FORM 10KSB

Annual and transition reports of small business issuers [Section 13 or 15(d), not S-B Item 405]

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FILER

EDG CAPITAL INC
CIK:**869709**| IRS No.: **113023098** | State of Incorp.:**NY** | Fiscal Year End: **0630**
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SIC: **6770** Blank checks

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

FORM 10-KSB

(Mark one)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the fiscal year ended June 30, 1999

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from ________ to _________

Commission file number 33-37674-NY

EDG CAPITAL, INC.
(Exact name of registrant as specified in its charter)

New York	11-3023098
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

23 Great Rock Drive Wading River, NY	11792
(Address of principal executive offices)	Zip Code

Issuer's telephone number (516) 929-4011

Securities registered under Section 12(b) of the Exchange Act:

Title of each class	Name of each exchange on which registered
N/A	N/A

Securities registered under Section 12(g) of the Exchange Act:

None
(Title of class)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 [X] No [_]

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will 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-KSB or any amendment to this Form 10-KSB. [X]

State issuer's revenues for its most recent fiscal year. Zero.

State the aggregate market value of the voting stock held by non affiliates computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within the past 60 days. (See definition of an affiliate in Rule 12b-2 of the Exchange Act.) Zero. (According to the National Quotation Bureau, Inc. there are no published quotations for the issuer's Common Stock.)

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date. 182,500 shares of Common Stock, $.001 par value, outstanding as of September 9, 1999.

DOCUMENTS INCORPORATED BY REFERENCE - None

PART I

Item 1. Description of Business.

General

EDG Capital, Inc. (the "Company" or the "Registrant") was organized as a New York corporation on August 13, 1990 for the purpose of investing in any and all types of assets, properties and businesses. It has not engaged in any business operations. The Company, which is commonly known as a "blind pool" or "blank check", will attempt to acquire a business in an industry as yet undetermined. The Company presently has no specified type of business contemplated to be acquired.

In connection with its initial capitalization, the Registrant issued 12,500 shares of its Common Stock to its officers and directors for the aggregate sum of $2,500. In furtherance of its corporate purpose, on November 11, 1991, the Registrant closed its initial public offering of 50,000 Units at a price of $1.00 per Unit. Each Unit consisted of one share of Common Stock, one Class "A" Common Stock Purchase Warrant, and one Class "B" Common Stock Purchase Warrant. The Warrants, which entitled the holders to purchase additional Common Stock at $5.00 and $10.00, respectively, have expired. To obtain additional working capital, in each of September 1997, March 1998, and June 1999, the Company raised $10,000 from the sale of 40,000 shares of its Common Stock at a price of $.25 per share.

The Registrant is seeking the acquisition of or merger with an existing company ("Potential Business Acquisitions"). Given the limited assets of the Registrant, it is likely to acquire or merge with a company which is not seeking immediate substantial amounts of cash but one which desires to establish a public trading market for its shares. However, within the next six months the Company may seek to raise additional funds to augment its cash on hand, which also could be used for the benefit of any Business Acquisition seeking an immediate cash infusion. There can be no assurance that the Company's financing efforts, if any, will be successful.

There are numerous reasons why an existing privately-held company would seek to become a public company through a merger or acquisition rather than doing its own public offering. Such reasons include avoiding the time delays involved in a public

offering; retaining a larger share of voting control of the publicly-held company; reducing the cost factors incurred in becoming a public company; and avoiding any dilution requirements set forth under various states' blue sky laws.

The Registrant does not propose to restrict its search for Potential Business Acquisitions to any particular industry or any particular geographic area and may, therefore, engage in essentially any business to the extent of its limited resources.

It is anticipated that knowledge of Potential Business Acquisitions will be made known to the Registrant by various sources, including its officers and directors, shareholders, professional advisors such as attorneys and accountants, securities broker-dealers, venture capitalists, members of the financial community, and others who may present unsolicited proposals. In certain circumstances, the Registrant may agree to pay a finder's fee or to otherwise compensate such persons for services rendered in bringing about a transaction. However, no cash finder's fee shall be paid to any officer or director of the Registrant or their affiliates or associates. The amount of any such finder's fee or other compensation which may be paid to such persons for services rendered in bringing about a transaction is subject to future negotiation between the Registrant, the entity to be acquired and the finder.

