



# Analyst Report

Independent Equity Research

Prepared by Robert Goldberg, Senior Portfolio Analyst

Tuesday February 25, 2014

## Stock Pick of the week

## Weekly Spotlight:



**Short Term:** BUY-HOLD

**Long Term:** BULLISH

**Market Cap:** \$14,936,160

**Outstanding Shares:** 1,244,680,000

**Industry:** Oil & Gas Drilling Services

**Previous Close:** 0.011 ↓ 0.001 (8.33 %)

**Last Quoted Bid/Ask:** 0.011/0.017

**Daily Range:** 0.0050-0.0180

**Volume** 461,800

**Avg Vol (3m)** 35,924

**Promotional Material Reviewed:**

[www.stockpalooza.com](http://www.stockpalooza.com)

## SMART VENTURES, INC.

OTC: SMVR

**S**mart Ventures announced that it had posted strong earnings in its annual report in which it's financials have been consolidated as a result of its acquisition of The Sanday Corporation an income producing oilfield Services Company engaged in engineering consulting to oil majors. The Company posted more than \$539,000 revenue and assets of more than \$1.2 Million. The Company is projecting to more than double its revenue through expansion of services in 2014. The Sanday Corporation through its contract with

**Merlin ERD**, which is now the world leader in Extended Reach Drilling, has been involved in many successes of projects worldwide. The Sanday Corporation, which became a subsidiary of Smart Ventures after its acquisition in January 2014. Roger A.T Smith, CEO of The Sanday Corporation has over 30 years oil and gas drilling, completion, work over and production experience with a B.A. in Mechanical Engineering. Mr. Smith has been an drilling advisor to **Petrohawk, K&M Technology Group, Chevron, BP, ConocoPhillips** and **Total Oil**. Significant successes this year alone for 2013, where The Sanday Corporation completed a complicated extended reach well in the North Sea, U.K. for **Total Oil**, on its Alwyn North Platform, 400 KM

North Offshore Aberdeen. The Sanday Corporation then went on to complete another successful project for **Centrica U.K.** in the Southern Sector of the North Sea, U.K. from a Jack up drilling rig, this project was successful and brought in under budget. The Sanday Corporation then went on to yet another successful completion this year just recently in the Adriatic Sea, offshore Italy, also from a Jack Up Rig, two wells were brought in under budget for Edison. Lastly Sanday completed a project for **BP** in Azerbaijan, offshore Baku, in the Caspian sea, from the Platform East Azeri. A successful well was made. Merlin contracted Sanday Corp to oversee the operation on the third side track well to overcome some problems in the well, which were overcome after utilizing the ERD procedures for drilling the well. Sanday Corp was also contracted for a major project within the Murcheson National Park in Uganda, once again for **Total Uganda**, a consortium of also **Tullow Oil** and **CNOOC** which is 33.3% for each this is a project which is under constant scrutiny as the Ugandan Government have given permission for drilling a test/appraisal well within its famous National Park, so many environmental issues exist and protecting the wildlife is at the top of our list as a safe efficient responsible engineering operator. Smart Ventures has bright plans for expanding its oilfield services to transportation through acquisition of a fleet of trucks and is currently exploring pipeline asset acquisitions for its midstream growth plan. The company is currently planning a capital raise through private placement and possibly Reg. A or S1 registered offering. The company has been in consultation with its legal counsel to develop the best strategy for its growth plans in terms of public capital raise. Since becoming public the company has been approached by many institutional investors interested in funding the company for growth. The company is carefully considering who it should partner with to ensure the company business plan is successful. The company has indicated that it plans to become a fully reporting company in 2014 and up list to the NASDAQ by year end providing it meets the requirements to do so. We have had an opportunity to review the company's financial reports and tax returns which reflect a stable growth company that is profitable. The financials of the company may be reviewed in its entirety at [www.otcmarket.com](http://www.otcmarket.com).

