AMR CORP
Form SC 13G/A
February 13, 2002

SCHEDULE 13G

Amendment No. 1
AMR Corporation
Common Stock
Cusip #001765106

Cusip #001765106
Item 1: Reporting Person - FMR Corp.
Item 4: Commonwealth of Massachusetts
Item 5: 683,408
Item 6: 0
Item 7: 10,476,458
Item 8: 0
Item 9: 10,476,458
Item 11: 6.782%
Item 12: HC

Cusip #001765106
Item 1: Reporting Person - Edward C. Johnson 3d
Item 4: United States of America
Item 5: 0
Item 6: 0
Item 7: 10,476,458
Item 8: 0
Item 9: 10,476,458
Item 11: 6.782%
Item 12: IN

Cusip #001765106
Item 1: Reporting Person - Abigail P. Johnson
Item 4: United States of America
Item 5: None
Item 6: None
Item 7: 10,476,458
Item 8: None
Item 9: 10,476,458
Item 11: 6.782%
Item 12: IN

SCHEDULE 13G - TO BE INCLUDED IN STATEMENTS
FILED PURSUANT TO RULE 13d-1(b) or 13d-2(b)

Item 1(a). Name of Issuer:

AMR Corporation

Item 1(b). Name of Issuer's Principal Executive Offices:

4333 Amon Carter Boulevard,
Fort Worth, TX 76155-2605

Item 2(a). Name of Person Filing:

FMR Corp.

Item 2(b). Address or Principal Business Office or, if None, Residence:

82 Devonshire Street, Boston, Massachusetts 02109

Item 2(c). Citizenship:

Not applicable

Item 2(d). Title of Class of Securities:

Common Stock

Item 2(e). CUSIP Number:

001765106

Item 3. This statement is filed pursuant to Rule 13d-1(b) or 13d-2(b) and the person filing, FMR Corp., is a parent holding company in accordance with Section 240.13d-1(b)(ii)(G). (Note: See Item 7).

Item 4. Ownership

(a) Amount Beneficially Owned: 10,476,458

(b) Percent of Class: 6.782%

(c) Number of shares as to which such person has:

(i) sole power to vote or to direct the vote: 683,408

(ii) shared power to vote or to direct the vote: 0

(iii) sole power to dispose or to direct the disposition of: 10,476,458

(iv) shared power to dispose or to direct the disposition of: 0

Item 5. Ownership of Five Percent or Less of a Class.

Not applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Common Stock of AMR Corporation. No one person's interest in the Common Stock of AMR Corporation is more than five percent of the total outstanding Common Stock.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company.

See attached Exhibit(s) A, B, and C.

Item 8. Identification and Classification of Members of the Group.

Not Applicable. See attached Exhibit A.

Item 9. Notice of Dissolution of Group.

Not applicable.

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purpose or effect.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Schedule 13G in connection with FMR Corp.'s beneficial ownership of the Common Stock of AMR Corporation at December 31, 2001 is true, complete and correct.

February 14, 2002
Date

/s/Eric D. Roiter
Signature

Eric D. Roiter
Duly authorized under Power of Attorney
dated December 30, 1997 by and on behalf
of FMR Corp. and its direct and indirect
subsidiaries

SCHEDULE 13G - TO BE INCLUDED IN STATEMENTS
FILED PURSUANT TO RULE 13d-1(b) or 13d-2(b)

Pursuant to the instructions in Item 7 of Schedule 13G, Fidelity Management & Research Company ("Fidelity"), 82 Devonshire Street, Boston, Massachusetts 02109, a wholly-owned subsidiary of FMR Corp. and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, is the beneficial owner of 9,700,550 shares or 6.279% of the Common Stock outstanding of AMR Corporation ("the Company") as a result of acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940.

Edward C. Johnson 3d, FMR Corp., through its control of Fidelity, and the funds each has sole power to dispose of the 9,700,550 shares owned by the Funds.

