James Monroe Capital Corporation
(a development stage company)

Consolidated Balance Sheets
As of March 31, 2012 and December 31, 2011

	March 31 2012	December 31 2011
ASSETS		
Current Assets		
Cash	$ 32	$ 82
Inventory	13,182	13,182
Prepaid expenses	-	-
Total current assets	13,214	13,264
Total assets	$13,214	$13,264
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable and accrued liabilities	$85,186	$132,088
Derivative liability	9,849,398	8,269,987
Notes payables, including related parties	238,942	219,332
Total current liabilities	10,173,526	8,621,407
	-	-
Total liabilities	10,173,526	8,621,407
Commitments and contingencies	-	-
Stockholders' deficit		
Common stock, $0.00001par value, voting, 20,000,000,000 shares authorized, 3,745,163,350 and 3,745,163,350 issued and outstanding	$37,453	37,453
Preferred stock, $0.00001 par value, 220,000,000 authorized		
Preferred stock, Series 'A' 130,000,000 and 130,000,000 shares issued and outstanding	1,300	1,300
Preferred stock, Series 'B' 33,877,500 and 33,877,500 shares issued and outstanding	339	339
Preferred stock, Series 'C' nil and nil shares issued and outstanding	-	-
Additional paid-in capital	324,762	170,862
Accumulated deficit	(10,528,166)	(8,818,097)
Total stockholders' deficit	(10,160,312)	(8,608,143)
Total liabilities and stockholders' deficit	$ 13,214	$ 13,264

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

James Monroe Capital Corporation
(a development stage company)

Consolidated Statements of Operations
For The Three Months Ended March 31, 2012 and 2011

	For the three Months ended March 31		For the Period From March 31, 2005 (inception) to
	2012	2011	March 31, 2012
Consulting fees	$87,000	$12,000	$315,587
Professional fees	-	$3,000	$10,120
Selling, general and administrative	4,148	4,380	101,119
Profit (loss) from operations	(91,148)	(19,380)	(426,826)
Inadequate reserves of common	1,579,410	36,739	11,428,808
Interest expense	35,511	14,168	247,942
Net Loss	$1,706,069	$70,287	$12,103,576
Profit (Loss) per share - basic	$0.00	$0.00	
Profit (Loss) per share - diluted	$0.00	$0.00	
Basic weighted average number of common shares	3,745,163,350	3,745,163,350	
Diluted weighted average number of common shares	118,493,977,711	101,230,311,510	

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

James Monroe Capital Corporation
(a development stage company)

Consolidated Statements of Stockholders' Deficit
From March 31, 2005 (inception) to March 31, 2012

	Common Stock Par Value $0.00001 Shares	Amount	Preferred Series "A" Par Value $0.00001 Shares	Amount	Preferred Series "B" Par Value $0.00001 Shares	Amount	Additional Paid In Capital	Deficit	Total
March 31, 2005 to December 31, 2008	9,163,350	$93	-	$-	2,000,000	$20	$100,000	$(128,836)	$(28,723)
Additional contributions							2,659		2,659
Discount on beneficial conversion feature of convertible debt issued							40,000		40,000
Net loss for 2009								(115,532)	(115,532)
Balance, December 31, 2009	9,163,350	$93	-	$-	2,000,000	$20	$142,659	$(244,368)	$(101,595)
Issuance of stock to acquire Visual Force	1,286,000,000	12,860			32,150,000	322			13,182
Conversion of debt to common stock	900,000,000	9,000							9,000
Conversion of preferred series "A" to common stock	550,000,000	5,500			(275,000)	(3)	(5,497)		-
Issuance of shares for cash		-		-	2,500	-	5,000		5,000
Issuance of shares for services	1,000,000,000	10,000	130,000,000	1,300		-	28,700		40,000
Net loss for 2010								(8,339,884)	(8,339,884)
Balance, December 31, 2010	3,745,163,350	37,453	130,000,000	1,300	33,877,500	339	170,862	(8,584,252)	(8,374,298)
Net loss for 2011								(233,845)	(233,845)
Balance, December 31, 2011	3,745,163,350	37,453	130,000,000	1,300	33,877,500	339	170,862	(8,818,097)	(8,608,143)
Discount on issuance of convertible debt with beneficial conversion attributes							153,900		153,900
Net loss for three months ended March 31, 2012								(1,706,069)	(1,706,069)
	3,745,163,350	$37,453	130,000,000	$1,300	33,877,500	$339	$324,762	$(10,290,321)	$(10,160,312)