**CONSOLIDATED FINANCIAL STATEMENTS**  
**SMART VENTURES, INC.**  
**BALANCE SHEETS**

**ASSETS**

December 31,  
2013  
(Unaudited)

**Current Assets:**

Cash	<u>\$ 34,390</u>
<b>Total Current Assets</b>	<b>\$ 34,390</b>

**Other Assets**

Equipment, Furniture and Computers	\$ 106,931
Goodwill Acquisition of The Sanday Corporation	\$1,103,359
<b>Total Assets</b>	<b><u>\$1,244,680</u></b>

**LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)**

**Current Liabilities:**

Accounts payable	-0-
Advances from shareholders	<u>10,000</u>
<b>Total Current Liabilities</b>	<b>10,000</b>

**Stockholders' Equity (Deficit):**

Preferred stock, \$.001 par value; authorized 5,000,000, none issued	-
Common stock, \$.001 par value; 1,500,000,000 shares authorized	
1,244,680,000 shares issued and outstanding at January 24, 2014	<u>\$1,244,680</u>
Additional paid in capital	
Accumulated deficit during	-0-
<b>Total Stockholders' Equity (Deficit)</b>	<b>\$1,244,680</b>
<b>Total Liabilities and Stockholders' Equity (Deficit)</b>	<b><u>\$1,244,680</u></b>

**SMART VENTURES, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**

	For the	For the	For the	For the	From
	Three months	Six months	Nine months	Twelve months	November 22
	ended	ended	ended	ended	(Date of
	Mar 31,	June 30,	Sep 30,	Dec 31,	inception)
	2013	2013	2013	2013	Dec 31,
					2013
Revenue:	\$154,353	\$245,562	\$371,861	\$539,073	\$ 539,073
Total Revenue	\$154,353	\$245,562	\$371,861	\$530,073	\$ 539,073
Operating Expenses:					
General & administrative					<u>504,683</u>
Total Operating Expenses					504,683
<b>NET PROFIT OR LOSS</b>				<b>\$</b>	<b>34,389</b>