Neither FMR Corp. nor Edward C. Johnson 3d, Chairman of FMR Corp., has the sole power to vote or direct the voting of the shares owned directly by the Fidelity Funds, which power resides with the Funds' Boards of Trustees. Fidelity carries out the voting of the shares under written guidelines established by the Funds' Boards of Trustees.

Fidelity Management Trust Company, 82 Devonshire Street, Boston, Massachusetts 02109, a wholly-owned subsidiary of FMR Corp. and a bank as defined in Section 3(a)(6) of the Securities Exchange Act of 1934, is the beneficial owner of 453,738 shares or 0.294% of the Common Stock outstanding of the Company as a result of its serving as investment manager of the institutional account(s).

Edward C. Johnson 3d and FMR Corp., through its control of Fidelity Management Trust Company, each has sole dispositive power over 453,738 shares and sole power to vote or to direct the voting of 360,938 shares, and no power to vote or to direct the voting of 92,800 shares of Common Stock owned by the institutional account(s) as reported above.

Members of the Edward C. Johnson 3d family are the predominant owners of Class B shares of common stock of FMR Corp., representing approximately 49% of the voting power of FMR Corp. Mr. Johnson 3d owns 12.0% and Abigail Johnson owns 24.5% of the aggregate outstanding voting stock of FMR Corp. Mr. Johnson 3d is Chairman of FMR Corp. and Abigail P. Johnson is a Director of FMR Corp. The Johnson family group and all other Class B shareholders have entered into a shareholders' voting agreement under which all Class B shares will be voted in accordance with the majority vote of Class B shares. Accordingly, through their ownership of voting common stock and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR Corp.

Fidelity International Limited, Pembroke Hall, 42 Crowlane, Hamilton, Bermuda, and various foreign-based subsidiaries provide investment advisory and management services to a number of non-U.S. investment companies (the "International Funds") and certain institutional investors. Fidelity International Limited is the beneficial owner of 322,170 shares or 0.209% of the Common Stock outstanding of the Company. Additional information with respect to the beneficial ownership of Fidelity International Limited is shown on Exhibit B.

SCHEDULE 13G - TO BE INCLUDED IN STATEMENTS
FILED PURSUANT TO RULE 13d-1(b) or 13d-2(b)

Pursuant to instructions in Item 7 of Schedule 13G, this Exhibit has been prepared to identify Fidelity International Limited, Pembroke Hall, 42 Crow Lane, Hamilton, Bermuda, a Bermudan joint stock company incorporated for an unlimited duration by private act of the Bermuda Legislature (FIL) and an investment adviser to various investment companies (the "International Funds") and certain institutional investors, as a beneficial owner of the 322,170 shares or 0.209% of the Common Stock outstanding of AMR Corporation.

Prior to June 30, 1980, FIL was a majority-owned subsidiary of Fidelity Management & Research Company (Fidelity), a wholly-owned subsidiary of FMR Corp. On that date, the shares of FIL held by Fidelity were distributed, as a dividend, to the shareholders of FMR Corp. FIL currently operates as an entity independent of FMR Corp. and Fidelity. The International Funds and FIL's other clients, with the exception of Fidelity and an affiliated company of Fidelity, are non-U.S. entities.

A partnership controlled by Edward C. Johnson 3d and members of his family owns shares of FIL voting stock with the right to cast approximately 39.89% of the total votes which may be cast by all holders of FIL voting stock. Mr. Johnson 3d is Chairman of FMR Corp. and FIL. FMR Corp. and FIL are separate and independent corporate entities, and their Boards of Directors are generally composed of different individuals. Other than when one serves as a sub adviser to the other, their investment decisions are made independently, and their clients are generally different organizations.

FMR Corp. and FIL are of the view that they are not acting as a "group" for purposes of Section 13(d) under the Securities Exchange Act of 1934 (the "1934" Act) and that they are not otherwise required to attribute to each other the "beneficial ownership" of securities "beneficially owned" by the other corporation within the meaning of Rule 13d-3 promulgated under the 1934 Act. Therefore, they are of the view that the shares held by the other corporation need not be aggregated for purposes of Section 13(d). However, FMR Corp. is making this filing on a voluntary basis as if all of the shares are beneficially owned by FMR Corp. and FIL on a joint basis.

