

DESIGN SOURCE, INC.
(A Development Stage Enterprise)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-QSB

**Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
FOR THE QUARTERLY PERIOD ENDED DECEMBER 31, 2007**

or

**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 000-52089

DESIGN SOURCE, INC.

(Exact name of registrant as specified in its charter)

NEVADA

(State of other jurisdiction of incorporation or organization)

36-4528166

(IRS Employer Identification Number)

**100 Europa Drive
Suite 455**

Chapel Hill, North Carolina 27517
(Address of principal executive offices)

(919) 933-2720

(Registrant's telephone number, including area code)

Check 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of February 14, 2008, the Company had 10,718,457 shares of common stock outstanding.

DESIGN SOURCE, INC.
(A Development Stage Enterprise)

PART I – FINANCIAL INFORMATION

ITEM 1. INTERIM FINANCIAL STATEMENTS

Design Source, Inc.
(A Development Stage Company)

December 31, 2007

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DESIGN SOURCE, INC.
(A Development Stage Company)
BALANCE SHEETS

| | December 31, 2007 (unaudited) | March 31, 2007 |
|---|-------------------------------------|-------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 236 | \$ 5,259 |
| TOTAL ASSETS | <u>\$ 236</u> | <u>\$ 5,259</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 6,450 | \$ 2,248 |
| TOTAL CURRENT LIABILITIES | <u>6,450</u> | <u>2,248</u> |
| TOTAL LIABILITIES | <u>6,450</u> | <u>2,248</u> |
| STOCKHOLDERS' EQUITY (DEFICIT) | | |
| Common stock, \$0.00001 par value, 100,000,000 shares authorized, 10,718,457 and 10,718,457 shares issued and outstanding, respectively | 108 | 108 |
| Additional paid-in capital | 535,815 | 535,815 |
| Accumulated deficit during development stage | (542,137) | (532,912) |
| TOTAL STOCKHOLDERS' EQUITY (DEFICIT) | <u>(6,214)</u> | <u>3,011</u> |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | <u>\$ 236</u> | <u>\$ 5,259</u> |

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

DESIGN SOURCE, INC.
(A Development Stage Company)
STATEMENTS OF OPERATIONS

| | Three Months Ended | | Nine Months Ended | | From Inception |
|--|--------------------|--------------|-------------------|--------------|-----------------|
| | December 31, | December 31, | December 31, | December 31, | (April 2, 2003) |
| | 2007 | 2006 | 2007 | 2006 | through |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) | December 31, |
| | | | | | 2007 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| REVENUES | \$ - | \$ - | \$ - | \$ - | \$ - |
| EXPENSES | | | | | |
| General and administrative | 99 | 3,725 | 168 | 16,360 | 44,694 |
| Meals and entertainment | - | 245 | - | 765 | 1,050 |
| Advertising and marketing | - | 1,000 | - | 6,000 | 6,000 |
| Automobile expense | - | 544 | - | 1,713 | 1,713 |
| Professional fees | 6,450 | 16,499 | 8,851 | 51,951 | 108,277 |
| Rent and utilities | - | 10,371 | - | 21,018 | 26,814 |
| Stock compensation | - | - | - | - | 327,500 |
| Telephone | - | - | - | - | 5,049 |
| Travel | 54 | 827 | 147 | 4,112 | 4,288 |
| Taxes, licenses, and permits | - | 504 | - | 1,036 | 3,476 |
| Consulting | - | - | 65 | 1,670 | 13,751 |
| Total Expenses | 6,603 | 33,715 | 9,231 | 104,625 | 542,612 |
| LOSS FROM OPERATIONS | (6,603) | (33,715) | (9,231) | (104,625) | (542,612) |
| OTHER INCOME (EXPENSE) | | | | | |
| Interest income | - | 331 | 6 | 2,069 | 2,128 |
| Interest expense | - | - | - | (573) | (1,653) |
| Total Other Income (Expense) | - | 331 | 6 | 1,496 | 475 |
| LOSS BEFORE TAXES | (6,603) | (33,384) | (9,225) | (103,129) | (542,137) |
| INCOME TAX EXPENSE | - | - | - | - | - |
| NET LOSS | \$ (6,603) | \$ (33,384) | \$ (9,225) | \$ (103,129) | \$ (542,137) |
| NET INCOME (LOSS) PER SHARE, BASIC AND DILUTED | \$ (0.00) | \$ (0.01) | \$ (0.00) | \$ (0.02) | |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED | 10,718,457 | 4,168,457 | 10,718,457 | 4,168,457 | |

