TRUCEPT INC.

A Nevada corporation

Quarterly Report

September 30, 2014

Item I **The exact name of the Issuer and its predecessors (if any)**

"TRUCEPT INC." since January 3, 2013
Smart-Tek Solutions, Inc. since 2005
"Smart-Tek Solutions Inc." since 2005

Item 2 **The Issuers principal place of office:**

18881 Von Karman Avenue, Suite 1440
Irvine, CA 92612
Phone: (858) 798-1644
Fax: (858) 277-5379
State of Incorporation: Nevada, March 22, 1995

Item 3 **Security Information**

Common Stock
Symbol: TREP
CUSIP: 89778T 109

The number of shares or total amount of the securities outstanding for each class of securities authorized:

Period end date: September 30, 2014

Common Stock

i) as of September 30, 2014
ii) 500,000,000 authorized
iii) 60,262,123 issued and outstanding
iv) 24,012,517 freely tradable shares
v) 3 beneficial shareholders
vi) 385 shareholders of record

Preferred Stock

i) as of September 30, 2014
ii) 5,000,000 authorized
iii) 0 issued and outstanding

Period end date: December 31, 2013

Common Stock

i) as of December 31, 2013
ii) 500,000,000 authorized
iii) 50,262,123 issued and outstanding
iv) 24,012,695 freely tradable shares
v) 1 beneficial shareholder
vi) 386 shareholders of record

Preferred Stock

i) as of December 31, 2013
ii) 5,000,000 authorized
iii) 0 issued and outstanding

Transfer Agent:

Corporate Stock Transfer Inc.
3200 Cherry Creek Drive South, Suite 4300
Denver, CO 80209
Office: 303-282-4800
Fax: 303-282-5800

Registered under the Exchange Act and regulated by the SEC.

Item 4 Issuance History

In February 2013 Trucept issued 1,050,000 restricted shares of common stock valued at an aggregate of $5,250.

Item 5 Financial Statements

TRUCEPT INC.
Financial Statements
September 30, 2014 and December 31, 2013

Trucept, Inc.
Consolidated Balance Sheets
As of September 30, 2014 and December 31, 2013

	September 30, 2014	December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	**$ -**	$ -
Accounts receivable, net	**591,721**	28,809
Due from related parties	**7,003,082**	10,148,286
Prepaid expenses and deposits	**606,978**	946,855
Total current assets	**8,201,781**	11,123,950
Equipment, net of accumulated depreciation	**58,427**	57,781
Prepaid workers compensation	**9,181,652**	**7,691,852**
Goodwill	**476,356**	476,356
Total Assets	**$ 17,918,217**	$ 19,346,939
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable and accrued liabilities	**$ 1,004,308**	$ 807,392
Accrued payroll taxes	**30,555,335**	31,799,320
Accrued workers compensation	**1,440,547**	1,495,149
Note payable to related party	**500,000**	500,000
Total current liability	**33,500,190**	34,601,861
Other long-term liabilities	-	-
Total liabilities	**33,500,190**	34,601,861
Stockholders' Deficit		
Preferred stock: $0.001 par value, 5,000,000 shares authorized, zero shares issued and outstanding at December 31, 2013 and 2012	-	-
Common stock: $0.001 par value, 500,000,000 shares authorized, 50,262,123 issued and outstanding at December 31, 2013 and 49,212,123 at December 31, 2012	**50,262**	50,262
Additional paid in capital	**7,276,146**	7,276,145
Accumulated deficit	**(22,908,380)**	(22,578,329)
Total stockholders' deficit	**(15,581,973)**	(15,251,922)
Total liabilities and stockholders' deficit	**$ 17,918,217**	$ 19,349,939

See accompanying notes to the consolidated financial statements.

Trucept, Inc.
(Formerly Smart-tek Solutions Inc.)
Consolidated Statements of Operations and Comprehensive Loss
For the Nine Months Ended September 30, 2014

	2014	2013
Revenue	$ 3,989,564	$ 11,050,744
Cost of revenue and service delivery	2,470,690	6,887.338
Gross profit	1,518,874	4,163,405
Selling, general and administrative expenses	2,094,574	3,753,071
Operating loss	(575,700)	410,334
Other income (expense)		
Interest expense	(10,000)	(867)
Tax penalties	(2,963)	(1,078)
Legal settlement	-	-
Other income	258,612	-
Total other (expense)/income	245,649	(1,945)
Net Income	(330,050)	408,389
Comprehensive loss	$ (330,050)	$ 408,389
Net loss per share of common stock, basic and diluted	$ (0.01)	$ 0.01
Weighted average shares of common stock outstanding, basic and diluted	50,262,123	49,915,969

See accompanying notes to the consolidated financial statements.