FIL may continue to have the International Funds or other accounts purchase shares subject to a number of factors, including, among others, the availability of shares for sale at what FIL considers to be reasonable prices and other investment opportunities that may be available to the International Funds.

FIL intends to review continuously the equity position of the International Funds and other accounts in the Company. Depending upon its future evaluations of the business and prospects of the Company and upon other developments, including, but not limited to, general economic and business conditions and money market and stock market conditions, FIL may determine to cease making additional purchases of shares or to increase or decrease the equity interest in the Company by acquiring additional shares, or by disposing of all or a portion of the shares.

FIL does not have a present plan or proposal which relates to or would result in (i) an extraordinary corporate transaction, such as a merger, reorganization, liquidation, or sale or transfer of a material amount of assets involving the Company or any of its subsidiaries, (ii) any change in the Company's present Board of Directors or management, (iii) any material changes in the Company's present capitalization or dividend policy or any other material change in the Company's business or corporate structure, (iv) any change in the Company's charter or by-laws, or (v) the Company's common stock becoming eligible for termination of its registration pursuant to Section 12(g)(4) of the 1934 Act.

FIL has sole power to vote and the sole power to dispose of 322,170 shares.

SCHEDULE 13G - TO BE INCLUDED IN STATEMENTS
FILED PURSUANT TO RULE 13d-1(b) or 13d-2(b)
RULE 13d-1(f)(1) AGREEMENT

The undersigned persons, on February 14, 2002, agree and consent to the joint filing on their behalf of this Schedule 13G in connection with their beneficial ownership of the Common Stock of AMR Corporation at December 31, 2001.

FMR Corp.

By /s/Eric D. Roiter
Eric D. Roiter
Duly authorized under Power of Attorney
dated December 30, 1997, by and on behalf
of FMR Corp. and its direct and indirect
subsidiaries

Edward C. Johnson 3d

By /s/Eric D. Roiter
Eric D. Roiter
Duly authorized under Power of Attorney
dated December 30, 1997, by and on behalf
of Edward C. Johnson 3d

Abigail P. Johnson

By /s/Eric D. Roiter
Eric D. Roiter
Duly authorized under Power of Attorney
dated December 30, 1997, by and on behalf
of Abigail P. Johnson

