

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

GLOBAL DIGITAL SOLUTIONS INC

Form: 10-Q/A

Date Filed: 2014-08-29

Corporate Issuer CIK: 1011662

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

FORM 10-Q/A
Amendment No. 1

(Mark One)

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

For the quarterly period ended **June 30, 2014**

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: **000-26361**

Global Digital Solutions, Inc.

(Exact name of registrant as specified in its charter)

New Jersey

(State or other jurisdiction of incorporation
or organization)

22-3392051

(I.R.S. Employer
Identification No.)

**777 South Flagler Drive, Suite 800 West
West Palm Beach, FL 33401**

(Address of principal executive offices,
including zip code)

(561) 515-6163

(Registrant's telephone number,
including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of each of the issuer's classes of common stock as of the close of business on August 18, 2014 is as follows:

Class	Number of Shares
Common Stock: \$0.001 Par Value	100,669,278

GLOBAL DIGITAL SOLUTIONS, INC.

TABLE OF CONTENTS

	<u>Page</u>
PART I - FINANCIAL INFORMATION	
Item 4. Controls and Procedures.	1
PART II - OTHER INFORMATION	
Item 6. Exhibits.	1
Signatures	2

EXPLANATORY NOTE

This Amendment No.1 on Form 10-Q (the "Amendment") amends Part I – Item 4 and Part II – Item 6 of the Quarterly Report for Global Digital Solutions, Inc. (the "Company") on Form 10-Q for the quarterly period ended June 30, 2014, filed with the Securities and Exchange Commission ("Commission") on August 19, 2014 (the "Original Report"). The Company is filing this Amendment in response to comments from the Staff of the Commission.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial and Accounting Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1937, as amended, which we refer to as the Exchange Act) as of the end of the period covered by this report. Based on this evaluation, our Chief Executive Officer and our Chief Financial and Accounting Officer, we have concluded that, as of the end of such period, these controls and procedures are not effective to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. These disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit is accumulated and communicated to our management, including our Chief Executive Officer and Chief Accounting Officer, as appropriate to allow timely decisions regarding required disclosure.

Identified Material Weaknesses

A material weakness in our internal control over financial reporting is a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement or the financial statements will not be prevented or detected.

Management identified the following material weaknesses during its assessment of internal controls over financial reporting as of December 31, 2013 which have not been rectified as of June 30, 2014:

Resources: Our Chief Financial Officer performed all accounting functions. As a result, there is a lack of proper segregation of duties.

Audit Committee: We do not have, and are not required, to have an audit committee. An audit committee would improve oversight in the establishment and monitoring of required internal controls and procedures.

Management's Remediation Initiatives

As we expand, we plan to hire additional accounting staff and implement systems where we have adequate segregation of duties. We also plan to add an audit committee financial expert to our board and create an audit committee made up of one or more of our independent directors.

Changes in Internal Control over Financial Reporting

There were no changes in our internal controls over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 6. Exhibits.

We have listed the exhibits by numbers corresponding to the Exhibit Table of Item 601 in Regulation S-K on the Exhibit list attached to this report.

SIGNATURE

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

Date: August 29, 2014

Global Digital Solutions, Inc.
(Registrant)

By: /s/ DAVID A. LOPPERT
Chief Financial Officer
(Duly Authorized Officer and
Principal Financial Officer)

INDEX TO EXHIBITS

Exhibit No.	Description of Exhibit
2.1	Equity Purchase Agreement dated June 16, 2014 by and among Brain A. Dekle, John Ramsey, GDSI Acquisition Corporation, Global Digital Solutions, Inc. and North American Custom Specialty Vehicles, LLC (filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the Commission on June 19, 2014)
10.1	Restricted Stock Unit Agreement dated as of August 25, 2014 between Global Digital Solutions, Inc. and Stephen L. Norris (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Commission on August 25, 2014)
31.1*	Rule 13a-14(a) Certification of Chief Executive Officer.
31.2*	Rule 13a-14(a) Certification of Chief Financial Officer.
32.1**	Section 1350 Certifications of Chief Executive Officer and Chief Financial Officer.