Trucept, Inc.
(Formerly Smart-tek Solutions Inc.)
Consolidated Statements of Changes in Stockholders' Deficit
For the Period Ended September 30, 2014

	Common Stock		Additional Paid in	Accumulated	
	Shares	Amount	Capital	Deficit	Total
Balance - December 31, 2012	49,212,123	$49,212	$7,271,945	(22,078,760)	(14,757,603)
Shares – based compensation	1,050,000	1,050	4,200	-	5,250
Net loss	-	-	-	(499,569)	(499,569)
Balance - December 31, 2013	49,212,123	$50,262	$7,276,145	($22,578,329)	($15,251,922)
Net Income			-	(330,051)	(330,0501)
Balance – June 30, 2014	50,262,123	$50,262	$7,276,145	($22,908.380)	($15,581,973)

See accompanying notes to the consolidated financial statements.

Trucept, Inc.
(Formerly Smart-tek Solutions Inc.)
Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2014

	2014
Operating Activities	
Net loss	($ 330,050)
Adjustments to reconcile net loss to cash provided by (used in) operating activities	
Depreciation and amortization	-
Share based compensation expense	-
Miscellaneous assets	-
Provision for doubtful accounts	-
Changes in operating assets and liabilities	
Accounts receivable (decrease)	(562,912)
Due from related parties	3,145,204
Payable to related parties	
Prepaid expenses and deposits	339,877
Prepaid worker compensation expense	(1,489,800)
Accrued workers compensation	(54,602)
Accounts payable and accrued liabilities	196,914
Net cash provided by (used in) operating activities	1,244,631
Investing activities	
Purchase of equipment	(646)
Net cash provided by investing activities	(646)
Financing activities	
Due to related party	-
Payroll taxes payable	(1,243,985)
Payments of long-term payable	-
Net cash used in financing activities	(1,243,985
Net increase (decrease) in cash	-
Cash and cash equivalents, beginning of the year	-
Cash and cash equivalents, end of the year	$ -
Supplemental cash flow information	
Interest paid	$ -
Income taxes paid	**$** -
Non cash supplemental information	

See accompanying notes to the consolidated financial statements.

Trucept, Inc.
(Formerly Smart-tek Solutions Inc.)
Notes to the Consolidated Financial Statements
For the Nine Months Ended September 30, 2014 and 2013

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1. Summary of significant accounting policies

Nature of operations, basis of financial statement presentation

The Company was incorporated in the State of Nevada on March 22, 1995 as Royce Biomedical Inc.

In August 2005, the Company changed its name from Royce Biomedical Inc. to Smart-tek Solutions Inc. to better reflect new business activities.

In March 2005, the Company entered into a Letter of Intent to acquire Smart-tek Communications, Inc. ("SCI") a British Columbia based security design and installation contractor. Pursuant to a Share Exchange Agreement executed in April 2005, SCI became a wholly-owned subsidiary of the Company. On July 1, 2010, the Company completed the disposition of the Company's wholly-owned subsidiary SCI to its president and founder Perry Law.

On February 11, 2009, Smart-tek Automated Services Inc., a wholly-owned subsidiary of the Company, was incorporated in the State of Nevada. On June 17, 2009, Brian Bonar was contracted to use his expertise and contacts in the PEO area for the benefit of Smart-tek Automated Services, Inc.

On October 1, 2011 Smart-tek Solutions, Inc. purchased the assets and brand name of Solvis Medical Group from American Marine LLC.

Affective January 3, 2013, the Company changed its name from Smart-tek Solutions Inc to Trucept, Inc.

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and include the following significant accounting policies:

Liquidity and Going Concern

At September 30, 2014, the Company had cash and cash equivalents of $nil, a working capital deficit of approximately $25.2 million and an accumulated deficit of approximately $22.9 million. As of September 30, 2014, the Company had an obligation for $30.5 million in delinquent payroll taxes including accrued penalties. These amounts are due to the US Treasury and represent collection of employment taxes from its PEO employees. The U.S. Treasury and Internal Revenue Services (IRS) will have a priority interest in all assets of the Company.