Fidelity Management & Research Company

By /s/Eric D. Roiter
Eric D. Roiter
Senior V.P. and General Counsel

RESEARCH AND DEVELOPMENT ACTIVITIES Other than time spent researching our proposed business we have not spent any funds on research and development activities to date. We do not currently plan to spend any funds on research and development activities in the future. ENVIRONMENTAL LAWS Our operations are not subject to any environmental laws. EMPLOYEES AND EMPLOYMENT AGREEMENTS We currently have one employee, who is our executive officer, namely, Ezra E. Ezra. He is responsible for all operations of our business, and currently devotes approximately 2 hours per week to administrative tasks, but will be available to address his other duties, as and when needed. There are no formal employment agreements between the company and our current employees. REPORTS TO SECURITIES HOLDERS We provide an annual report that includes audited financial information to our shareholders. We will make our financial information equally available to any interested parties or investors through compliance with the disclosure rules of Regulation S-K for a smaller reporting company under the Securities Exchange Act. We are subject to disclosure filing requirements, including filing Form 10K annually and Form 10Q quarterly. In addition, we will file Form 8K and other proxy and information statements from time to time as required. We do not intend to voluntarily file the above reports in the event that our obligation to file such reports is suspended under the Exchange Act. The public may read and copy any materials that we file with the Securities and Exchange Commission, ("SEC"), at the SEC's Public Reference Room at 100 F Street NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site (http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. 5 ITEM 1A. RISK FACTORS SINCE WE ARE A DEVELOPMENT STAGE COMPANY, HAVE GENERATED NO REVENUES AND LACK AN OPERATING HISTORY. Our company was incorporated in June 2006; we have not yet realized any revenues; and do not know when we will generate revenue. We have virtually no operating history upon which to base our future prospects. Our management has little in the way of industry contacts in the cellular business. Our ability to achieve and maintain profitability and positive cash flow is highly dependent upon a number of factors, including raising more capital, our ability to attract customers, forge partnership relationships with "service providers" (such as Sprint/Nextel, Verizon Wireless, T-Mobile and AT&T, to name a few) as well as product and solutions suppliers. Our limited operating history also makes it difficult to accurately forecast future revenue and appropriately plan our expenses. Given the rigorous requirements of the infrastructure required to operate in the cellular arena, we may never achieve sales or profitability. Based upon current plans, we expect to incur operating losses in future periods as we incur expenses associated with the continuation of our business as well as its subsequent development, which cannot be guaranteed. Further, we cannot guarantee that we will be successful in raising capital, realizing revenues or in achieving or sustaining positive cash flow at any time in the future. Any such failure could result in the possible closure of our business or force us to seek additional capital through loans or additional sales of our equity securities to continue business operations. EZRA E. EZRA, THE PRESIDENT AND DIRECTOR OF THE COMPANY, IS OUR ONLY EMPLOYEE. HE DOES NOT HAVE ANY PUBLIC COMPANY EXPERIENCE. HE CURRENTLY DEVOTES APPROXIMATELY 2 HOURS PER WEEK TO COMPANY MATTERS. THE COMPANY'S NEEDS COULD EXCEED THE AMOUNT OF TIME OR LEVEL OF EXPERIENCE THAT HE MAY HAVE. THIS COULD RESULT IN HIS INABILITY TO PROPERLY MANAGE COMPANY AFFAIRS, RESULTING IN OUR REMAINING A START-UP COMPANY WITH NO REVENUES OR PROFITS. Our business plan does not provide for the hiring of any additional employees until sales will support the expense. That cannot occur before we have been successful in establishing partnerships with the service providers, the sort of partnerships that will allow us to compete in the medium size and corporate arenas. We cannot anticipate when or if we will be successful in obtaining those partnerships. Until that time the responsibility of developing the company's business and fulfilling the reporting requirements of a public company all fall upon our only employee, Ezra E. Ezra. He will be responsible for all marketing and sales to businesses as well as dealing with the service and software/solutions providers. He will also be responsible for the purchasing, warehousing, selling, packaging and shipping of the wireless products/services, i.e., the fulfillment process. In addition all customer service and support will be handled by him. At the present Mr. Ezra's primary focus is raising capital and working to establish the aforementioned service partnerships. WE WILL INCUR ONGOING