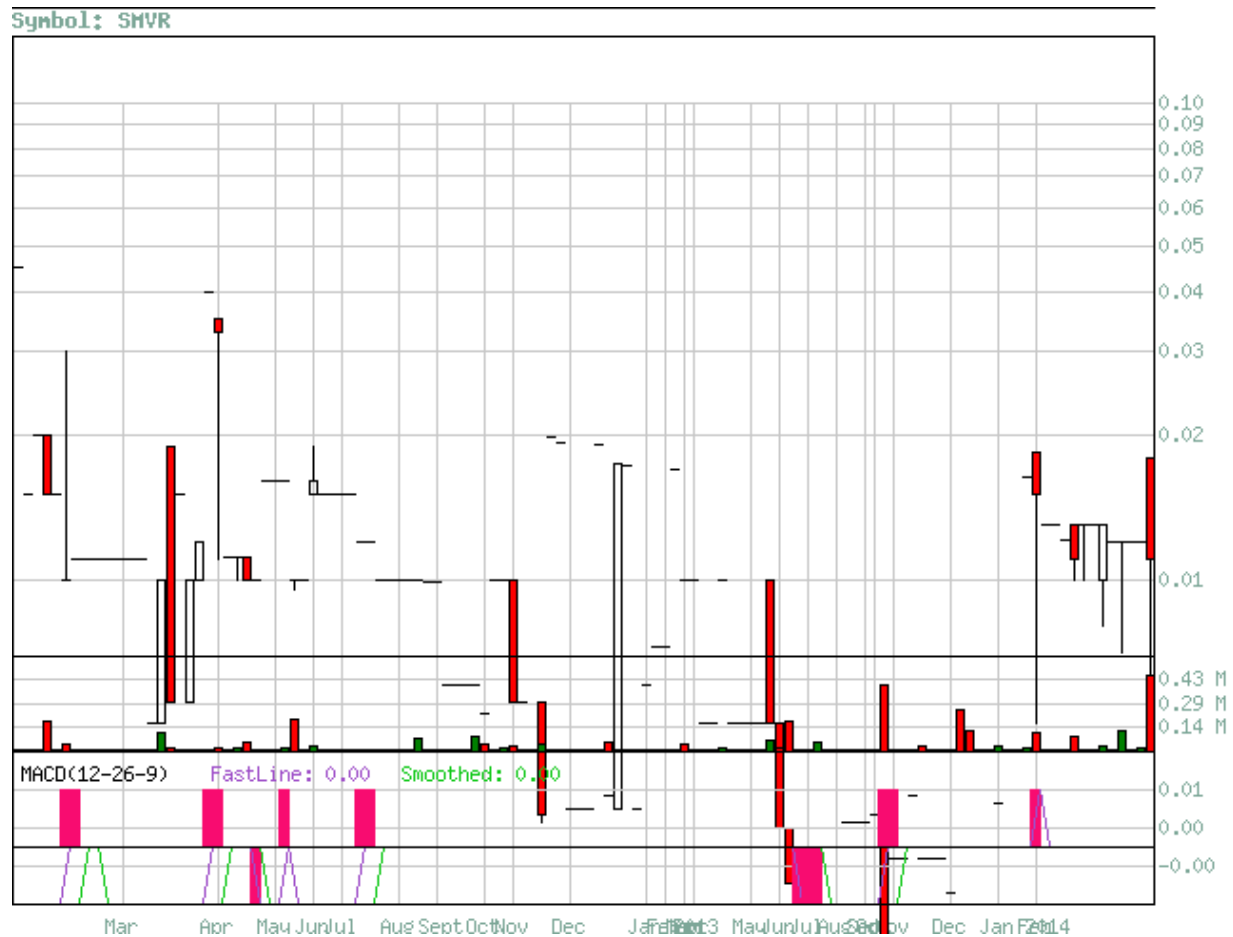
**Weighted Average Shares**

Common Stock Outstanding	<u>33,000,000</u>	<u>33,000,000</u>	<u>33,000,000</u>	<u>33,000,000</u>	<u>1,244,000,000</u>
--------------------------	-------------------	-------------------	-------------------	-------------------	----------------------

**SMART VENTURES, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

	From Dec 31, 2013
<b>Cash Flows Used in Operating Activities:</b>	
Net Cash or Net Loss	\$ 539,073
Adjustments to reconcile net (loss) to net cash provided by operating activities:	
Issuance of stock 1 for 1 share exchange Acq of The Sanday Corp	\$(1,211,680)
Increase to accounts payable	\$ 10,000
<hr/>	
<b>Net Cash Used in Operating Activities</b>	<b>\$(662,607)</b>
<hr/>	
<b>Cash Flows from Investing Activities:</b>	
<b>Cash Flows from Financing Activities:</b>	
Advances from shareholders	10,000
Issuance of common stock for cash	-0-
Receipt of Stock subscription receivable	-0-
<b>Net Cash Provided by Financing Activities</b>	<b>10,000</b>
<b>Net Increase (Decrease) in Cash</b>	<b>-19,116</b>
<b>Cash at Beginning of Period</b>	<b>\$53, 506</b>
<hr/>	
<b>Cash at End of Period</b>	<b>\$ 34,390</b>
<hr/>	
<b>Non-Cash Investing &amp; Financing Activities</b>	
Issuance of stock for management services rendered	\$ 800,000
Issuance of stock for Stock subscription receivable	\$ -

## Investment Summary



This analyst report is based upon both a quantitative and qualitative process involving a risk and investment return analysis. We believe a complete valuation is more than simply analyzing the historic financial statements of the business and then making future projections. Valuations that give the most accurate results consider qualitative matters such as technology changes, the company's competition, and its customers. In addition we look to other macro-environment issues such as the industry and the national and local economic factors that affect the particular business. A fundamental concept in business valuation is the risk-reward relationship in making any kind of investment. For example, a certificate of deposit from a bank is guaranteed from default but has a relative low rate of return between 3%-4%. Investments in large cap public

companies stocks have traditionally returns of 10% to 12% per year based upon historical averages with average risk. While small public companies known as Small-Caps have been traditionally more risky than large cap stocks but have rewarded investors even with higher returns averaging 15% to 20%. Individual's investors all have varying levels of risk tolerance and should make investments based upon their own assessment and due diligence.