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

DESIGN SOURCE, INC.
(A Development Stage Company)
STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)

| | Common Stock | | Additional Paid-in Capital | Stock Subscription Receivable | Deficit Accumulated During Development Stage | Total Stockholders' Equity (Deficit) |
|---|-------------------|---------------|----------------------------------|-------------------------------------|--|---|
| | Shares | Amount | | | | |
| Balance, April 2, 2003 (Inception) | - | \$ - | \$ - | \$ - | \$ - | - |
| Stock issued upon incorporation at \$0.05 per share for payment of advances and expense reimbursement | 435,000 | 4 | 21,746 | - | - | 21,750 |
| Stock issued for cash at \$0.05 per share | 200,000 | 2 | 9,998 | - | - | 10,000 |
| Stock issued for expense reimbursement at \$0.05 per share | 83,457 | 1 | 4,172 | - | - | 4,173 |
| Net loss for the period ended March 31, 2004 | - | - | - | - | (30,760) | (30,760) |
| Balance, March 31, 2004 | 718,457 | 7 | 35,916 | - | (30,760) | 5,163 |
| Net loss for the year ended March 31, 2005 | - | - | - | - | (16,676) | (16,676) |
| Balance, March 31, 2005 | 718,457 | 7 | 35,916 | - | (47,436) | (11,513) |
| Stock issued for cash at \$0.05 per share for cash and subscription receivable | 3,320,000 | 33 | 165,967 | (6,000) | - | 160,000 |
| Net loss for the year ended March 31, 2006 | - | - | - | - | (35,028) | (35,028) |
| Balance, March 31, 2006 | 4,038,457 | 40 | 201,883 | (6,000) | (82,464) | 113,459 |
| Payment of stock subscription receivable | - | - | - | 6,000 | - | 6,000 |
| Stock issued for cash at \$0.05 per share | 130,000 | 2 | 6,498 | - | - | 6,500 |
| Stock issued for compensation at \$0.05 per share | 6,550,000 | 66 | 327,434 | - | - | 327,500 |
| Net loss for the year ended March 31, 2007 | - | - | - | - | (450,448) | (450,448) |
| Balance, March 31, 2007 | 10,718,457 | 108 | 535,815 | - | (532,912) | 3,011 |
| Net loss for the period ended December 31, 2007 | - | - | - | - | (9,225) | (9,225) |
| Balance, December 31, 2007 | <u>10,718,457</u> | <u>\$ 108</u> | <u>\$ 535,815</u> | <u>\$ -</u> | <u>\$ (542,137)</u> | <u>\$ (6,214)</u> |

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

DESIGN SOURCE, INC.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS

| | For the Nine Months | | From Inception |
|---|--|--|---|
| | Ended December 31, 2007 (unaudited) | Ended December 31, 2006 (unaudited) | (April 2, 2003) through December 31, 2007 (unaudited) |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net loss | \$ (9,225) | \$ (103,129) | \$ (542,137) |
| Adjustments to reconcile net loss to net cash used by operating activities: | | | |
| (Increase) decrease in accounts receivable | - | (1,507) | |
| Increase (Decrease) in accounts payable | 4,202 | (19,108) | 6,450 |
| Increase (Decrease) in accrued interest | - | (1,080) | - |
| Stock issued for compensation | - | - | 327,500 |
| Expenses paid by officer | - | - | 24,923 |
| Net cash used by operating activities | <u>(5,023)</u> | <u>(124,824)</u> | <u>(183,264)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Issuance of common stock for cash advances | - | - | 1,000 |
| Proceeds from shareholder loans | - | - | 21,560 |
| Repayment of shareholder loans | - | (21,560) | (21,560) |
| Proceeds from issuance of common stock | - | 12,500 | 182,500 |
| Net cash provided (used in) by financing activities | <u>-</u> | <u>(9,060)</u> | <u>183,500</u> |
| NET INCREASE (DECREASE) IN CASH | (5,023) | (133,884) | 236 |
| CASH, BEGINNING OF PERIOD | 5,259 | 160,447 | - |
| CASH, END OF PERIOD | \$ <u>236</u> | \$ <u>26,563</u> | \$ <u>236</u> |
| SUPPLEMENTAL CASH FLOW INFORMATION: | | | |
| Interest paid | \$ - | \$ - | \$ - |
| Income taxes paid | \$ - | \$ - | \$ - |

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

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NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION

Design Source, Inc. (hereinafter “the Company”) was incorporated on April 2, 2003 under the laws of the State of Nevada for the purpose of offering textiles to the commercial designer market utilizing the internet. The Company’s headquarters is located in Chapel Hill, North Carolina. The Company is a development stage enterprise.