COST AND EXPENSES FOR SEC REPORTING AND COMPLIANCE. WITHOUT REVENUE WE MAY NOT BE ABLE TO REMAIN IN COMPLIANCE. To be eligible for quotation on the OTCBB, issuers must remain current in their filings with the SEC. Securities quoted on the OTCBB that become delinquent in their required filings will be removed following a grace period if they do not make their required filing during that time. In order for us to remain in 6 compliance we will require future revenues to cover the cost of these filings, which could comprise a substantial portion of our available cash resources. IN THE FUTURE IF WE ARE UNABLE TO OBTAIN, ESTABLISH AND MAINTAIN RELATIONSHIPS WITH THE WIRELESS PRODUCTS AND SOFTWARE SOLUTIONS PROVIDERS WE MAY NEVER SECURE ANY CUSTOMERS NOR GENERATE ANY PROFITS. Our success depends on our ability to establish the aforementioned partnerships with one or more of the major service providers. Thus far we have been unsuccessful in our efforts to gain these partnerships. IF WE ARE UNABLE TO OBTAIN WIRELESS PRODUCTS AND SOFTWARE SOLUTIONS THAT WILL MEET OUR CUSTOMERS' DEMANDS ON A TIMELY BASIS WE MAY LOSE CUSTOMERS AND HAVE NO PROFITS. We intend to purchase, for resale, wireless products and software solutions from a number of manufacturers and suppliers. Because these markets are typically driven by rapid technological advancements, frequent new product introductions and short product lifecycles, our ability to meet our customers' demands depends, in large part, on our suppliers providing us with adequate amounts of products on favorable pricing and terms. Any failure or delay by our suppliers in supplying us with desired products and software solutions, or in providing these products to us on favorable terms, could significantly impair our ability to obtain and deliver products to our customers on a timely and competitive basis. Additionally, the manufacturers that will supply our wireless products face intense competition from other manufacturers, including some that may have greater financial and other resources. Accordingly, other manufacturers and the software developers themselves may produce wireless products that are less expensive and superior to or more attractive than those that our suppliers produce and they may also be able to spend significantly more to advertise and market their product offerings. If our suppliers fail to respond on a timely basis to the rapid technological changes that have been characteristic of the wireless communications industry, fail to provide new product offerings that are desired by consumers or are otherwise unable to compete effectively against other manufacturers, the products that we will offer may be less desirable and our business operations could suffer. OUR BUSINESS AND GROWTH COULD BE HINDERED IF WE FAIL TO RETAIN OUR KEY EMPLOYEE AND ATTRACT ADDITIONAL QUALIFIED PERSONNEL. Our success depends on the continued service of our President, Ezra E. Ezra, our sole employee. It may be difficult to find a sufficiently qualified individual to replace Mr. Ezra in the event of his death, disability or resignation resulting in our being unable to implement our business plan and the company having no operations or revenues. We do not plan to have key-man insurance on the lives of any of our officers. In addition, in order to support any future growth, we will have to effectively recruit, train and retain qualified personnel. At this point we cannot forecast when sales will commence, nor can we forecast when sales will have reached a level that will sustain our business operations and allow us to begin hiring employees as necessary. 7 COMPETITION IN THE WIRELESS SERVICE AND SOFTWARE SOLUTIONS MARKET IS INTENSELY COMPETITIVE AND WE MAY NOT BE ABLE TO COMPETE SUCCESSFULLY IN THIS INDUSTRY RESULTING IN A LACK OF SALES AND REVENUE. The wireless products and solutions market is intensely competitive. We will compete against a large number of well-established companies substantially greater financial, marketing and distribution capabilities than ours, as well as against a large number of smaller specialty distributors. Our largest competitors will include, amongst others, the "Indirect National Sales" departments of IBM, Siebel, Sprint/Nextel, T-Mobile, AT&T and Verizon, to name a few, all of which are publicly-traded companies. We intend to compete principally on the basis of product/solutions expertise and customer relationship building. The business of marketing wireless products and solutions to medium and larger sized companies has shifted and barriers to entry have stiffened. We must continually anticipate and respond to competitive factors affecting our industry, including new products and solutions, changes in consumer preferences, demographic trends, international, regional and local economic, social and financial conditions and our competitors' discount pricing and promotional programs. As the wireless products and software markets mature and as we seek to enter into additional markets and