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

James Monroe Capital Corporation
(a development stage company)

Consolidated Statements of Cash Flows
For The Three Months Ended March 31, 2012

		2012
Cash flows from operating activities:		
Net income	$	(1,706,069)
Adjustments to reconcile net income (loss)		
to net cash used for operating activities:		
Inadequate reserves of common		1,579,411
Amortization of debt discount		15,049
Increase (Decrease) in liabilities		
Accounts payable & accrued liabilities		(46,902)
Net cash provided by (used in) for operating activities		(158,511)
Cash flows from investing activities:		
Cash paid for purchase of fixed assets		-
Net cash provided by (used in) for investing activities:		-
Cash flows from financing activities:		
Debt discount on beneficial conversion rights		153,900
Capitalization of interest		4,561
Net cash provided by (Used in) financing activities		158,461
Net increase in cash		(50)
Cash, beginning of period		82
Cash, end of period	$	32
Supplemental cash flow information:		
Cash paid for interest	$	-
Cash paid for income taxes	$	-

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

1. Organization and Liquidity

Organization

James Monroe Capital Corporation ("JMON") was incorporated under the laws of the state of Delaware on March 11, 2005. James Monroe Capital Corporation (OTC PINKS: JMON) is a development stage company.

The Company invests in the development of patentable concepts and/or business plans of others. JMON is actively reviewing such concepts or business plans through its management and consultants on a continual ongoing basis. JMON's investment policy is to invest through the purchase of preferred shares in public companies or private companies with plans to go public.

The first investment was made in Visual Force, a wholly owned subsidiary company. Visual Force develops; manufacturers, and sells products related to the artistic and entertainment industries.

Visual Force currently has two primary business operations:

The first is custom costume and mascot design and manufacture, for the sports/corporate mascot, Halloween and entertainment industry markets. This division operates under the "Visual Force" name. "Visual Force" has an inventory of unique costumes. Visual Force plans to develop and introduce additional products and services in the future;

Visual Force's other current operation has the tentative trade name, "The Jet Painter". The Jet Painter is a product under development that combines both software and robotic hardware to allow the user to re-create any image onto any smooth or rough flat surface. The applications for such a package include: a) re-creating drawings and other works of art onto interior walls, ceilings and exterior sides of buildings; and b) drawing scaled size artwork which can then be rendered by the Jet Painter's software and, using the robotic hardware, transfer that artistic image as a mural or artwork on canvas.

Liquidity

The Company has had recurring annual operating losses and negative cash flows from operations since its inception. The Company expects that such losses will continue at least until one or more of its current or future investments achieve commercial success. For the three months ended March 31, 2012, the Company had a net loss of $1,706,069 and a net cash outflow from operations of $158,511. As of March 31, 2012, the Company had an accumulated deficit of $10,524,166 and held cash and cash equivalents of $32. In recent years, the Company has financed its operations from the sale of convertible notes, shares of common stock and warrants.

The Company has prepared its financial statements under the assumption that it is a going concern. The Company's recurring losses and negative cash flows from operations raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company currently does not have any additional financing in place. If it is unable to raise additional funds, the Company could be required to reduce its spending plans, reduce its workforce, license one or more of its products or technologies that it would otherwise seek to commercialize itself, sell some or all of its assets, cease operations or even declare bankruptcy. There can be no assurance that the Company can obtain financing, if at all, or raise such additional funds, on terms acceptable to it.