The Company’s year end is March 31.

The foregoing unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Regulation S-B as promulgated by the Securities and Exchange Commission (“SEC”). Accordingly, these financial statements do not include all of the disclosures required by generally accepted accounting principles in the United States of America for complete financial statements. These unaudited interim financial statements should be read in conjunction with the audited financial statements for the period ended March 31, 2007. In the opinion of management, the unaudited interim financial statements furnished herein include all adjustments, all of which are of a normal recurring nature, necessary for a fair statement of the results for the interim period presented. Operating results for the nine-month period ending December 31, 2007 are not necessarily indicative of the results that may be expected for the year ending March 31, 2008.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the accompanying financial statements. The financial statements and notes are representations of the Company’s management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Accounting Method

The Company’s financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Development Stage Activities

The Company has been in the development stage since its formation and has not realized any revenue from operations. It has been primarily engaged in offering textiles to the commercial designer market utilizing the internet.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern.

At December 31, 2007, the Company had an accumulated deficit during the development stage of \$542,137. Since its inception, the Company has not generated any revenues and has minimal cash resources. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. For the twelve-month subsequent period, the Company anticipates that its minimum operating cash requirements to continue as a going concern will be approximately \$50,000.

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The Company has determined that it can not continue with its business operations as outlined in its original business plan because of a lack of financial results and resources; therefore, although the Company may return to its intended business operations at a later date, it has redirected its focus towards identifying and pursuing options regarding the development of a new business plan and direction. The Company intends to explore various business opportunities that have the potential to generate positive revenue, profits and cash flow in order to financially accommodate the costs of being a publicly held company. However, the Company can not assure that there will be any other business opportunities available nor the nature of the business opportunity, nor indication of the financial resources required of any possible business opportunity.

The Company has minimal operating costs and expenses at the present time due to its limited business activities. The Company may, however, be required to raise additional capital over the next twelve months to meet its current administrative expenses, and it may do so in connection with or in anticipation of possible acquisition transactions. This financing may take the form of additional sales of the Company's equity securities and/or loans from its directors. There is no assurance that additional financing will be available, if required, or on terms favorable to the Company.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

Fair Value of Financial Instruments

The Company's financial instruments as defined by Statement of Financial Accounting Standards No. 107, "Disclosures about Fair Value of Financial Instruments," may include cash, receivables, advances, accounts payable and accrued expenses. All such instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value at December 31, 2007 and March 31, 2007.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Recent Accounting Pronouncements

In December 2007, the FASB issued FASB Statement No. 141 (revised 2007), Business Combinations. This Statement replaces FASB Statement No. 141, Business Combinations. This Statement retains the fundamental requirements in Statement 141 that the acquisition method of accounting (which Statement 141 called the purchase method) be used for all business combinations and for an acquirer to be identified for each business combination. This Statement defines the acquirer as the entity that obtains control of one or more businesses in the business combination and establishes the acquisition date as the date that the acquirer achieves control. This Statement's scope is broader than that of Statement 141, which applied only to business combinations in which control was obtained by transferring consideration. By applying the same method of accounting—the acquisition method—to all transactions and other events in which one entity obtains control over one or more other businesses, this Statement improves the comparability of the information about business combinations provided in financial reports.

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This Statement requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date, with limited exceptions specified in the Statement. That replaces Statement 141's cost-allocation process, which required the cost of an acquisition to be allocated to the individual assets acquired and liabilities assumed based on their estimated fair values.

This Statement applies to all transactions or other events in which an entity (the acquirer) obtains control of one or more businesses (the acquiree), including those sometimes referred to as "true mergers" or "mergers of equals" and combinations achieved without the transfer of consideration, for example, by contract alone or through the lapse of minority veto rights. This Statement applies to all business entities, including mutual entities that previously used the pooling-of-interests method of accounting for some business combinations. It does not apply to (a) The formation of a joint venture, (b) The acquisition of an asset or a group of assets that does not constitute a business, (c) A combination between entities or businesses under common control, (d) A combination between not-for-profit organizations or the acquisition of a for-profit business by a not-for-profit organization

This Statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. An entity may not apply it before that date. Management believes this Statement will have no impact on the financial statements of the Company once adopted.