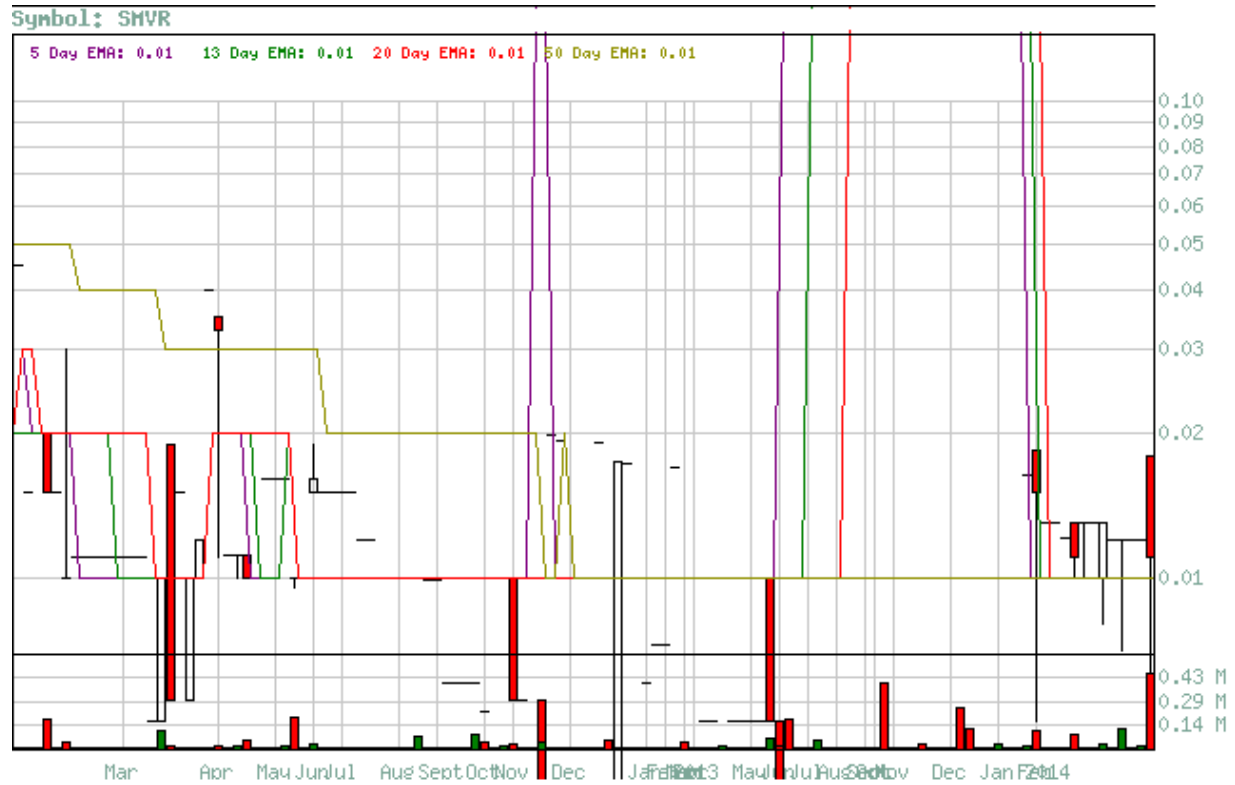
**SMVR-Technical Analysis** (This data is current as 2/25/2014)

Price	Support	Pivot Point	Resistance
0.011	0.01	0.2	0.04

We use the **EMA Analysis**: The [The Exponential Moving Average \(EMA\)](#) is similar to a simple moving average (average price over a set period) but it utilizes a weighting factor that exponentially declines from the most recent data point (recent prices are weighted higher than old prices). Our EMA analysis compares the short term (5 days and 13 days), intermediate term (20 days) and long term (50 days) EMA's. The respective EMA's will give bullish signals when trading above trailing EMA's and below the current price and vice versa. EMA alerts include crossovers (i.e the 5 day EMA crosses above/below the 20 day EMA) and EMA convergencies (5 day EMA equivalent to 13 day EMA)