The Company incurred a net loss of approximately $330k for the nine months ended September 30, 2014. Because of these conditions, the Company will require additional working capital to continue operations and develop its business. The Company intends to raise additional working capital either through private placements, public offerings and/or bank financing, and continues to strive to increase its revenues each year. As a result of the outstanding obligation to the U.S. Treasury it is doubtful the Company can obtain third party financing.

There are no assurances that the Company will be able to achieve a level of revenues adequate to generate sufficient cash flow from operations or obtain additional financing through private placements, public offerings and/or bank financing necessary to support the Company's working capital requirements. To the extent that funds generated from any private placements, public offerings and/or bank financing are insufficient the Company will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on terms acceptable to the Company. If adequate working capital is not available, the Company may not continue its operations or execute its business plan.

1. Summary of significant accounting policies - continued

These conditions raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Principles of consolidation

The consolidated financial statements include the accounts of Trucept Inc. and its wholly-owned subsidiaries. Significant inter-company transactions have been eliminated in consolidation.

Use of estimates

The preparation of these consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and related disclosures. Specific areas, among others, requiring the application of management's estimates and judgment includes assumptions pertaining to credit worthiness of customers, interest rates, useful lives of assets, future cost trends, tax strategies, and other external market and economic conditions. Actual results could differ from estimates and assumptions made.

Cash and equivalents

Cash and cash equivalents consist of cash on hand and bank deposits. For financial reporting purposes, the Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents. The Company maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Company has not experienced any losses related to this concentration of risk. At September 30, 2014 and 2013, the Company did not have any deposits in excess of federally insured limits.

Accounts Receivable

Accounts receivables are recorded at net realizable value consisting of the carrying amount less an allowance for uncollectible accounts, as needed. The Company uses the allowance method to account for uncollectible accounts receivable balances. Under the allowance method, if needed, an estimate of uncollectible customer balances is made based upon specific account balances that are considered uncollectible. Factors used to establish an allowance include the credit quality and payment history of the customer. The allowance for doubtful accounts was $0 as of September 30, 2014 and 2013, respectively.

Workers compensation insurance

The Company maintains reserves in the form of prepaid cash deposits for known workers' compensation claims which are made up of estimated collateral required to pay claims and estimated expenses to settle the claims. The collateral amounts are determined by the insurance carrier and are not recoverable by the Company until all claims related to a policy period are settled. The cash deposits will not be recoverable in the near term and accordingly, they are classified as a long term asset with a balance of $9,181,652 and $7,691,852 as of September 30, 2014 and 2013, respectively.

1. Summary of significant accounting policies - continued

Concentration of credit risk

Credit risk arises from the potential that a counterpart will fail to perform its obligations. The Company is exposed to credit risk related to its accounts receivable. The Company's receivables are comprised of a number of debtors which minimizes the concentration of credit risk. It is management's opinion that the Company is not exposed to significant credit risk associated with its accounts receivable.

Equipment

Equipment is recorded at cost and depreciated on a straight-line basis using accelerated methods over the estimated useful lives of the related assets ranging from 3 to 5 years. The Company reviews the carrying value of long-term assets to be held and used when events and circumstances warrant such a review. If the carrying value of a long-lived asset is considered impaired, a loss is recognized based on the amount by which the carrying value exceeds the fair market value. Fair market value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. The cost of normal maintenance and repairs is charged to operations as incurred. Major overhaul that extends the useful life of existing assets is capitalized. When equipment is retired or disposed, the costs and related accumulated depreciation are eliminated and the resulting profit or loss is recognized in income.

Income taxes

The Company recognizes consolidated deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the tax basis of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income.

Deferred tax assets are recognized for deductible temporary differences and for carry forwards. Deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company regularly assesses uncertain tax positions in each of the tax jurisdictions in which it has operations and accounts for the related financial statement implications. Unrecognized tax benefits are reported using the two-step approach under which tax effects of a position are recognized only if it is "more-likely-than-not" to be sustained and the amount of the tax benefit recognized is equal to the largest tax benefit that is greater than fifty percent likely of being realized upon ultimate settlement of the tax position. Determining the appropriate level of unrecognized tax benefits requires the Company to exercise judgment regarding the uncertain application of tax law. The amount of unrecognized tax benefits is adjusted when information becomes available or when an event occurs indicating a change is appropriate. Future changes in unrecognized tax benefits requirements could have a material impact on the results of operations. The Company files U.S. federal and U.S. state tax returns.