In December 2007, the FASB issued FASB Statement No. 160 - Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No. 51. This Statement applies to all entities that prepare consolidated financial statements, except not-for-profit organizations, but will affect only those entities that have an outstanding noncontrolling interest in one or more subsidiaries or that deconsolidate a subsidiary. Not-for-profit organizations should continue to apply the guidance in Accounting Research Bulletin No. 51, Consolidated Financial Statements, before the amendments made by this Statement, and any other applicable standards, until the Board issues interpretative guidance.

This Statement amends ARB 51 to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. Before this Statement was issued, limited guidance existed for reporting noncontrolling interests. As a result, considerable diversity in practice existed. So-called minority interests were reported in the consolidated statement of financial position as liabilities or in the mezzanine section between liabilities and equity. This Statement improves comparability by eliminating that diversity.

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A noncontrolling interest, sometimes called a minority interest, is the portion of equity in a subsidiary not attributable, directly or indirectly, to a parent. The objective of this Statement is to improve the relevance, comparability, and transparency of the financial information that a reporting entity provides in its consolidated financial statements by establishing accounting and reporting standards that require: (a) The ownership interests in subsidiaries held by parties other than the parent be clearly identified, labeled, and presented in the consolidated statement of financial position within equity, but separate from the parent's equity, (b) The amount of consolidated net income attributable to the parent and to the noncontrolling interest be clearly identified and presented on the face of the consolidated statement of income, (c) Changes in a parent's ownership interest while the parent retains its controlling financial interest in its subsidiary be accounted for consistently. A parent's ownership interest in a subsidiary changes if the parent purchases additional ownership interests in its subsidiary or if the parent sells some of its ownership interests in its subsidiary. It also changes if the subsidiary reacquires some of its ownership interests or the subsidiary issues additional ownership interests. All of those transactions are economically similar, and this Statement requires that they be accounted for similarly, as equity transactions, (d) When a subsidiary is deconsolidated, any retained noncontrolling equity investment in the former subsidiary be initially measured at fair value. The gain or loss on the deconsolidation of the subsidiary is measured using the fair value of any noncontrolling equity investment rather than the carrying amount of that retained investment, (e) Entities provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners.

This Statement is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008 (that is, January 1, 2009, for entities with calendar year-ends). Earlier adoption is prohibited. This Statement shall be applied prospectively as of the beginning of the fiscal year in which this Statement is initially applied, except for the presentation and disclosure requirements. The presentation and disclosure requirements shall be applied retrospectively for all periods presented. Management believes this Statement will have no impact on the financial statements of the Company once adopted.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the financial statements upon adoption.

NOTE 3 - COMMON STOCK

The Company is authorized to issue 100,000,000 shares of \$0.00001 par value common stock. All shares have equal voting rights, are non-assessable and have one vote per share. Voting rights are not cumulative and, therefore, the holders of more than 50% of the common stock could, if they choose to do so, elect all of the directors of the Company.

Upon incorporation, the Company issued 435,000 shares of common stock at a price of \$0.05 per share as reimbursement of a cash advance in the amount of \$1,000 and expenses paid personally by a director totaling \$20,750.

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During the period ending March 31, 2004, an additional 283,457 shares of common stock were issued at \$0.05 per share for reimbursement of expenses paid personally by a director totaling \$4,173 and for cash totaling \$10,000.

During the period ending March 31, 2006, an additional 3,320,000 shares of common stock were issued at \$0.05 per share for cash totaling \$160,000 and subscription receivable of \$6,000.

During the year ended March 31, 2007, 130,000 shares of common stock were issued at \$0.05 per share for cash totaling \$6,500 to outside investors; 6,550,000 share of common stock were issued to its officers for compensation at \$0.05 per share for \$327,500 and \$6,000 subscription receivable was received.

As of December 31, 2007, the Company had issued no additional shares of common stock.

NOTE 4 - INCOME TAXES

At December 31, 2007 and March 31, 2007, the Company had calculated deferred tax assets of approximately \$219,566 and \$215,829 respectively calculated at a combined federal and state expected rate of 40.5%. As management of the Company cannot determine that it is more likely than not that the Company will realize the benefit of the net deferred tax asset, a valuation allowance equal to the net deferred tax asset has been recorded.