* Filed herewith.

** Furnished herewith.

CERTIFICATION

I, Richard J. Sullivan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q/A of Global Digital Solutions, Inc.;
2. Based on my knowledge, this report does not contain any untrue 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 misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 29, 2014

/s/ RICHARD J. SULLIVAN

Richard J. Sullivan
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, David A. Loppert, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q/A of Global Digital Solutions, Inc.;
2. Based on my knowledge, this report does not contain any untrue 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 misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 29, 2014

/s/ DAVID A. LOPPERT

David A. Loppert
Chief Financial Officer (Principal Financial Officer)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Global Digital Solutions, Inc. (the "Company") on Form 10-Q/A for the quarter ended June 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard J. Sullivan, Chief Executive Officer of the Company, and I, David A. Loppert, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ RICHARD J. SULLIVAN

Richard J. Sullivan
Chief Executive Officer
Date: August 29, 2014

/s/ DAVID A. LOPPERT

Chief Financial Officer
Date: August 29, 2014

A signed original of this written statement required by Section 906 has been provided to Global Digital Solutions, Inc. and will be retained by Global Digital Solutions, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

GLOBAL DIGITAL SOLUTIONS, INC.
777 South Flagler Drive, Suite 800W
West Palm Beach, Florida 33401
Phone: 561-515-6163

August 29, 2014

Via Edgar

Pamela A. Long
Assistant Director
Division of Corporation Finance
U. S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Re: Global Digital Solutions, Inc.
Form 10-Q for the Fiscal Quarter Ended June 30, 2014
Filed August 19, 2014
File No. 000-26361

Dear Ms. Long:

Global Digital Solutions, Inc. (the "**Company**"), hereby responds to comments from the staff (the "**Staff**") of the Securities and Exchange Commission (the "**Commission**") contained in its letter dated August 27, 2014, relating to the above referenced Form 10-Q filed with the Commission on August 19, 2014 (the "**Form 10-Q**"). We are concurrently submitting via EDGAR this letter and an Amended Form 10-Q for the Quarter Ended June 30, 2014.

In this letter, we have recited the comments from the Staff in italicized, bold type and have followed each comment with the Company's response. Except for page references appearing in the headings and Staff comments below (which are references to the Form 10-Q filed on August 19, 2014), all page references herein correspond to the page of the Amended Form 10-Q.

Form 10-Q for the Quarter Ended June 30, 2014

Item 1. Financial Statements

Note 13 – Customer Concentrations, page 14

15. We note your disclosure that you had two customers who accounted for 56.8% and 43.2% of your revenue in the three and six-month periods ended June 30, 2014. With reference to ASC 280-10-50-42, please disclose in future filings the total amount of revenue from each such customer for each period presented.

The Company acknowledges the Staff's comment and confirms that it will disclose, in future filings, the total amount of revenue from each such customer for each period presented.

Pamela A. Long
Assistant Director
Division of Corporation Finance
U. S. Securities and Exchange Commission
August 29, 2014
Page 2 of 2

Item 4. Controls and Procedures, page 21

16. You disclose in your December 31, 2013 Form 10-K and March 31, 2014 Form 10-Q that your disclosure controls and procedures were not effective. In addition, you also disclose in your December 31, 2013 Form 10-K and March 31, 2014 Form 10-Q that there were no changes in your internal control over financial reporting during the respective periods. We note there was no related disclosure of changes in internal control over financial reporting in your June 30, 2014 Form 10-Q. As such, it is not clear how you concluded that your disclosure controls and procedures were effective at June 30, 2014. Please advise.

The Company has revised the disclosure in the Amended Form 10-Q on page 1 to address the staff's comment.

The Company believes the responses provided above fully addresses the Staff's comment. If you have any questions, please call me at (561) 515-6163.

Sincerely
Global Digital Solutions, Inc

/s/ David A. Loppert

David A. Loppert
Chief Financial Office

cc: Owen Naccarato
Law offices of Naccarato & Associates