offer new products, we expect that the competition that we face will intensify. We cannot assure you that we will be successful in this competitive environment. ITEM 2. PROPERTIES We do not currently own any property. Our administrative offices are currently located at the residence of Ezra E. Ezra, which he donates to us on a rent free basis at 4438 Vesper Ave., Suite 2, Sherman Oaks, CA 91403. We currently have no investment policies as they pertain to real estate, real estate interests or real estate mortgages. ITEM 3. LEGAL PROCEEDINGS We are not currently a party to any legal proceedings, and we are not aware of any pending or potential legal actions. ITEM 4. MINE SAFETY DISCLOSURES None. 8 PART II ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS Our common stock is listed for quotation on the Over-the-Counter Bulletin Board under the symbol "SOPC". To date there has not been an active trading market. PENNY STOCK RULES The Securities and Exchange Commission has also adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a price of less than $5.00 (other than securities registered on certain national securities exchanges or quoted on the Nasdaq system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system). Our shares are considered penny stock under the Securities and Exchange Act. The shares will remain penny stocks for the foreseeable future. The classification of penny stock makes it more difficult for a broker-dealer to sell the stock into a secondary market, which makes it more difficult for a purchaser to liquidate his/her investment. Any broker-dealer engaged by the purchaser for the purpose of selling his or her shares in us will be subject to Rules 15g-1 through 15g-10 of the Securities and Exchange Act. Rather than creating a need to comply with those rules, some broker-dealers will refuse to attempt to sell penny stock. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from those rules, to deliver a standardized risk disclosure document, which: - contains a description of the nature and level of risk in the market for penny stock in both public offerings and secondary trading; - contains a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to a violation of such duties or other requirements of the Securities Act of 1934, as amended; - contains a brief, clear, narrative description of a dealer market, including "bid" and "ask" price for the penny stock and the significance of the spread between the bid and ask price; - contains a toll-free telephone number for inquiries on disciplinary actions; - defines significant terms in the disclosure document or in the conduct of trading penny stocks; and - contains such other information and is in such form (including language, type, size and format) as the Securities and Exchange Commission shall require by rule or regulation; The broker-dealer also must provide, prior to effecting any transaction in a penny stock, to the customer: - the bid and offer quotations for the penny stock; - the compensation of the broker-dealer and its salesperson in the transaction; - the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and - monthly account statements showing the market value of each penny stock held in the customer's account. 9 In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement. These disclosure requirements will have the effect of reducing the trading activity in the secondary market for our stock because it will be subject to these penny stock rules. Therefore, stockholders may have difficulty selling their securities. SHARES AVAILABLE UNDER RULE 144 There are currently 1,000,000 shares of common stock that are considered restricted securities under Rule 144 of the Securities Act of 1933. All 1,000,000 shares are held by an affiliate, as that term is defined in Rule 144(a)(1). Under Rule 144, such shares cannot be publicly sold until such a time as the company ceases to be considered a shell company. The securities can be resold only through a resale registration statement, unless certain conditions are met. These conditions are: 1. the issuer of the securities has ceased to be a shell company; 2. the issuer is subject to the reporting requirements of section 13 or 15(d) of the Exchange Act; 3. the issuer has filed all reports and other materials required to be filed by section 13 or 15(d) of the Exchange Act, as applicable, during the preceding 12 months, other than Form 8-K reports; and 4. one year has elapsed since the issuer has filed current "Form 10 information" with the Commission reflecting its status as an entity that is no longer a shell company. If these conditions are satisfied, then the securities can be sold subject to all other applicable Rule 144 conditions, which include: 1. There must be adequate current information about the issuer of the securities before the sale can be made. This generally means that the issuer has complied with the periodic reporting requirements of the Exchange Act. 2. A volume restriction of the greater of 1%

