

SECURITIES AND EXCHANGE COMMISSION

FORM 10QSB

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d)

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FILER

HERCULES ACQUISITION CORP

CIK: **1122113** | IRS No.: **522257555** | State of Incorp.: **DE** | Fiscal Year End: **1231**
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Mailing Address

*C/O CASSIDY & ASSOCIATES
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WASHINGTON DC 20009*

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2023875400*

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended
June 30, 2001

or

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 0-31401

HERCULES ACQUISITION CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of organization)

52-2257555
(I.R.S. Employer incorporation
Or Identification No.)

1504 R Street, N.W., Washington, D.C. 20009
(Address of principal executive offices (zip code))

202/387-5400
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the last 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 the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date.

Class	Outstanding at June 30, 2001
Common Stock, par value \$0.0001	1,000,000

PART I -- FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

HERCULES ACQUISITION CORPORATION
(A Development Stage Company)
As of June 30, 2001

(Unaudited)

<TABLE>
<CAPTION>

ASSETS	
Cash	\$ 100

TOTAL ASSETS	\$ 100
	=====
LIABILITIES AND STOCKHOLDER'S EQUITY	
LIABILITIES	\$ -

STOCKHOLDER'S EQUITY	
Preferred Stock, \$.0001 par value, 20,000,000 shares authorized, none issued and outstanding	-
Common Stock, \$.0001 par value, 100,000,000 shares authorized, 1,000,000 issued and outstanding	100
Additional paid-in capital	535
Deficit accumulated during development stage	(535)

Total Stockholder's Equity	100

TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$100
	=====

</TABLE>

See accompanying notes to financial statements

HERCULES ACQUISITION CORPORATION
(A Development Stage Company)
Statement of Operations
(Unaudited)

<TABLE>
<CAPTION>

For the Six Months Ended June 30, 2001	For the Six Months Ended June 30, 2000	For the 3-Months Ended June 30, 2001	For the 3-Months Ended June 30, 2000	March 24, 1999 (Inception) to June 30, 2001

<S>	<C>	<C>	<C>	<C>	<C>
Income	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses					
Organization expense	-	-	-	-	535
	-----	-----	-----	-----	-----
Total expenses	-	-	-	-	535
	-----	-----	-----	-----	-----
NET LOSS	-	-	-	-	(535)
	=====	=====	=====	=====	=====

</TABLE>

See accompanying notes to financial statements

HERCULES ACQUISITION CORPORATION
(A Development Stage Company)
Statement of Changes in Stockholder's Equity
For the Period From March 24, 1999 (Inception)
To June 30, 2001
(Unaudited)

<TABLE>

<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>
	Common Stock Issued Shares	Amount	Additional Paid-In Capital	Deficit Accumulated During Development Stage	Total
Common Stock Issuance	1,000,000	\$ 100	\$ -	\$ -	\$ 100
Fair value of expenses contributed	-	-	535	-	535
Net loss for the periods ended:					
December 31, 1999	-	-	-	(535)	(535)
December 31, 2000	-	-	-	-	-
June 30, 2001	-	-	-	-	-
BALANCE AT					
June 30, 2001	1,000,000	\$ 100	\$535	\$ (535)	\$ 100

</TABLE>

See accompanying notes to financial statements

<TABLE>

<CAPTION>

HERCULES ACQUISITION CORPORATION

(A Development Stage Company)
 Statements of Cash Flows
 Unaudited

	January 1, 2001 to June 30, 2001 <C>	January 1, 2000 to June 30, 2000 <C>	March 24, 1999 (Inception) to June 30, 2001 <C>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ -	\$ -	\$ (535)
Adjustment to reconcile net loss to net cash used by operating activities			
Contributed expenses	-	-	535
	-----	-----	-----
Net cash used in operating activities	-	-	-
	-----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES			
	-	-	-
	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of common stock	-	-	100
	-----	-----	-----
Net cash provided by financing activities	-	-	100
	-----	-----	-----
INCREASE IN CASH AND CASH EQUIVALENTS	-	-	100
CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD	100	100	-
	-----	-----	-----
CASH AND CASH EQUIVALENTS END OF PERIOD	\$ 100	100	\$ 100
	=====	=====	=====

</TABLE>

See accompanying notes to financial statement.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Business Operations

Hercules Acquisition Corporation (a development stage company) ("the Company") was incorporated in Delaware on March 24, 1999 to serve as a vehicle to effect a merger, exchange of capital stock, asset acquisition or other business combination with a

domestic or foreign private business. At June 30, 2001 the Company had not yet commenced any formal business operations, and all activity to date relates to the Company's formation. The Company's fiscal year end is December 31.

The Company's ability to commence operations is contingent upon its ability to identify a prospective target business.

B. Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Cash and Cash Equivalents

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

D. Income Taxes

The Company accounts for income taxes under the Financial Accounting Standards Board of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("Statement 109"). Under Statement 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under Statement 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. There were no current or deferred income tax expense or benefits due to the Company not having any material operations for the period ending June 30, 2001.

NOTE 2 STOCKHOLDER'S EQUITY

A. Preferred Stock

The Company is authorized to issue 20,000,000 shares of preferred stock at \$.0001 par value, with such designations, voting and other rights and preferences as may be determined from time to time by the Board of Directors.

B. Common Stock

The Company is authorized to issue 100,000,000 shares of common stock at \$.0001 par value. The Company issued 1,000,000 shares of its common stock to Pierce Mill Associates, Inc. pursuant to Section 4(2) of the Securities Act of 1933 for an aggregate consideration of \$100.

