, services or trades; name identification; and other relevant factors.

The Company has entered into the Merger Agreement with Sorrento and anticipates completing the Merger during the third quarter of 2009. In the event that the Company does not complete the Merger, in implementing a structure for another particular business acquisition, the Company may become a party to a merger, consolidation, reorganization, joint venture, or licensing agreement with another corporation or entity. The Company may alternatively purchase the capital stock or the operating assets of an existing business.

During the next twelve months the Company anticipates incurring costs related to:

(i) filing of Exchange Act reports, and

(ii) costs relating to consummating the Merger or another acquisition.

The Company currently does not engage in any business activities that provide cash flow. The Company believes it will be able to meet these costs for at least the next 12 months through use of funds in its treasury, through deferral of fees by certain service providers and additional amounts, as necessary, to be loaned to or invested in the Company by its shareholders, management or other investors. The Company anticipates receiving a capital infusion of $2 million during the next quarter as a condition to the closing of the Merger, if the Merger is consummated.

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Any target business that is selected may be a financially unstable company or, like Sorrento, an entity in its early stages of development or growth without established records of sales or earnings. Alternatively, a target business may require substantial capital for the further development of its operations. In that event, and in the case of the Merger, the Company will be subject to numerous risks inherent in the business and operations of financially unstable and early stage or potential emerging growth companies. In addition, the Company may effect a business combination with an entity in an industry characterized by a high level of risk, and, although the Company s management will endeavor to evaluate the risks inherent in a particular target business, there can be no assurance that the Company will properly ascertain or assess all significant risks.

Results of Operations

Operating Results for the Three Months Ended June 30, 2009 and 2008

For the three months ended June 30, 2009 and 2008 the Company had no activities that produced revenues from operations.

For the three months ended June 30, 2009, the Company had a net loss of $(79,552) as compared to a net loss of $(5,434) for the corresponding period in 2008. For the three months ended June 30, 2009, the Company incurred $79,778 of operating expenses, primarily comprised of legal, accounting, audit and other professional service fees incurred in relation to the filing of the Company s Report on Form 10-Q for the period ended March 31, 2009 filed in May 2009, as well as additional legal fees related to the Merger described in Note 5 to the accompanying Condensed Financial Statements.

For the three months ended June 30, 2008, the Company had a net loss of $(5,434). For the three months ended June 30, 2008, the Company incurred $5,434 of operating expenses, primarily comprised of legal, accounting, audit and other professional service fees incurred in relation to the filing of the Company s Report on Form 10-Q for the period ended March 31, 2008 filed in May 2008.

Operating Results for the Six Months Ended June 30, 2009 and 2008

For the six months ended June 30, 2009 and 2008 the Company had no activities that produced revenues from operations.

For the six months ended June 30, 2009, the Company had a net loss of $(138,016) as compared to a net loss of $(18,594) for the corresponding period in 2008. For the six months ended June 30, 2009, the Company incurred $138,614 of operating expenses, primarily comprised of legal, accounting, audit and other professional service fees incurred in relation to the filing of the Company s Report on Form 10-K for the year ended December 31, 2008 filed March 2009 and Report on Form 10-Q for the period ended March 31, 2009 filed in May 2009, and a re-audit of the Company s financial statements for the fiscal year ended December 31, 2007, as well as additional legal fees related to the Merger described in Note 5 to the accompanying Condensed Financial Statements.

For the six months ended June 30, 2008, the Company had a net loss of $(18,594). For the six months ended June 30, 2008, the Company incurred $18,594 of operating expenses, primarily comprised of legal, accounting, audit and other professional service fees incurred in relation to the filing of the Company s Report on Form 10-KSB for the year ended December 31, 2007 filed March 2008 and Report on Form 10-Q for the period ended March 31, 2008 filed in May 2008.

Liquidity and Capital Resources

As of June 30, 2009, the Company had assets equal to $292,184. The Company s current liabilities as of June 30, 2009 were $38,008.

The Company has generated minimal revenues since inception. At June 30, 2009 the Company had cash of $291,674. The Company believes it has sufficient funds to cover its expenses and to execute its business plan of seeking a combination with a private operating company. The Company anticipates receiving a capital infusion of $2 million during the next quarter as a condition to the closing of the Merger described in Note 5 to the accompanying Condensed Financial Statements, if the Merger is consummated.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company s financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Contractual Obligations

As a smaller reporting company as defined by Item 10 of Regulation S-K, the Company is not required to provide this information.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As a smaller reporting company as defined by Item 10 of Regulation S-K, the Company is not required to provide information required by this Item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in company reports filed or submitted 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 in the Company s reports filed under the Exchange Act is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

As of June&n