

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

FORM 10-QSB

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2001

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: 000-33305

Reel Staff, Inc.

(Exact name of small business issuer as specified in its charter)

Nevada -----	95-4863690 -----
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1402 Veteran Avenue, Suite B, California, 90024

(Address of principal executive offices)

(323) 359.1531

(Issuer's Telephone Number)

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practical date. As of November 13, 2001, there were 6,113,750 shares of the issuer's \$.001 par value common stock issued and outstanding.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

REEL STAFF, INC.
(A Development Stage Company)

FINANCIAL STATEMENTS

SEPTEMBER 30, 2001

REEL STAFF, INC.
(a development stage company)

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REEL STAFF, INC.
(a development stage company)

BALANCE SHEET

SEPTEMBER 30, 2001

(UNAUDITED)

ASSETS

Current assets	
Cash	\$ 3,303
Accounts receivable, net of allowance of \$-0-	---

Total current assets	3,303
Other assets	---

Total assets	\$ 3,303
	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities	
Accounts payable and accrued expenses	\$ 1,000

Total current liabilities	1,000

Stockholders' Equity	
Preferred stock, \$.001 par value;	
Authorized shares -- 5,000,000	
Issued and outstanding share -- 0	---

Common stock, \$.001 par value;	
Authorized shares-- 50,000,000	

Issued and outstanding shares-- 6,113,750	6,114
Additional paid-in capital	11,661
Deficit accumulated during the development stage	(15,472)

Total stockholders' equity	2,303

Total liabilities and stockholders' equity	\$ 3,303
	=====

See accompanying notes to financial statements.

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REEL STAFF, INC.
(a development stage company)

STATEMENTS OF OPERATIONS

(UNAUDITED)

<TABLE>
<CAPTION>

	THREE MONTHS ENDED SEPTEMBER 30, 2001	MAY 21, 2001 (INCEPTION) - SEPTEMBER 30, 2001
	<C>	<C>
<S>		
Revenues		
Production staffing	\$ 3,976	\$ 4,504
Post-production staffing	---	---
Less: returns and allowances	---	---
	-----	-----
Net revenues	3,976	4,504
Operating expenses		
Consulting services	---	4,100
Legal and professional fees	7,743	13,973
Marketing	1,475	1,475
Office supplies and expense	393	428
	-----	-----
Total operating expenses	9,611	19,976
	-----	-----
Loss from operations	(5,635)	(15,472)
	-----	-----
Provision for income tax expense (benefit)	---	---
	-----	-----
Net loss/Comprehensive loss	\$ (5,635)	\$ (15,472)
	=====	=====
Net loss/comprehensive loss per common share --- basic and diluted	\$ (---)	\$ (---)
	=====	=====
Weighted average of common shares --- basic and diluted	6,113,750	5,989,851
	=====	=====

</TABLE>

See accompanying notes to financial statements.

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REEL STAFF, INC.
(a development stage company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

MAY 21, 2001 (INCEPTION) THROUGH SEPTEMBER 30, 2001

(UNAUDITED)

<TABLE>
<CAPTION>

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Shares	Amount			

<S>	<C>	<C>	<C>	<C>	<C>
Balance, May 21, 2001	---	\$ ---	\$ ---	\$ ---	\$ ---
Issuance of common stock, May 22, 2001 5,500	5,500,000	5,500	---	---	
Issuance of common stock, May 28, 2001 200	10,000	10	190	---	
Issuance of common stock, June 13, 2001 6,900	345,000	345	6,555	---	
Issuance of common stock, June 17, 2001 600	30,000	30	570	---	
Issuance of common stock, June 28, 2001 4,575	228,750	229	4,346	---	
Net loss/comprehensive loss (9,837)	---	---	---	(9,837)	

Balance, June 30, 2001	6,113,750	6,114	11,661	(9,837)	7,938

Net loss/comprehensive loss (5,635)	---	---	---	(5,635)	

Balance, September 30, 2001	6,113,750	\$ 6,114	\$ 11,661	\$ (15,472)	\$ 2,303

</TABLE>

See accompanying notes to financial statements.