1. Summary of significant accounting policies - continued

Revenue recognition

The Company recognizes professional employment organizations (PEO) revenues when each periodic payroll is delivered. The Company's net PEO revenues and cost of PEO revenues do not include the payroll cost of its worksite employees. Instead, PEO revenues and cost of PEO revenues are comprised of all other costs related to its worksite employees, such as payroll taxes, employee benefit plan premiums and workers' compensation insurance. PEO revenues also include professional service fees, which are primarily computed as a percentage of client payroll or on a per check basis.

In determining the pricing of the markup component of its billings, the Company takes into consideration its estimates of the costs directly associated with its worksite employees, including payroll taxes, benefits and workers' compensation costs, plus an acceptable gross profit margin. As a result, the Company's operating results are significantly impacted by the Company's ability to accurately estimate, control and manage its direct costs relative to the revenues derived from the markup component of the Company's gross billings.

Goodwill

The Company's goodwill was derived from the acquisition of Solvis assets. Goodwill is the excess of cost over the fair market value of net tangible assets acquired. Goodwill is not amortized but tested for impairment on an annual basis or if certain circumstances indicate a possible impairment may exist. No impairment charges were recorded in 2014 or 2013.

Share-based compensation

The Company measures the cost of employee services received in exchange for equity awards based on the grant date fair-value of the awards. Fair value is typically the market price of the shares on the date of issuance. Costs are measured at the grand date and recognized as compensation expense over the employer's requisite service period (generally the vesting period of the equity award).

Net loss per share

The basic net loss per common share is computed by dividing the net loss by the weighted average shares of common stock outstanding during the periods. Net loss per share on a diluted basis is computed by dividing the net loss for the periods by the weighted average number of common and dilutive common stock equivalent shares outstanding during the periods.

1. Summary of significant accounting policies - continued

Fair Value of Financial Instruments

Fair value is determined to be the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The Company follows a fair value hierarchy that prioritizes the inputs used in measuring fair value into three broad levels as follows:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Inputs, other than the quoted prices in active markets, are observable either directly or indirectly.

Level 3—Unobservable inputs based on the Company's assumptions.

The Company is required to use observable market data if such data is available without undue cost and effort.

At December 31, 2013 and 2012, the carrying amounts of financial instruments, including cash, accounts and other receivables, accounts payable and accrued liabilities, and accounts payable to related parties approximate fair value because of their short maturity.

Recent Accounting Pronouncements

The Company has reviewed accounting pronouncements and interpretations thereof that have effective dates during the periods reported and in future periods. The Company believes that the following impending standards may have an impact on its future filings. The applicability of any standard will be evaluated by the Company and is still subject to review by the Company.

The Company has adopted FASB ASC 220 "Comprehensive Income", which establishes standards for reporting and display of comprehensive income (loss), its components and accumulated balances. The Company had no components of comprehensive income (loss) for the periods presented.

In July 2012, the FASB issued ASU No. 2012-02, *Intangibles—Goodwill and Other (Topic 350) Testing Indefinite-Lived Intangible Assets for Impairment* ("ASU 2012-02"). ASU 2012-02 is intended to reduce the cost and complexity of the annual indefinite-lived intangible assets impairment testing by providing entities an option to perform a "qualitative" assessment to determine whether further impairment testing is necessary. As such, there is the possibility that quantitative assessments would not need to be performed if it is more likely than not that no impairment exists. This new update is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early adoption is permitted. The Company has adopted ASU 2012-02 as of December 31, 2012 for its annual impairment testing. The adoption has no impact on the Company's consolidated financial position, results of operations, or cash flows.

Management does not believe any other recent accounting pronouncements issued by the FASB, the AICPA, or the SEC have a material impact on the Company's present or future consolidated financial statements.

2. Equipment

	Cost	Accumulated Depreciation	September 30, 2014 Net Book Value	Cost	Accumulated Depreciation	December 31, 2013 Net Book Value
Computer equipment & software	$ 55,008	$ 37,358	$ 17,650	$ 55,008	$ 37,358	$ 17,650
Office furniture & equipment	19,333	18,531	802	19,334	18,531	18,531
Automobile	63,218	23,242	39,976	62,571	23,242	23,242
	$ 137,559	$ 79,131	$ 58,428	$ 136,913	$ 79,131	$ 57,781

Depreciation and amortization of equipment was $0 and $0 for the three months ended September 30, 2014 and 2013 respectively.