Selection of Opportunities

The analysis of new business opportunities has and will be undertaken by or under the supervision of the officers and directors of the Registrant, none of whom is a professional business analyst or has any previous training or experience in business analysis or in selecting or hiring business analysts. The Registrant has, since the date of the closing of its public offering, considered potential acquisition transactions with several companies but as of this date has not entered into any definitive agreement with any party. The Registrant has unrestricted flexibility in seeking, analyzing and participating in Potential Business Opportunities. In its efforts to analyze potential acquisition targets, the Registrant will consider the following kinds of factors:

(a) Potential for growth, indicated by new technology, anticipated market expansion or new products;

(b) Competitive position as compared to other firms of similar size and experience within the industry segment as well as within the industry as a whole;

(c) Strength and diversity of management, either in place or scheduled for recruitment;

(d) Capital requirements and anticipated availability of required funds, to be provided by the Registrant or from operations, through the sale of additional securities, through joint ventures or similar arrangements or from other sources;

(e) The cost of participation by the Registrant as compared to the perceived tangible and intangible values and potentials;

(f) The extent to which the business opportunity can be advanced;

(g) The accessibility of required management expertise, personnel, raw materials, services, professional assistance and other required items; and

(h) other relevant factors.

In applying the foregoing criteria, no one of which will be controlling, management will attempt to analyze all factors in the circumstances and make a determination based upon reasonable investigative measures and available data. 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 and complex. Due to the Registrant's limited capital available for investigation and management's limited experience in business analysis, the Registrant may not discover or adequately evaluate adverse facts about the opportunity to be acquired.

Form of Acquisition

The manner in which the Registrant participates in an opportunity will depend upon the nature of the opportunity, the respective needs and desires of the Registrant and the promoters of the opportunity, and the relative negotiating strength of the Registrant and such promoters.

It is likely that the Registrant will acquire its participation in a business opportunity through the issuance of common stock or other securities of the Registrant. Although the terms of any such transaction cannot be predicted, it should be noted that in certain circumstances the criteria for determining whether or not an acquisition is a so-called "tax free" reorganization under Section 368(a)(1) of the Internal Revenue Code of 1986, as amended, depends upon the issuance to the shareholders of the acquired company of at least 80 percent of the common stock of the combined entities immediately following the reorganization. If a transaction were structured to take advantage of these provisions rather than other "tax free" provisions provided under the Internal Revenue Code, all prior shareholders would in such circumstances retain 20% or less of the total issued and outstanding shares. This could result in substantial additional dilution to the equity of those who were shareholders of the Registrant prior to such reorganization.

The present shareholders of the Registrant will likely not have control of a majority of the voting shares of the Registrant following a reorganization transaction. As part of such a transaction, all or a majority of the Registrant's directors may resign and new directors may be appointed without any vote by shareholders.

In the case of an acquisition, the transaction may be accomplished upon the sole determination of management without any vote or approval by shareholders. In the case of a statutory merger or consolidation, it will likely be necessary to call a shareholders' meeting and obtain the approval of the holders of a majority of the outstanding shares. The necessity to obtain such shareholder approval may result in delay and additional expense in the consummation of any proposed transaction and will also give rise to certain appraisal rights to dissenting shareholders. Most likely, management will seek to structure any such transaction so as not to require shareholder approval.

It is anticipated that the investigation of specific business opportunities and the negotiation, drafting and execution of relevant agreements, disclosure documents and other instruments will require substantial management time and attention and substantial costs for accountants, attorneys and others. If a decision is made not to participate in a specific business opportunity, the costs theretofore incurred in the related investigation would not be recoverable. Furthermore, even if an

agreement is reached for the participation in a specific business opportunity, the failure to consummate that transaction may result in the loss to the Registrant of the related costs incurred.