C. Additional Paid-In Capital

Additional paid-in capital at June 30, 2001 represents the fair value of the amount of organization and professional costs incurred by related parties on behalf of the Company. (See Note 3)

NOTE 3 AGREEMENT

On April 1, 1999, the Company signed an agreement with Rock Creek Capital Corporation ("Rock Creek"), a related entity (See Note 4). The Agreement calls for Rock Creek to provide the following services, without reimbursement from the Company, until the Company enters into a business combination as described in Note 1A:

1. Preparation and filing of required documents with the Securities and Exchange Commission.
2. Location and review of potential target companies.
3. Payment of all corporate, organizational, and other costs incurred by the Company.

NOTE 4 RELATED PARTIES

Legal counsel to the Company is a firm owned by a director of the Company who also owns 100% of the outstanding stock of Pierce Mill Associates and Rock Creek. (See Note 3)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company will attempt to locate and

negotiate with a business entity for the combination of that target company with the Company. The combination will normally take the form of a merger, stock-for-stock exchange or stock-for-assets exchange (the "business combination"). In most instances the target company will wish to structure the business combination to be within the definition of a tax-free reorganization under Section 351 or Section 368 of the Internal Revenue Code of 1986, as amended. No assurances can be given that the Company will be successful in locating or negotiating with any target business.

The Company has not restricted its search for any specific kind of businesses, and it may acquire a business which is in its preliminary or development stage, which is already in operation, or in essentially any stage of its business life. It is impossible to predict the status of any business in which the Company may become engaged, in that such business may need to seek additional capital, may desire to have its shares publicly traded, or may seek other perceived advantages which the Company may offer.

In implementing a structure for a particular business acquisition, the Company may become a party to a merger, consolidation, reorganization, joint venture, or licensing agreement with another corporation or entity.

It is anticipated that any securities issued in any such business combination would be issued in reliance upon exemption from registration under applicable federal and state securities laws. In some circumstances, however, as a negotiated element of its transaction, the Company may agree to register all or a part of such securities immediately after the transaction is consummated or at specified times thereafter. If such registration occurs, it will be undertaken by the surviving entity after the Company has entered into an agreement for a business combination or has consummated a business combination. The issuance of additional securities and their potential sale into any trading market which may develop in the Company's securities may depress the market value of the Company's securities in the future if such a market develops, of which there is no assurance.

The Company will participate in a business

combination only after the negotiation and execution of appropriate agreements. Negotiations with a target company will likely focus on the percentage of the Company which the target company shareholders would acquire in exchange for their shareholdings. Although the terms of such agreements cannot be predicted, generally such agreements will require certain representations and warranties of the parties thereto, will specify certain events of default, will detail the terms of closing and the conditions which must be satisfied by the parties prior to and after such closing and will include miscellaneous other terms. Any merger or acquisition effected by the Company can be expected to have a significant dilutive effect on the percentage of shares held by the Company's shareholders at such time.

The Company has entered into an agreement with Rock Creek Capital Corporation to supervise the search for target companies as potential candidates for a business combination. The agreement will continue until such time as the Company has effected a business combination. Rock Creek Capital Corporation has agreed to pay all expenses of the Company until such time as a business combination is effected, without repayment. James M. Cassidy, the sole officer and director of the Company, is the sole officer, director and beneficial shareholder of Rock Creek Capital Corporation.

The Company does not anticipate expending funds itself for locating a target company. James M. Cassidy, the officer and director of the Company, provides his services without charge or repayment. The Company will not borrow any funds to make any payments to the Company's management, its affiliates or associates. If Rock Creek Capital Corporation stops or becomes unable to continue to pay the Company's operating expenses, the Company may not be able to timely make its periodic reports required under the Exchange Act nor to continue to search for an acquisition target. In such event, the Company would seek alternative sources of funds or services, primarily through the issuance of its securities.

Rock Creek Capital Corporation may only locate potential target companies for the Company and is not authorized to enter into any agreement with a potential target company binding the Company. Rock Creek Capital Corporation may

provide assistance to target companies incident to and following a business combination, and receive payment for such assistance from target companies. The agreement with Rock Creek Capital Corporation is not exclusive and the Company may enter into similar agreements with other persons or entities.

The Board of Directors has passed a resolution which contains a policy that the Company will not seek a business combination with any entity in which the Company's officer, director, shareholders or any affiliate or associate serves as an officer or director or holds any ownership interest.

PART II -- OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There are no legal proceedings against the Company and the Company is unaware of such proceedings contemplated against it.

On June 4, 2001, without admitting or denying any wrongdoing, James M. Cassidy, the sole director and executive officer of the Company, and TPG Capital Corporation, a corporation controlled by Mr. Cassidy, consented to the issuance of an order by the Securities and Exchange Commission to cease and desist from committing or causing any violation and any future violation of Section 10(b) of the Securities Exchange Act of 1934 ("1934 Act") and Rule 10b-5 thereunder and from causing any violation and future violation of Section 13(a) of the 1934 Act and Rules 13a-13 and 12b-20 thereunder in connection with arranging reverse mergers between reporting companies that they controlled and issuers facing possible delisting from the NASD Over-The-Counter Bulletin Board.

Specifically, the Securities and Exchange Commission said that Mr. Cassidy and TPG had filed amended registration statements for five reporting companies that wrongly stated that the companies were not engaged in negotiations with specific entities regarding a possible business combination. Three of these companies also filed periodic reports under the 1934 Act, which the Securities and Exchange Commission said wrongly stated that they were not engaged in merger negotiations. TPG Capital Corporation also agreed

to consent, without admitting or denying any wrongdoing, to the payment of a civil penalty.

ITEM 2. CHANGES IN SECURITIES

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF
SECURITY HOLDERS

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

(b) Reports on Form 8-K

There were no reports on Form 8-K filed by the Company during the quarter.

SIGNATURES

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

HERCULES ACQUISITION CORPORATION

By: James M. Cassidy
/s/ President

Dated: August 1, 2001