# EMA Analysis

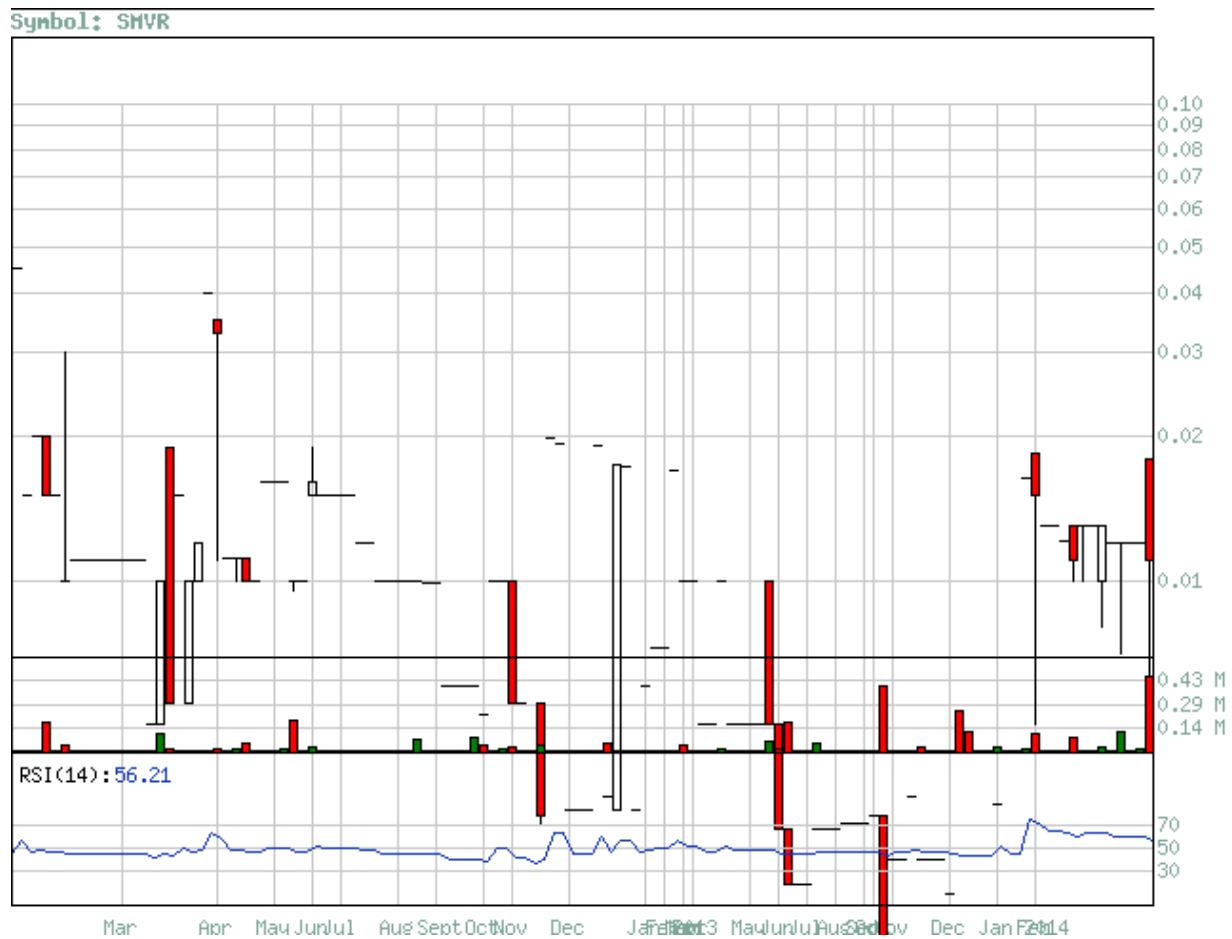
Last Trade	5 day EMA	13 day EMA	20 day EMA	50 day EMA
0.011	0.01	0.01	0.01	0.01
5 day EMA		5 EMA Below 13 EMA	5 EAM Below 20 EMA	5 EMA Below 50 EMA
13 day EMA			13 EMA Above 20 EMA	13 EMA Below 50 EMA
20 day EMA				20 EMA Below 50 EMA



We also use the **Relative Strength Index (RSI) Analysis:**

The relative strength index (RSI) is a momentum oscillator that is able to measure the velocity and magnitude of stock price changes. Momentum is calculated as the ratio of positive price changes to negative price changes. The RSI analysis compares the current RSI against neutral (50), oversold (30) and overbought (70) conditions. Alerts will inform you when stocks recede from oversold/overbought levels or breakthrough neutral (50).