Acquisition Restrictions

The Company does not intend to pursue any business opportunity or transaction which would render it an "investment company" as the term is defined in the Investment Company Act of 1940. In this regard, the Company has not engaged and does not intend to engage in the business of (1) investing, reinvesting, or trading in securities as its primary business, (2) issuing face amount certificates of the installment type or (3) investing, reinvesting, owning, holding, or trading in securities. Being deemed an "investment company" under such Act, without registration as such, could result in certain instances in civil liability and criminal penalties to controlling persons of, as well as civil liabilities and unenforceability of contracts with regard to, the Company.

The Company has not engaged and does not intend nor have authority to engage in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities for compensation nor as a part of its regular business to issue or promulgate analyses or reports concerning securities. The Company does not intend, nor does it have any authority, to pursue any course of business which would render it an "investment advisor" as that term is defined in the Investment Advisors Act of 1940.

Daily Operations and Employees

To date, the Company has had no, and until an active business is commenced or acquired the Company will have no, employees or day-to-day operations. Management is unable to make any estimate as to the future number of employees which may be necessary, if any, to work for the Company. If an existing business is acquired it is possible that its existing staff would be hired by the Company. At the present time it is the intention of management to meet or be in telephone contact as needed to review business opportunities, evaluate potential acquisitions and otherwise operate the affairs of the Company. Management will not be compensated for these services rendered on behalf of the Company.

Item 2. Description of Property.

The Company has entered into an oral arrangement with Linda Green, President, Secretary, Treasurer and a Director of the Company, providing for her to furnish the use of a portion of her home as a temporary office for the Company until such time it needs additional facilities. The Company does not pay rent for the use of such temporary facilities.

Item 3. Legal Proceedings.

There are no material pending legal proceedings to which the Company is a party or to which any of its property is subject and no such proceedings are known to the Company to be threatened or contemplated by or against it.

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

No matters were submitted to a vote of security holders during the fiscal year covered by this Report.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters.

Market Information

There is no public market for the Company's securities.

Holders

As of September 9, 1999, there were 35 record holders of the Company's Common Stock.

Common Stock

The Company is authorized to issue 50,000,000 shares of Common Stock, par value $.001 each. As of September 9, 1999 there were 182,500 such shares issued and outstanding. Holders of shares of Common Stock are entitled to one vote for each share held. There are no preemptive, subscription, conversion or redemption rights pertaining to the shares. Holders of the shares of Common Stock

are entitled to receive such dividends as may be declared by the Board of Directors out of assets legally available therefor and to share ratably in the assets of the Company available upon liquidation.

The holders of shares of Common Stock do not have the right to cumulate their votes in the election of directors and, accordingly, the holders of more than 50% of all such shares outstanding can elect all of the directors. Remaining shareholders will not be able to elect any directors.

Dividends

The Company has not paid cash dividends to date and intends to retain earnings, if any, for use in its activities. Payment of cash dividends in the future will be wholly dependent upon the Board of Directors and upon the Company's earnings, financial condition, capital requirements and other factors deemed relevant by them. It is not likely that cash dividends will be paid in the foreseeable future.

In the event of the acquisition of or merger with a business by the Company, control of the Company and its Board of Directors may pass to others. In that event, the payment of dividends would be wholly dependent upon such persons.

Item 6. Management's Discussion and Analysis or Plan of Operation.

(a) Plan of Operation

The Registrant was formed August 13, 1990 for the purpose of investing in any and all types of assets, properties and businesses. In connection with the initial capitalization of the Company a total of 12,500 shares of its common stock were issued to its officers and directors for the aggregate sum of $2,500. On June 12, 1991, the United States Securities and Exchange Commission granted effectiveness to a Registration Statement on Form S-18 for an offering of 50,000 Units of Common Stock and Warrants to purchase shares of Common Stock at a price of $1.00 per Unit. The offering was closed in November, 1991. To obtain additional working capital, in each of September 1997, March 1998, and June 1999, the Company raised $10,000 from the sale of 40,000 shares of its Common Stock at a price of $.25 per share.