5. Equity

At eptember 30, 2014, the Company is authorized to issue:

1. 5,000,000 shares of preferred stock, par value $0.001 per share.
2. 500,000,000 shares of common stock, par value $0.001 per share.

Common Stock

At September 30, 2014, there are 50,262,123 shares of common stock outstanding.

On June 16, 2011 the Board of Directors approved the Smart-tek Solutions 2011 Stock Compensation Plan (“2011 Plan”) authorizing the sale or award of up to an additional 10,000,000 shares and/or options of the Company's Common Stock. The Stock Option Plan expires in August 20, 2013. During 2011, 3,000,000 shares were issued to a consultant as compensation for services rendered. The cost of these shares was measured at the market value of $.075 per share or $225,000 and expensed at the time of issuance. The value in excess of Par Value was recognized as Additional Paid In Capital. No stock options were issued during 2013 and for the six months ended June 30, 2014.

There are no stock options outstanding at September 30, 2014 and 2013.

Preferred Shares

There are no preferred shares issued or outstanding.

5. Net loss per share

	2014	2013
Net (Loss) Income	$ (330,050)	$ 408,389
Weighted number of shares outstanding	50,262,123	49,915,969
Net loss per share	$ (0.01)	$ 0.01

6. Acquisitions

On October 1, 2011, Smart-tek Solutions, Inc. acquired the assets and the brand name of Solvis Medical Group from American Marine LLC dba AMS Outsourcing, a Montana limited liability corporation.

The purchase price was $535,000 consisting of a $35,000 cash payment at closing plus a $500,000 promissory note that matures on September 30, 2013 and bears a 6% simple interest rate. The purchase price will be revalued at the one and two year time periods based on performance as follows:

• Year 2012 – At December 31, 2012, the acquired net assets were revalued at four (4) times pretax earnings. The calculation of 4 times earnings did not exceed the purchase price of $535,000. The promissory note of $500,000 was extended to mature on September 30, 2013 (Note 7).

• Year 2013 – At December 31, 2013, the acquired net assets will be revalued at four (4) times pretax earnings. A one year promissory note at 6% interest will be issued for the net change between the revaluation as of December 31, 2012 and the revaluation at December 31, 2013.

• Year 2014 – At December 31, 2014, the acquired net assets will be revalued at four (4) times pretax earnings. A one year promissory note at 6% interest will be issued for the net change between the revaluation as of December 31, 2013 and the revaluation at December 31, 2014.

The Company recorded the purchase price on October 1, 2011 as follows:

Prepaid expenses	$52,303
Furniture & fixtures	$6,341
Goodwill	$476,536
Total	$535,000

Management does not believe that the calculation of 4 times earnings will exceed the purchase price of $535,000.

7. Short Term Note Payable

At June 30, 2014, the Company has an outstanding note payable in the amount of $500,000 payable to American Marine LLC dba AMS Outsourcing relating to the acquisition of Solvis Medical Group assets. The loan is unsecured, bears a simple 6% interest per annum and matures at September 30, 2013 (Note 6). The Company has accrued $30,000 in accrued interest as of June 30, 2014.

8. Arch Insurance Lawsuit

In April 2014 the Company made its final payment in settlement of the Arch lawsuit initiated in 2010.

9. Ullico Casualty Receivership

The Company's Workers' Compensation product for the California market and other states was through Ullico Casualty. On May 30, 2013 the Delaware Chancery Court issued a Liquidation and Injunction Order with Bar

Date ("Liquidation Order") in the receivership proceedings for Ullico Casualty Company. "Liquidation" is a process under which the Receiver, upon the Delaware Chancery Court's order, winds down an insurance company's business, cancels remaining in-force policies. As a result of the receivership, the Company lost $120 million of Gross revenue in California alone, and approximately 60 percent of the Company's gross business. Due to the tightening of the Workers' Compensation insurance market, the Company has not been able to replace the California market as of this date and is continuing to pursue an appropriate policy.