REEL STAFF, INC.
(a development stage company)

STATEMENTS OF CASH FLOWS

(UNAUDITED)

<TABLE>
<CAPTION>

	THREE MONTHS ENDED	MAY 21, 2001
	SEPTEMBER 30, 2001	(INCEPTION) - SEPTEMBER 30, 2001
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (5,635)	\$ (15,472)
Adjustments to reconcile net loss to net cash used in operating activities		
Cost of consulting services paid with common stock	---	4,100
Cost of legal services paid with common stock	---	1,600
Changes in operating assets and liabilities	-----	-----

Increase (decrease) in accounts payable and accrued expenses	(3,665)	1,000
Net cash used by operating activities	(9,300)	(8,772)
CASH FLOWS FROM INVESTING ACTIVITIES	---	---
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock	---	12,075
Net cash provided by financing activities	---	12,075
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,300)	3,303
CASH AND CASH EQUIVALENTS, beginning of period	12,603	---
CASH AND CASH EQUIVALENTS, end of period	\$ 3,303	\$ 3,303
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Income taxes paid	\$ ---	\$ ---
Interest paid	\$ ---	\$ ---

</TABLE>

See accompanying notes to financial statements.

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REEL STAFF, INC.
(a development stage company)

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2001

(UNAUDITED)

NOTE 1 - NATURE OF OPERATIONS

Reel Staff, Inc. (the "Company") provides production and post-production staffing services to film, video, and television production companies. The Company is headquartered in Los Angeles, California.

NOTE 2 - BASIS OF PRESENTATION

The unaudited financial statements included herein have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and Item 310(b) of Regulation S-B. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended September 30, 2001 and from May 21, 2001 (inception) through September 30, 2001 are not necessarily indicative of the results that may be expected for the year ended December 31, 2001. For further information, these financial statements and the related notes should be read in conjunction with the Company's audited financial statements for the period ended June 30, 2001 included in the Company's registration statement filing on Form SB-2.

NOTE 3 - COMMON STOCK

On May 22, 2001, the Company issued 3,900,000 shares of its common stock to its officers and founders for consulting services and 1,600,000 shares of its common stock to various individuals for legal services rendered in connection with the initial organization costs incurred. Since there was no readily available market value at the time the services were rendered, par value of \$0.001 per share was considered as a reasonable estimate of fair value by all parties.

On May 28, 2001, the Company issued 10,000 shares of its common stock to an individual for consulting and design services. Since the Company had

prepared a Private Placement Memorandum Offering (as described in the following paragraph), the Company utilized the value of its common stock associated with that offering of \$0.02 per share. This amount was considered a reasonable estimate of fair value between the Company and the individual.

On June 30, 2001, the Company completed a "best efforts" offering of its common stock pursuant to the provisions of Section 4(2) of the Securities Act of 1933 and Rule 506 of Regulation D promulgated by the Securities and Exchange Commission. In accordance with the Private Placement Memorandum Offering, which was initiated on May 25, 2001, the Company issued 603,750 shares of its common stock at \$0.02 per share for a total of \$12,075 from June 13th - June 30th 2001.

NOTE 4 - RELATED PARTY TRANSACTIONS

On May 22, 2001, the Company issued 3,900,000 shares of its common stock to its current officers for services as described in Note 3.

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Item 2. Plan of Operation

This following information specifies certain forward-looking statements of management of the company. Forward-looking statements are statements that estimate the happening of future events and are not based on historical fact. Forward-looking statements may be identified by the use of forward-looking terminology, such as "may", "shall", "will", "could", "expect", "estimate", "anticipate", "predict", "probable", "possible", "should", "continue", or similar terms, variations of those terms or the negative of those terms. The forward-looking statements specified in the following information have been compiled by our management on the basis of assumptions made by management and considered by management to be reasonable. Our future operating results, however, are impossible to predict and no representation, guaranty, or warranty is to be inferred from those forward-looking statements.

The assumptions used for purposes of the forward-looking statements specified in the following information represent estimates of future events and are subject to uncertainty as to possible changes in economic, legislative, industry, and other circumstances. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives require the exercise of judgment. To the extent that the assumed events do not occur, the outcome may vary substantially from anticipated or projected results, and, accordingly, no opinion is expressed on the achievability of those forward-looking statements. We cannot guaranty that any of the assumptions relating to the forward-looking statements specified in the following information are accurate, and we assume no obligation to update any such forward-looking statements.

We provide staffing services to film, video and television production companies. Our staffing services consist of production services but we intend to expand those services to include postproduction work as well as talent and casting services. The services, skills and labor offered by us will generally include production assistants, as well as film and video crews, such as back line technicians, carpenters, lighting designers, lighting technicians, riggers, sound designers, stage and scenery designers and other skilled laborers.