The Registrant is implementing its plan of operation by seeking to locate a suitable company which desires to go public through a "reverse acquisition" with it. Although no assurance can be given, the Company believes its cash on hand will satisfy its cash requirements until it effects such an acquisition. However, depending on how long it takes to implement its plan of operations the Company may seek to raise additional funds to augment its cash on hand, which could also be used for the benefit of any company it acquires or with which it merges. There can be no assurance that the Company's financing efforts will be successful. The Company's plan of operation is further described in Item 1 hereof.

(b) Management's Discussion and Analysis of Financial Condition and Results of Operations

Since inception the Registrant has not any business operations, and its activities have been limited to the sale of its securities and the search for a company to acquire through a "reverse acquisition". The Registrant will not have any business operations until, if ever, such time as it effects such an acquisition or merger. Accordingly, no operating income has been generated by the Registrant since its inception.

For the years ended June 30, 1998 and 1999, the Company had a net loss of ($13,332) and ($8,166), respectively, or ($.12) and ($.06) per share, respectively. From inception to June 30, 1999, the Company had a net loss of ($61,395), or ($.86) per share. Such losses are attributable primarily to costs associated with being subject to the reporting requirements of federal securities laws and the Company's attempts to identify and acquire a business.

Item 7. Financial Statements.

Index to Financial Statement

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[LETTERHEAD]

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders of
EDG Capital, Inc.

We have audited the accompanying balance sheets of EDG Capital, Inc. (a development stage company) as of June 30, 1999 and 1998, and the related statements of operations, stockholders' equity and cash flows for the years ended June 30, 1999, 1998 and 1997 and for the period August 13, 1990 (inception) to June 30, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 EDG Capital, Inc. (a development stage company) as of June 30, 1999 and 1998 and the results of its operations and its cash flows for the years ended June 30, 1999, 1998, 1997 and for the period August 13, 1990 (inception) to June 30, 1999 in conformity with generally accepted accounting principles.

Lake Success, New York
September 1, 1999

EDG CAPITAL, INC.
(A DEVELOPMENT STAGE COMPANY)
BALANCE SHEET
JUNE 30

	1999	1998
ASSETS		
CURRENT ASSETS		
Cash	$ 9,338	$ 8,291
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Accrued expenses	$ 2,880	$ 3,667
TOTAL LIABILITIES	2,880	3,667
STOCKHOLDERS' EQUITY		
Common stock, $.001 par value 50,000,000 shares authorized, 182,500 and 142,500 shares issued and outstanding	183	143
Capital in excess of par value	67,670	57,710
Deficit accumulated during development stage	(61,395)	(53,229)
TOTAL STOCKHOLDERS' EQUITY	6,458	4,624
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 9,338	$ 8,291

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

EDG CAPITAL, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF STOCKHOLDERS' EQUITY

<TABLE>
<CAPTION>

	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	Deficit Accumulated During Development Stage	Total Stockholders' Equity
<S> <C> <C>	<C>	<C>	<C>	<C>	<C>
Balance, August 13, 1990 (inception)	0	$ 0	$ 0	$ 0	$ 0
Issuance of shares to Officer and Directors of the Company for cash August 13, 1990	12,500	13	2,487	0	2,500
Net loss from inception to June 30, 1991	0	0	0	(2,163)	(2,163)
Public offering of common stock and warrants	50,000	50	49,950	0	50,000
Offering costs	0	0	(14,647)	0	(14,647)
Net loss for the year ended June 30, 1992	0	0	0	(4,977)	(4,977)
Net loss for the year ended June 30, 1993	0	0	0	(4,750)	(4,750)
Net loss for the year ended June 30, 1994	0	0	0	(5,297)	(5,297)
Net loss for the year ended June 30, 1995	0	0	0	(6,165)	(6,165)
Net loss for the year ended June 30, 1996	0	0	0	(6,938)	(6,938)