The Company’s historical operating results cannot be relied on to be an indicator of future performance, and management cannot predict whether the Company will obtain or sustain positive operating cash flow or generate net income in the future.

2. Summary of Significant Accounting Policies

Accounting Standards Updates

In May 2011, the Financial Accounting Standards Board (“FASB”) issued ASU 2011-04, Fair Value Measurement (Topic 820), "Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRS" ("ASU 2011-04"). ASU 2011-04 amends the wording used to describe many of the requirements for measuring fair value to achieve the objective of developing common fair value measurement and disclosure requirements, as well as improving consistency and understandability. Some of the requirements clarify the FASB's intent about the application of existing fair value measurement requirements while other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. ASU 2011-04 is effective for calendar years beginning after December 15, 2011. Early adoption is prohibited. The Company is currently evaluating the potential impact of ASU 2011-04 on the consolidated financial statements and related disclosures but does not anticipate a material impact to the Company on the consolidated financial statements.

Other Accounting Standards Updates not effective until after March 31, 2012 are not expected to have a significant effect on the Company’s consolidated financial statements.

Basis of Presentation

The consolidated financial statements are presented on the basis of accounting principles generally accepted in the United States of America. Such financial statements include the accounts of the Company and all majority-owned subsidiaries.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect reported earnings, financial position and various disclosures. Actual results could differ from those estimates.

Accounting for Inadequate Reserves of Common Stock

As of March 31, 2012, the Company had inadequate reserves of Common Stock authorized under the Company’s Restated Certificate of Incorporation to issue to parties who hold outstanding debt instruments, options and warrants of the Company in the event that each such party would convert or exercise, as the case may be, such security. The Company accounts for the inadequate authorized shares in accordance with FASB ASC 815-40, Contracts in Entity’s Own Equity. FASB ASC 815-40 states that if the conversion option requires net cash settlement in the event of circumstances that are not solely within the Company’s control, that the convertible debt instruments and securities should be classified as a liability measured at fair value on the balance sheet.

In accordance with FASB ASC 815-40, when there are insufficient shares to permit conversion or exercise of all the issued convertible debt and securities, the value of the insufficient shares will be classified as liabilities and measured at fair value on the balance sheet and the insufficient share liability will be accounted for using mark-to-market accounting at the end of each fiscal period until all the criteria for permanent equity have been met. See Note 7– Stockholder's Equity for additional information.

Cash and Cash Equivalents

Cash and cash equivalents consists of highly liquid instruments with maturities of three months or less from the date acquired and are stated at cost that approximates their fair market value.

Revenue Recognition

The Company recognizes revenue from product sales when title to product and associated risk of loss has passed to the customer and the Company is reasonably assured of collecting payment for the sale. All revenue from product sales are recorded net of applicable allowances for returns, rebates and other applicable discounts and allowances. The Company allows return of its product for up to twelve months after product expiration.

Income Taxes

The Company uses the liability method of accounting for income taxes. Deferred income taxes are determined based on the estimated future tax effects of differences between the financial statement and tax bases of assets and liabilities given the provisions of the enacted tax laws. Management records valuation allowances against net deferred tax assets, if based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income and when temporary differences become deductible. The Company considers, among other available information, uncertainties surrounding the recoverability of deferred tax assets, scheduled reversals of deferred tax liabilities, projected future taxable income and other matters in making this assessment. The Company reviewed its deferred tax assets and at both March 31, 2012 and December 31, 2011, recorded a valuation allowance to reduce these assets to zero to reflect that, more likely than not, they will not be realized. Utilization of the Company's net operating loss ("NOL") carry forwards may be subject to a substantial annual limitation due to ownership change limitations that may have occurred or that could occur in the future, as required by Section 382 of the Internal Revenue Code of 1986, as amended, (the "Code"), as well as similar state provisions. These ownership changes may limit the amount of NOL carry forwards that can be utilized annually to offset future taxable income and tax. In general, an "ownership change" as defined by Section 382 of the Code results from a transaction or series of transactions over a three-year period resulting in an ownership change of more than 50 percentage points of the outstanding stock of a company by certain stockholders or public groups.