The significant components of the deferred tax assets at December 31, 2007 and March 31, 2007 were as follows:

| | <u>Dec 31, 2007</u> | <u>March 31, 2007</u> |
|--|---------------------|-----------------------|
| Net operating loss carryforward: | \$ 542,137 | \$ 532,912 |
| Deferred tax asset | \$ 219,566 | \$ 215,829 |
| Deferred tax asset valuation allowance | (219,566) | (215,829) |
| Net deferred tax asset | <u>\$ -</u> | <u>\$ -</u> |

At December 31, 2007 and March 31, 2007, the Company has net operating loss carryforwards of \$542,137 and \$532,912 respectively, which begin to expire in the year 2027. The change in the allowance account from March 31, 2007 to December 31, 2007 was \$3,737.

NOTE 5 - SUBSEQUENT EVENTS

On February 7, 2008, Design Source received a \$50,000 investment from an investor for the sale of 500,000 shares of its common stock at \$0.10 per share.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

This section of the report includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like: believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You should not place undue certainty on these forward-looking statements, which apply only as of the date of this report. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or our predictions.

Plan of Operation

We were incorporated on April 2, 2003, to offer a comprehensive supply of, market and distribute commercial upholstery, drapery, bedspread, panel, and wall covering fabrics to the interior designer industry and individual retail customers on our proprietary Internet website. We have determined that we can not continue with our business operations as outlined in our original business plan because of a lack of financial results and resources; therefore, although we may return to our intended business operations at a later date, we have redirected our focus towards identifying and pursuing options regarding the development of a new business plan and direction. We intend to explore various business opportunities that have the potential to generate positive revenue, profits and cash flow in order to financially accommodate the costs of being a publicly held company. However, we can not assure that there will be any other business opportunities available nor the nature of the business opportunity, nor indication of the financial resources required of any possible business opportunity.

We have minimal operating costs and expenses at the present time due to our limited business activities. We may, however, be required to raise additional capital over the next twelve months to meet our current administrative expenses, and we may do so in connection with or in anticipation of possible acquisition transactions. This financing may take the form of additional sales of our equity securities and/or loans from our directors. There is no assurance that additional financing will be available, if required, or on terms favorable to us.

We are not currently engaging in any product research and development and have no plans to do so in the foreseeable future. We have no present plans to purchase or sell any plant or significant equipment. We also have no present plans to add employees although we may do so in the future if we engage in any merger or acquisition transactions

ITEM 3. CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we have conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as of the end of the period covered by this report. Based on this evaluation, our principal executive officer and principal financial officer concluded as of the evaluation date that our disclosure controls and procedures were effective such that the material information required to be included in our Securities and Exchange Commission reports is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms relating to our company, particularly during the period when this report was being prepared.

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Additionally, there were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the evaluation date. We have not identified any significant deficiencies or material weaknesses in our internal controls, and therefore there were no corrective actions taken.

PART II – OTHER INFORMATION

ITEM 6. EXHIBITS

The following Exhibits are attached hereto:

| Exhibit No. | Document Description |
|--------------------|--|
| 31.1 | Certification of Principal Executive Officer and Principal Financial Officer pursuant to Rule 13a-15(a) and Rule 15d-15(a), promulgated under the Securities Exchange Act of 1934, as amended. |
| 32.1 | Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |

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SIGNATURES

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

Date: February 14, 2008

DESIGN SOURCE, INC.
(Registrant)

BY: /S/ PETER REICHARD
Peter Reichard
President, Principal Executive Officer, Treasurer,
Principal Financial Officer, Principal Accounting
Officer and member of the Board of Directors

SARBANES-OXLEY SECTION 302(a) CERTIFICATION

Principal Executive Officer & Principal Financial Officer

I, Peter Reichard, certify that:

1. I have reviewed this **Quarterly Report on Form 10-QSB for the period ended December 31, 2007** of **Design Source, 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. I am 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 15d-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
-

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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. I have disclosed, based on my 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: February 14, 2008

/s/ Peter Reichard

Peter Reichard

Principal Executive Officer and 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 **Design Source, Inc.** (the "Company") on Form 10-QSB for the period ended **December 31, 2007** as filed with the Securities and Exchange Commission on the date here of (the "Report"), I, Peter Reichard, Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Dated this 14th day of February, 2008.

/s/ Peter Reichard

Peter Reichard
Chief Executive Officer and Chief Financial Officer