Balance, June 30, 1996	62,500	63	37,790	(30,290)	7,563
Net loss for the year ended June 30, 1997	0	0	0	(9,607)	(9,607)
Balance, June 30, 1997	62,500	63	37,790	(39,897)	(2,044)
Issuance of shares, private placement, September 11, 1997	40,000	40	9,960	0	10,000
Issuance of shares, private placement, March 2, 1998	40,000	40	9,960	0	10,000
Net loss for the year ended June 30, 1998	0	0	0	(13,332)	(13,332)
Balance, June 30, 1998	142,500	143	57,710	(53,229)	4,624
Issuance of shares, private placement, June 11, 1999	40,000	40	9,960	0	10,000
Net loss for the year ended June 30, 1999	0	0		(8,166)	(8,166)
Balance, June 30, 1999	182,500	$ 183	$ 67,670	$(61,395)	$ 6,458

</TABLE>

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

EDG CAPITAL, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF OPERATIONS

<TABLE>
<CAPTION>

<S>	FOR THE YEARS ENDED JUNE 30 1999 <C>	1998 <C>	1997 <C>	FROM INCEPTION AUGUST 13, 1990 TO JUNE 30, 1999 <C>
REVENUE				
Interest	$ 0	$ 0	$ 78	$ 2,419
EXPENSES				
Miscellaneous	0	17	65	431
Office	0	0	0	2,431
Professional	5,942	11,726	8,396	50,118
Filing and transfer fees	1,844	1,209	853	7,145
TOTAL	7,786	12,952	9,314	60,125
LOSS BEFORE INCOME TAXES	(7,786)	(12,952)	(9,236)	(57,706)
INCOME TAXES	380	380	371	3,689
NET LOSS	$ (8,166)	$ (13,332)	$ (9,607)	$ (61,395)
LOSS PER SHARE				
Net loss per share	$ (.06)	$ (.12)	$ (.15)	$ (.86)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	144,692	107,870	62,500	71,514

</TABLE>

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

EDG CAPITAL, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF CASH FLOWS

<TABLE>
<CAPTION>

	FOR THE YEARS ENDED JUNE 30 1999	1998	1997	FROM INCEPTION AUGUST 13, 1990 TO JUNE 30, 1999
<S>	<C>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	$ (8,166)	$(13,332)	$ (9,607)	$(61,395)
(Decrease) increase in accrued expenses	(787)	1,179	(466)	2,880
NET CASH USED BY OPERATING ACTIVITIES	(8,953)	(12,153)	(10,073)	(58,515)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of common stock	40	80	0	183
Paid in capital	9,960	19,920	0	82,317
Offering costs	0	0	0	(14,647)
NET CASH PROVIDED BY FINANCING ACTIVITIES	10,000	20,000	0	67,853
NET INCREASE (DECREASE) IN CASH	1,047	7,847	(10,073)	9,338
BEGINNING CASH BALANCE	8,291	444	10,517	0
ENDING CASH BALANCE	$ 9,338	$ 8,291	$ 444	$ 9,338
SUPPLEMENTAL CASH FLOWS INFORMATION				
Income taxes paid	$ 380	$ 388	$ 404	

</TABLE>

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

EDG CAPITAL, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999, 1998, 1997

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization business activity and dividend policy

The Company was incorporated under the laws of the State of New York on August 13, 1990. The Company is in the development stage and has not commenced planned principal operations. The Company is seeking the acquisition of, or merger with an existing Company. The fiscal year of the corporation is June 30. The Company has, at the present time, not paid any dividends and any dividends that may be paid in the future will depend upon the financial requirements of the Company and other relevant factors.

Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates and assumptions.

Related party

The Company entered into an oral arrangement with the President of the Company providing for the use of a portion of her home as a temporary office until such time as the Company needs additional facilities. The Company does not pay rent for the use of such facilities.

Cash and cash equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Income taxes

As of June 30, 1999, the Company had a $61,395 net operating loss carryforward available to offset future taxable income through 2007.

NOTE 2: CAPITAL STOCK

On September 11, 1997, March 2, 1998 and June 11, 1999 the Company completed private placements, each for 40,000 common shares, par value $.001. The total proceeds of each private placement was $10,000. These funds were raised to provide working capital.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

N/A

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act.