Liquidity and Capital Resources. We had cash of \$3,303 as at September 30, 2001. We believe that our available cash is sufficient to pay our day-to-day expenditures. Our total assets were approximately \$3,303 and our total liabilities were approximately \$1,000 as at September 30, 2001. Our sole liability at September 30, 2001, was represented by accounts payable and accrued expenses. Our President, Secretary, Director and principal shareholder, Renee McCracken, has also agreed to pay our expenses, for the time being, in the event that we do not generate revenues or obtain additional working capital.

Results of Operations.

Revenue. From May 21, 2001 (date of inception) to September 30, 2001, we realized revenues of approximately \$3,976 from providing production staffing services. For the period from our inception on May 21, 2001 to September 30, 2001, we realized revenues of \$4,504. We hope to generate more revenues as we expand our customer base.

Operating Expenses. For the quarter ended September 30, 2001, our total operating expenses were approximately \$9,611. The majority of those expenses were represented by legal and professional fees of \$7,743. Our total operating expenses from our inception on May 21, 2001 to September 30, 2001 were \$19,976.

For the quarter ended September 30, 2001, we experienced a net loss of approximately \$5,635. From our inception on May 21, 2001 to September 30, 2001 we experienced a net loss of \$15,472. We anticipate that we will continue to incur significant general and administrative expenses.

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Our Plan of Operation for the Next Twelve Months. We generated revenues of \$4,504 from our inception on May 21, 2001 through September 30, 2001. In our management's opinion, to effectuate our business plan in the next twelve months, the following events must occur:

1. We must continue to provide production-staffing services including production assistants, coordinators and managers in order to generate revenues. We have provided services to Alta Vista Pictures, Palomar Pictures, NBC and various small production companies. During the first quarter of 2002, we expect that we will generate revenues of approximately \$5,000 to \$7,000 per month. Any revenues generated will be used to increase our marketing activities as well as expand our operations.
2. We must also increase the number of projects performed for existing customers. If we perform high quality services and provide competent staff to our current clients, we believe the number of projects will increase.
3. We must continue to develop relationships and market our staffing services. We currently market our services through the relationships and contacts of our President, Renee McCracken. Ms. McCracken has contacts in the entertainment industry and we have focused our marketing activities around those contacts and relationships. We need to develop additional relationships with various entertainment-related companies so that we can increase our customer base.
4. We must expand our marketing activities to further develop relationships with our clients and production companies. We hope to cultivate our existing and prospective relationships with our clients so that we can become their primary source for production staff. We believe that we can develop additional relationships with clients by diversifying our service offering to include casting services for film, television, and video productions.

We expect that, in the near term, our operating expenses will increase by approximately \$1,000 per month. We will use the increased expenses for marketing and promotional activities.

We had cash of \$3,303 as at September 30, 2001. In the opinion of management, available funds will satisfy our working capital requirements through January 2002. Our forecast for the period for which our financial resources will be adequate to support our operations involves risks and uncertainties and actual results could fail as a result of a number of factors. We anticipate that we may need to raise additional capital to expand our operations. Such additional capital may be raised through public or private financing as well as borrowings and other sources. We cannot guaranty that additional funding will be available on favorable terms, if at all. If adequate funds are not available, then our ability to expand our operations may be adversely affected. If adequate funds are not available, we believe that our officers and directors will contribute funds to pay for our expenses. Therefore, we have not contemplated any plan of liquidation in the event that we do not generate revenues.

We are not currently conducting any research and development activities, other than the development of our website. We do not anticipate conducting such activities in the near future. We do not anticipate that we will purchase or sale of any significant equipment. In the event that we generate significant revenues and expand our operations, then we may need to hire additional employees or independent contractors.

PART II -- OTHER INFORMATION

Item 1. Legal Proceedings.

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None.

Item 2. Changes in Securities.

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None.

Item 3. Defaults Upon Senior Securities.

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None.

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

None.

Item 5. Other Information.

None.

Item 6. Exhibits and Reports on Form 8-K.

None.

SIGNATURES

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

Reel Staff, Inc.,
a Nevada corporation

November 14, 2001

By: /s/ Renee McCracken

Renee McCracken
Its: President, Secretary, Director