RESULTS OF OPERATIONS

The nine month period ending September 30, 2014 and 2013

Revenue

For the nine month period ending September 30, 2014 and 2013, revenues were $3,989,564 and $11,050,744 respectively, for a decrease of $7,061,180 (63.9%) over the same period in 2013. The decrease was attributable to insurance companies cancelling their workers compensation policies in the state of California in 2013 plus the loss of the company's nurse staffing business.

Expenses

Our expenses for the nine month period ended September 30, 2014 and 2013 are outlined in the table below:

	The nine months ended September 30,		Percentage Increase/ (Decrease)
	2014	**2013**	
Cost of Revenue	$ 2,470,690	$6,877,338	(64.1)%
Selling, General and Administrative expenses	1,518,874	4,163,405	(63.5)%
Interest Expense and Tax Penalties	12,963	1,078	1,102.0%
Total Expenses	$4,002,527	$11,041,821	(63.8)%

Cost of revenue

Cost of revenue for the nine months ending September 30, 2014 and 2013 were $2,470,690 and $11,050,744 respectively, for a decrease of $4,406,648 (64.1%) over the same period in 2013. The decrease in gross profit was directly as result of the decrease of the California block of business and the nurse staffing business.

Selling, General and Administrative

Selling, general and administrative expenses of $2,094,574 for the nine months ended September 30, 2014 decreased by $2,644,531 or 63.5% over the same period prior year amount of $4,163,405. The decrease was mainly attributable to the decrease in business.

Other key facts:

1. In March 2013, Trucept lost Ulico insurance (workers comp coverage) resulting in a significant loss of revenue.
2. As of 7/1/2013, Trucept was no longer engaged in any staffing business.
3. Starting in April 2013 there were near constant levies from the IRS. This has resulted in an inability to pay all current liabilities. The increase in related party accounts is due to the need to stay solvent while money was being levied.

Liquidity and Capital Resources

Working Capital

	Nine Months Ended September 30, 2014	Year Ended December 31, 2013	Percentage Increase/ (Decrease)
Current Assets	$ 8,201,781	$ 11,123,950	(26.3%)
Current Liabilities	33,500,190	34,601,861	03.2%
Working Capital (Deficiency)	$ (25,298,409)	$ (23,477,911)	(07.8%)

Cash Flows

	None Months Ended September 30, 2014	Year Ended December 31, 2013	Percentage Increase/ (Decrease)
Cash from (used in) Operating Activities	1,244,631	(13,005,472)	109.5%
Cash (used in) Investing Activities	(646)	(39,329)	(98.4%)
Cash provided by financing Activities	(1,243,985)	12,498,722	(110.0%)
Net Increase (Decrease) in Cash	-	546,057	(100.0%)

We had cash on hand of $nil and working capital deficit of $25,298,409 as of September 30, 2014 compared to cash on hand of $0 and working capital deficit of $23,477,911 for the year ended December 31, 2013.

Future Financings

The Company does not have any significant available credit, bank financing or other external sources of liquidity. Due to historical operating losses and other issues as described in the Company's going concern footnote included in its consolidated financial statements as at and for the period ended December 31, 2013, the Company's operations have not been a source of liquidity and the Company had satisfied its cash requirements through shareholder loans and deferral of its Form 941 taxes. In order to obtain necessary capital, the Company may need to sell additional shares of its common stock or borrow funds from private lenders. There is no assurance that the Company will be able to secure additional financing or that it can be secured at rates acceptable to the Company. In addition, should the Company be required to either issue stock for services or to secure equity funding, due to the lack of liquidity in the market for the Company's stock such financing would result in significant dilution to its existing shareholders.

The Company's short-term plan is to utilize its common stock where possible to pay for services and to seek further shareholder loans. In the longer term, the Company is actively seeking additional merger, acquisition or venture relationships with operating enterprises in order to generate long-term growth opportunities for the Company, permit the Company to meet its financial obligations and to provide increased value to the Company's shareholders. In the past we have obtained our required cash resources principally through loans from

shareholders and our sole executive officer. While the operations of our wholly-owned subsidiary are profitable, we still do not operate profitably as a consolidated entity.

Management's plans to improve our financial condition are as follows:

- Continued growth in staffing business line;
- We will continue to look for opportunities to grow organically where feasible as well as evaluate potential acquisition opportunities that may present themselves in the next 12 months.