The following table sets forth certain information concerning the current directors and executive officers of the Company, who have served since the inception of the Company and will serve for one year or until their respective successors are elected and have qualified:

NAME	AGE	POSITION
Linda Green	55	President, Secretary, Treasurer and Director
Seth Green	30	Director

Linda Green has been the Secretary and a Director of the Company since August 1990 and President and Treasurer since January 6, 1997. Mrs. Green has owned and operated Cards and Critters South, a Hallmark Card and Gift Shop, from 1986 until September 1996. From September 1996 until February 1997 she was employed as a store manager for Bruce Allen Bags, Riverhead, New York. From 1981 to 1983, she was employed as a personnel manager and cash office supervisor for Filenes Department Store, a New York based department store. Mrs. Green attended National College of Education for one year.

Seth Green has been a Director of the Company since August 1990. He has been employed as a manager of Cards and Critters South, a card and gift shop owned by Linda Green, his mother, since 1986. Mr. Green also attended Dowling College during 1990.

Linda Green is the mother of Seth Green.

The Company has no significant employees.

Item 10. Executive Compensation.

No officer or director of the Company has received remuneration from the Company in fiscal 1999 or prior years, and it is not anticipated that remuneration will be paid prior to the

Company's acquisition of a business. The Company has no current intent to issue shares of its common stock to management in connection with a Business Acquisition. However, the Company may subsequently deem the issuance of shares to management for services rendered in connection with such an Acquisition to be fair and reasonable to the Company and its public shareholders in light of the services rendered. In the event any shares are issued for services rendered by management they shall be issued in such an amount as the Board of Directors deems fair and reasonable to the Company and its public shareholders and in compliance with management's fiduciary duties under state law. Officers and directors will be reimbursed for actual out-of-pocket expenses incurred on behalf of the Company as approved by the Board of Directors.

Item 11. Security Ownership of Certain Beneficial Owners and Management.

The following table sets forth certain information as to the number of shares of the Company's Common Stock deemed to be owned beneficially by each person known by the Registrant to be deemed to be the beneficial owner of more than 5% of the outstanding Common Stock, each of its executive officers and directors, and all of its executive officers and directors as a group, at September 9, 1999. Except as indicated in the footnotes to this table, the Company believes that the named persons have sole voting and investment power with respect to the shares indicated:

Name and Address of Beneficial Owner	Position With Company	Number of Shares	Percentage of Class
Linda Green(1) 23 Great Rock Drive Wading River, NY 11792	President, Secretary, Treasurer and Director	12,000(2)	7%
Seth Green(1) 23 Great Rock Drive Wading River, NY 11792	Director	500	*
Edwin Green 23 Great Rock Drive Wading River, NY 11792		12,000(2)	7
Lawrence E. Kaplan(1) 17 Riverview Terrace Smithtown, NY 11787		100,000	58
Andrew M. Kaplan(1) 18 Wayside Lane Lloyd Harbor, NY 11743		20,000	11
Executive Officers and Directors as a Group (2 Individuals)		12,500(2)	7

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* Less than one percent.

(1) These individuals may be deemed "parents" and the promoters of the Registrant as those terms are defined in the Rules and Regulations promulgated under the Securities Act of 1933, as amended.

(2) Includes 6,000 shares owned by the spouse of the named shareholder, as to which the named shareholder disclaims beneficial ownership.

Item 12. Certain Relationships and Related Transactions

No member of management nor controlling shareholder has had any transactions with the Company during its past fiscal year, nor proposes any such transactions, in which the amount involved exceeds $60,000.

In connection with its initial capitalization, the Company sold 12,500 shares of its Common Stock to its founding shareholders for an aggregate consideration of $2,500 in cash.

In September 1997, the Company sold 20,000 shares at a price of $.25 per share to each of Lawrence E. Kaplan and Andrew M. Kaplan (who are not related) for $5,000 in cash ($10,000 in total). In April 1998, the Company sold 40,000 shares at a price of $.25 per share to Lawrence E. Kaplan for $10,000 in cash.

In June 1999, the Company sold an additional 40,000 shares to Lawrence E. Kaplan for $.25 each for $10,000 in cash.