The Company's policy for recording interest and penalties associated with audits is that penalties and interest expense are recorded in interest expense in the Company's Consolidated Statements of Operations.

Net Loss Per Common Share

Net loss per common share for the three months ended March 31, 2012 and 2011 are based on the weighted average number of shares of common stock outstanding during the periods. Basic and diluted loss per share are identical for both periods presented as potentially dilutive securities have been excluded from the calculation of the diluted net loss per common share because the inclusion of such securities would be antidilutive. At March 31, 2012, the potentially dilutive securities included 31,979 million shares reserved for the conversion of convertible notes and 82,769 million shares reserved for convertible preferred stock. At December 31, 2012 the potentially dilutive securities included 102,670 million shares reserved for the conversion of convertible notes and convertible preferred stock.

3. Inventory

Inventories are stated at the lower of cost or market with cost being determined using the first-in, first-out (FIFO) method. Inventories consisted of the following:

		March 31, 2012		December 31, 2011
Finished goods	$	13,182	$	13,182
		-		-
Total	$	13,182	$	13,182

Finished goods consist solely of costumes available for sale in the Visual Force subsidiary.

4 Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses is comprised of the following ($ thousands):

		March 31, 2012		December 31, 2011
Accounts payable	$	10,186	$	6,088
Accrued compensation		75,000		126,000
	$	87,186	$	132,088

The carrying amount of accounts payable approximates fair value due to the short-term nature of these instruments.

5 Notes Payable

	March 31 2012	December 31 2011
Convertible note payable to former shareholders of the Company, unsecured bearing interest at 10% both before and after maturity, unsecured, issued May 11, 2006 maturing on May 11, 2007. The notes are in default. At March 31,2012 the notes are convertible into 16,546,758,461 common shares (December 31,2011 - 16,143,178,986).	$91,000	$91,000
Convertible note payable, unsecured bearing interest at 5% both before and after maturity, unsecured, issued April 10, 2010 maturing on April 10 2011. The notes are in default. At December March 31,2012 the notes are convertible into 42,525,000 common shares (December 31,2011 - 42,000,000).	40,000	40,000
Convertible notes payable to a former officer and shareholder, unsecured bearing interest at 8% both before and after maturity, unsecured, issued January 2012 maturing on January 2013. At March 31,2012 the notes are convertible into 15,390,000,000 common shares (December 31,2011 - 0).	153,900	
Accrued interest	76,992	72,432
	361,892	203,432
Less: Unamortized discount on notes	(122,950)	
	238,942	203,432

Notes payable third parties		
Amounts due to a former officer and shareholder of the Company, arising from a series of advances during fiscal 2010 and 2011. These advances are non-interest bearing, are unsecured, and due on demand.		15,900
Notes payable to related parties	-	15,900
Total notes payable	$238,942	$219,332

The convertible notes issued on May 11, 2006 and those issued on April 10, 2010 contained favorable conversion rates. The Company valued the embedded conversion rate on May 11, 2006 and April 10, 2010; the aggregate intrinsic value of the difference in conversion rates was in excess of the face value of each of its convertible notes. Thus, a full debt discount was recorded in an amount equal to the face value of each of the Company's convertible notes on the issue date and the Company began amortizing the resultant debt discount over the remaining term of the convertible notes. As the notes are now fully matured the discount has been fully amortized and charged to earnings.

The convertible notes issued during January 2012 contained favorable conversion rates. The Company valued the embedded conversion rate on January 1, 2012 and January 31, 2012, the dates of issuance; the aggregate intrinsic value of the difference in conversion rates was in excess of the face value of each of its convertible notes. Thus, a full debt discount was recorded in an amount equal to the face value of each of the Company's convertible notes on the issue date and the Company began amortizing the resultant debt discount over the remaining term of the convertible notes.