There can be no assurance that our planned activities will be successful or that we will ultimately attain profitability. We intend to use our common stock as payment for services of various consultants in order to help advance our business plan.

Going Concern

As shown in the accompanying financial statements as of September 30, 2014, the Company's total liabilities exceeded its total assets by $15,581,973. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management has hired a consultant to put controls in the cash management area and will institute more efficient management techniques in the finance department. All areas of operations will be reviewed to look for savings. However, the Company has a need for additional capital investment. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

Item 6 Nature of the Issuer's Business

A. A description of the issuer's business operations;

Trucept, Inc. (the "Company") has employment-related business lines. Through our wholly owned subsidiaries, we provide professional employer organization (PEO) services. In a PEO co-employment contract, the Company becomes the employer of record for client company employees for tax and insurance purposes. The client company continues to direct the employees' day-to-day activities, and the Company charges a service fee for providing services.

The Company operates three wholly owned subsidiaries, which are used for bookkeeping purposes to track the employees and clients in the PEO operations. They are:

Smart-Tek Automated Services Inc. ("STASI"), Smart-Tek Services Inc. (a subsidiary of STASI), and Smart-Tek Service Solutions Corp.

B. Date and State of Incorporation

The Company was incorporated in the State of Nevada on March 22, 1995

C. The Issuer's Primary SIC Code:

Primary: SIC Code 7363

NAICS Code 561330

D. The Issuer's Fiscal Year End Date:

Fiscal year end is December 31st

E. Principal Products or Services, and Their Market;

Through our various wholly owned subsidiaries, we provide integrated and cost-effective management solutions in the area of human resources services to small and medium-size businesses, relieving our clients from many of the day-to-day tasks that negatively impact their core business operations, such as payroll processing, human resources support, workers' compensation insurance, safety programs, employee benefits, and other administrative and aftermarket services predominantly related to staffing - staff leasing, temporary staffing and co-employment.

F. Issuer's Facilities

Executive Offices

The Company maintains an executive office at 500 La Terraza Blvd. Suite 150 Escondido, CA 92025. The Company does not have a lease and pays $3,000 a month on a month-to-month basis.

Item 8 Officers, Directors and control Persons

A. Officers, Directors and Control Persons. In responding to this item, please provide the following information for each of the issuer's executive officers, directors, general partners and control persons, as of the date of this information statement.

Brian Bonar
18881 Von Karman Avenue, Suite 1440
Irvine, CA 92612

Norman Tipton
18881 Von Karman Avenue, Suite 1440
Irvine, CA 92612

B. Legal – Disclaimer History

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other misdemeanor offenses);

None.

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the SEC, the CFTC, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

None.

C. Beneficial Shareholders

Title of Class	Name and Address of Beneficial Owner	Number of Shares Beneficially Owned [(1)]	Percentage of Class [(1)]
Directors and Officers:			
Common Stock	Brian Bonar 18881 Von Karman, Suite 100 Newport Beach, CA 92660	21,998,499	43.8%
Common Stock	Directors and Officers as a group [(1)]	21,998,499	43.8%

Notes

(1) Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. The percentage of class is based on 50,262,123 shares of common stock issued and outstanding as of Aeptember 30, 2014.

Item 9 Third Party Providers

The name, address, telephone number and email address of each of the following outside providers that advise the issuer on matters relating to the operations, business development and disclosure:

1. Investment Banker:

None.

2. Promoters:

None

3. Counsel:

Legal Counsel:
Naccarato & Associates
18881 Von Karman Avenue
Suite 1440
Irvine, CA 92612
Phone: (949) 851-9261
Email: owen@owenn.com

4. Accountant or Auditor:

Smart Ledger
12100 Wilshire Blvd 8th Flr.
Los Angeles, CA 90025

5. Public Relations Consultant:

None

6. Investor Relations Consultant:

None

10. Advisory:

None

Item 10 Issuer's Certification

November 14, 2014

To Whom It May Concern:

I, Brian Bonar, CEO and Director, certify that:

1. I have reviewed this disclosure statement of Trucept, Inc.

2. Based on my knowledge this disclosure statement does not contain any misleading statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made not with respect to the period covered by this disclosure statement and

3. Based on my knowledge, the financial statements and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material the financial condition results of operations and cash flows of the issuer as of and for the periods presented in this disclosure statement.

/s/ Brian Bonar

_____

President/CEO