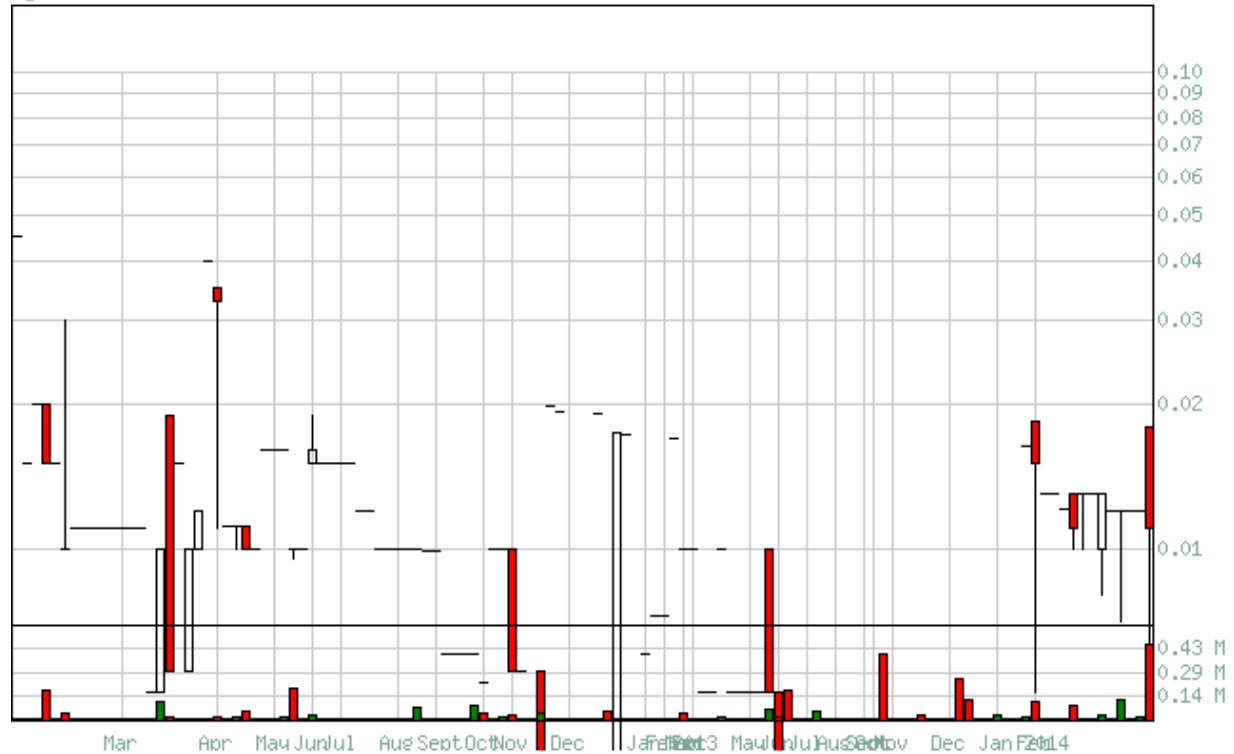
RSI Analysis	56.21
--------------	-------



We also used the **TDD Analysis**: The Three Day Displaced (TDD) analysis compares the current price to the three day displaced (TDD) moving average of the stock. The three day displaced moving average is calculated using the three day average three days ago (or the average price 4, 5 and 6 trading sessions ago). The TDD average is usually used as a trailing tight stop. Stocks trading above the TDD are bullish and stocks trading below are considered bearish.

TDD Analysis 0.01

Symbol: SMVR



## Summary of Company Analysis and Investment

It is our expressed opinion that Smart Ventures, Inc. has an established business model that is common in the drilling services industry. The company has made strategic growth partnerships that provide economies of scale and synergies to develop the growth of the company in the near future. The company has an experienced management team based upon the biographies reviewed, which demonstrate the company has an experienced management team. The company is in a high growth market where oilfield services tend to soar because of the tremendous growth in the oil and gas industry. We have not seen many microcap companies such as this one, that have an A list of clients such as **Petrohawk, K&M Technology Group, Chevron, BP, ConocoPhillips** and **Total Oil**. In our opinion this speaks volume to the quality of management and level of skills that Smart Ventures brings as value to its shareholders.