6. Commitments And Contingencies

Litigation

From time to time, the Company is a defendant or plaintiff in various legal actions, which arise, in the normal course of business. As such the Company is required to assess the likelihood of any adverse outcomes to these matters as well as potential ranges of probable losses. A determination of the amount of the provision required for these commitments and contingencies, if any, which would be charged to earnings, is made after careful analysis of each matter. The provision may change in the future due to new developments or changes in circumstances. Changes in the provision could increase or decrease the Company's earnings in the period the changes are made.

7. STOCKHOLDERS EQUITY

Authorized Shares

The Company is authorized to issue 20 billion shares of the common stock and 120 million shares of preferred stock. Of the 220 million authorized shares of preferred stock, the Company designated and authorized 130 million shares as Series A Convertible Preferred Stock, 70 million shares of Series B Convertible Preferred Stock and 20 million shares of Series C Convertible Preferred.

As of March 31, 2012 there were inadequate reserves of Common Stock authorized under the Company's Restated Certificate of Incorporation for the shares issuable upon conversion of the Company's convertible debt instruments and securities.

In accordance with FASB ASC 815-40, when there are insufficient authorized shares to permit conversion or exercise of all the issued convertible debt instruments and securities, the insufficient shares are classified as liabilities and measured at fair value on the balance sheet. The liabilities will be accounted for using mark-to-market accounting at the end of each fiscal period until all the criteria for permanent equity have been met.

On March 31, 2012, the Company had 98,493,977,711 (December 31, 2011 - 82,699,873,236) shares issuable in excess of the number authorized under the Company's Restated Certificate of Incorporation. As a result, these shares were recorded as a liability of $9,849,398 (December 31, 2011 - $8,269,987), resulting in an expense of $1,579,410 and $146,956, through such dates.

The liability for insufficient shares was valued at March 31, 2012 and December 31, 2011 with the following assumptions:

		March 31 2012		December 31 2011
Price of share of James Monroe Capital Corporation	$	0.0001	$	0.0001
Shares issued and potentially issued shares in excess of authorized		98,493,977,711		82,699,873,236
Liability for insufficient shares March 31, 2012 and December 31, 2011	$	9,849,398	$	8,269,987
Less prior year liability		(8,269,987)		(8,123,031)
Net liability adjustment	$	1,579,410	$	146,956

Series A Preferred Stock

The total aggregate issued shares of Series A Preferred Stock at any given time, regardless of their number shall be convertible into the number of shares of Common Stock which equals four times the sum of (i) the total number of shares of Common Stock, which are issued and outstanding at the time of conversion, plus (ii) the total number of shares of Series B and Series C Preferred stocks which are issued and outstanding at the time of conversion.

The total aggregate issued shares of Series A Preferred Stock at any given time, regardless of their number shall have voting rights equal to four times the sum of (i) the total number of shares of Common Stock, which are issued and outstanding at the time of conversion, plus (ii) the total number of shares of Series B and Series C Preferred stocks which are issued and outstanding at the time of conversion

Series B Preferred Stock

Each share of Series A Preferred Stock is immediately convertible into the number of shares of the Company's common stock, at a rate determined by dividing the $2.00 issue price of the Series B Preferred Stock by one hundred times the par value of the Common stock. The conversion price is subject to adjustment for antidilution.

Each share of Series B Preferred Stock shall have ten votes for any election or other vote placed before the shareholders of the Company.

Series C Preferred Stock

Each share of Series A Preferred Stock is immediately convertible into five hundred shares of the Company's common stock. The conversion price is subject to adjustment for antidilution.

Each share of Series B Preferred Stock shall have ten votes for any election or other vote placed before the shareholders of the Company.

Each share of Series C Preferred Stock shall have one votes for any election or other vote placed before the shareholders of the Company.