Agreement for Clerical Services - Promoter. In fiscal 1994 the Company retained Stanley Kaplan Management Consultants, Inc. ("SKMC") to provide clerical and bookkeeping services to the Registrant for a fee of $50.00 per month. The agreement between Mr. Kaplan and the Company was oral and was terminable at will by either party. SKMC terminated such agreement effective November 23, 1994. Stanley A. Kaplan, the president and sole shareholder of SKMC, referred the Company to its legal counsel and auditor. Mr. Kaplan is not a parent or control party of the Company. (Mr. Kaplan is the father of Andrew M. Kaplan, who purchased 19% of the Company's Common Stock in September 1997.) Inasmuch as Mr. Kaplan offered certain advice to management in connection with the formation of the Company, he may be deemed a "promoter" of the Company as that term is defined in Rule 405 of

Regulation C as promulgated by the Securities and Exchange Commission.

Mr. Kaplan has been the president and sole shareholder of SKMC, an accounting firm, for at least the past ten years. Since January 1987, Mr. Kaplan has also been an officer and director of Gro-Vest, Inc., a management consulting firm.

On August 12, 1994, Mr. Kaplan settled, without admitting or denying any allegations, a civil action brought against him by the Securities and Exchange Commission relating to Atratech, Inc. The action charged Mr. Kaplan with certain violations of the Securities Act of 1933 and the Securities Exchange Act of 1934 (the "Exchange Act"). As part of the settlement, Mr. Kaplan was permanently restrained and enjoined from future violations of the securities laws and was permanently barred from acting as an officer or director of any issuer that has a class of securities registered under Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act.

The Company neither had nor has any written or oral agreement or understanding with Mr. Kaplan or SKMC regarding his services or participation in connection with future mergers or acquisitions. Mr. Kaplan's firm had been retained solely to provide clerical and bookkeeping services. If Mr. Kaplan becomes aware of a merger or acquisition possibility he may or may not refer such possibility to the Company's management for consideration. If Mr. Kaplan becomes aware of a merger or acquisition possibility and refers it to the Company, the Company's management will review such merger or acquisition possibility in the same manner and with the same efforts as it reviews merger and acquisition possibilities referred to it by other persons. The Company may agree to pay a finder's fee to any non-management "finder", including Mr. Kaplan, in connection with an acquisition or merger. Although there is no current intent, agreement, understanding or expectation to do so, there exists the possibility that the Company may ultimately acquire or merge with a business or property in which Mr. Kaplan or his affiliates or associates have a beneficial interest. There is no business or property in which Mr. Kaplan or his affiliates or associates have a beneficial interest which is under consideration by the Company as a potential acquisition or merger candidate.

Item 13. Exhibits and Reports on Form 8-K.

(a) Exhibits.

3(i) Certificate of Incorporation - incorporated by reference to Exhibit 3.1 to Registration Statement on Form S-18 (SEC File No. 33-37674-NY)

3(ii) By-Laws - incorporated by reference to Exhibit 3.2 to Registration Statement on Form S-18 (SEC File No. 33-37674-NY)

27 Financial Data Schedule

(b) No reports on Form 8-K were filed during the last quarter of the period covered by this report.

SIGNATURES

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

EDG CAPITAL, INC.
(Registrant)

By /s/ Linda Green
Linda Green
Principal Executive Officer and
Principal Financial Officer

Date: September 10, 1999

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ Linda Green
Linda Green
Director

Date: September 10, 1999

/s/ Seth Green
Seth Green
Director

Date: September 10, 1999

Supplemental Information to be Furnished With Reports Filed Pursuant to Section 15(d) of the Exchange Act By Non-reporting Issuers

(1) No annual report to security holders covering the registrant's last fiscal year; and

(2) No proxy statement, form of proxy or other proxy soliciting, material has been sent to more than ten of the registrant's security holders with respect to any annual or other meeting of security holders.

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This schedule contains summary financial information extracted from EDG Capital, Inc. financial statements for the year ended June 30, 1999 and is qualified in its entirety be reference to such financial statements.
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