The company has exhibited an ability to grow and meet supply and demand in the industry. The company management has strong vision and a firm grasp on market trends in the industry and has presented a strong business plan for growth and increasing market share. The 2014 analyst guidance provided by the company regarding sales revenue growth should provide shareholder appreciation.

It is our expressed opinion that this company is undervalued and poised for a higher valuation as a high growth pick.

Our opinion of the technical indicators supports the following position:

MACD-**VERY BULLISH**

EMA- **VERY BULLISH**

FIBS-**BULLISH**

**RSI- BULLISH INTERMEDIATE TERM EXPECTED (0.14) PRICE****TDD-BULLISH INTERMEDIATE TERM EXPECTED (0.29) PRICE**

Disclaimer: Phoenix Group Capital Markets Limited a London Based investment banking firm that also makes direct investments in public companies. Phoenix Group Capital Markets Limited reserves the right to make direct investments in any company it renders an opinion upon. Phoenix Group Capital Markets limited and its affiliates or subsidiaries own an equity position in the company it has rendered this opinion upon. The analyst report was based upon an independent research analysis of historical data publicly available. The analyst report was requested by a third party to prepare an independent research report regarding this company. We were not paid to render this opinion. We have expressed an opinion as if we were making the investment decision on behalf of our firm. We are not registered with the U.S. Securities and Exchange Commission; the Financial Services Authority and are not a member of FINRA or the SIPC. Phoenix Group Capital Markets Limited in not a registered broker dealer. The Phoenix Group Capital Markets logo, trademark and service mark are intellectual property of Phoenix Group Capital Markets Limited. This content of this report may be derived from Phoenix Group capital Markets research reports, notes or analyses. The opinions and information contained herein have been obtained or derived from sources believed to be reliable, but Phoenix Group Capital Markets makes no representations as to their timeliness, accuracy or completeness or for their fitness for any particular purpose. This report is not an offer to sell or a solicitation of an offer to buy any security. The information and material presented in this report are for general information only and do not specifically address individual investment objectives, financial situations or the particular needs of any particular person who may receive this report. Investing in any security or investment strategies discussed may not be suitable for you and it is recommended that you consult an independent investment advisor. Nothing in this report constitutes individual investment, legal or tax advice. Phoenix Group capital Markets may issue other reports that may not be consistent with information presented in this report or may reach different conclusions at the time a different report is presented. All our opinions are reflective of our judgment at the time the report was written. Phoenix Group Capital Markets is under no obligation to ensure that other reports are brought to the attention of any recipient of this report. Phoenix Group Capital Markets limited or its affiliates accept no liability for any loss arising from the use of this report, nor shall Phoenix Group Capital Markets track all recipients of this report as customers simply by virtue of their receipt of this material. Investments involve risk and individual may incur either profits or losses. Past performance should not be taken as an indication or guarantee of future performance. Phoenix Group Capital Markets officers, directors, agents and or affiliates may have positions in stocks discussed in this report. No Phoenix Group Capital Markets, officers, directors employees or agents serve as officers or directors of covered companies, or may own more than one percent of a covered company.

This analyst report contains forward-looking statements that involve a number of risks and uncertainties. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “intends,” “plans,” “should,” “seeks,” “pro forma,” “anticipates,” “estimates,” “continues,” or other variations thereof (including their use in the negative), or by discussions of strategies, plans or intentions. A number of factors could cause results to differ materially from those anticipated by such forward-looking statements, including those discussed. Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Covered company’s actual results could differ materially from those anticipated in the forward-looking statements for many reasons.

Sources: [OTC Markets.com](http://OTCMarkets.com); [www.sandaydrilling.com](http://www.sandaydrilling.com); [www.stockpalooza.com](http://www.stockpalooza.com) and the Edgar filing system.