or the average reported weekly trading volume during the four weeks preceding the filing a notice of sale on Form 144. 3. The sales must be handled in all respects as routine trading transactions, and brokers may not receive more than a normal commission. Neither the seller nor the broker can solicit orders to buy the securities. 4. The seller must file a notice with the SEC on Form 144 if the sale involves more than 5,000 shares or the aggregate dollar amount is greater than $50,000 in any three-month period. The sale must take place within three months of filing the Form and, if the securities have not been sold, an amended notice must be filed. 10 Any sale of shares held by our officer and director may have a depressive effect on the price of our common stock in any market that may develop, of which there can be no assurance. Our sole officer and director does not have any current plans to sell his shares once all condition of Rule 144 are met. HOLDERS As of August 31, 2012, we have 1,700,000 Shares of $0.001 par value common stock issued and outstanding held by 27 shareholders of record. The stock transfer agent for our securities is Holladay Stock Transfer. DIVIDENDS We have never declared or paid any cash dividends on our common stock. For the foreseeable future, we intend to retain any earnings to finance the development and expansion of our business, and we do not anticipate paying any cash dividends on its common stock. Any future determination to pay dividends will be at the discretion of the Board of Directors and will be dependent upon then existing conditions, including our financial condition and results of operations, capital requirements, contractual restrictions, business prospects, and other factors that the board of directors considers relevant. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS There were no purchases of shares of our common stock by us or any affiliated purchasers during the year ended August 31, 2012. ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS RESULTS OF OPERATIONS We are still in our development stage and have generated no revenues to date. We incurred operating expenses of $26,656 and $11,809 for the years ended August 31, 2012 and 2011, respectively. These expenses consisted of general operating expenses incurred in connection with the day to day operation of our business and the preparation and filing of our periodic reports. Our net loss for the years ended August 31, 2012 and 2011 was $26,656 and $11,809, respectively, with no revenues for either period. Our net loss from inception through August 31, 2011 was $90,957. Cash provided by financing activities from inception through the period ended August 31, 2012 was $40,000 resulting from the sale of common stock to our director, Mr. Ezra E. Ezra, who purchased 1,000,000 shares of our Common Stock at $0.005 per share on July 10, 2006 for proceeds of $5,000 and the sale of 11 700,000 shares at $0.05 pursuant to our SB-2 Registration Statement filed with the SEC under file number 333-138217, which became effective on November 17, 2006. On April 10, 2007 the offering was completed for proceeds of $35,000. Our auditors have expressed their doubt about our ability to continue as a going concern unless we are able to generate profitable operations. LIQUIDITY AND CAPITAL RESOURCES Our cash balance at August 31, 2012 was $1578, with $52,535 in outstanding liabilities, consisting of $46,965 in a loan payable to our director, $3,000 in an account payable to our director and $2,570 in accounts payable. We estimate it will cost $30,000 to begin to implement our business plan. Our director has verbally agreed to loan the company funds to continue operations in a limited scenario until sales will support operations, but he has no legal obligation to do so. We are a development stage company and have generated no revenue since inception to August 31, 2012. OFF-BALANCE SHEET ARRANGEMENTS We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors. PLAN OF OPERATION The company has not been successful in establishing partnerships with suppliers such as Sprint/Nextel, AT&T and Verizon Wireless. Due to the economic conditions over the past year, the Company has been unable to attain any level of success despite the continued efforts of our director. We are now considering available options to maximize shareholder value. Our management has been analyzing various alternatives available to our company to ensure our survival and to preserve our shareholder's investment in our common shares. This analysis has included sourcing additional forms of financing to continue our business as is and also looking for other opportunities including business combinations. At this stage in our operations, we believe either course is acceptable, as our operations have not been profitable and our future prospects for our business are not good without further financing. In implementing a structure for a particular business combination or opportunity, we may become a party to a merger, consolidation, reorganization, joint venture, or licensing agreement with another corporation or entity. We may also acquire stock or assets of an existing business. At this stage, we can provide no assurance that we will be able to raise funding to continue our business as is or locate compatible business opportunities, what additional financing we will require to complete a combination with another business opportunity or whether the opportunity's operations will be profitable. 12 Historically, we have been able to raise a limited amount of capital through private placements of our equity stock, but we are uncertain about our continued ability to raise funds privately. Further, we believe that our company may have more difficulties raising capital for our existing operations than for a new business opportunity. We have not entered into any formal written agreements for a business combination or opportunity. If any such agreement is reached, we intend to disclose such an agreement by filing a current report on Form 8-K with the Securities and Exchange Commission. If we are unable to secure adequate capital to continue our business or alternatively, complete a combination or acquisition, our shareholders will lose some or all of their investment and our business will likely fail. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES A. BASIS OF ACCOUNTING The Company's financial statements are prepared using the accrual method of accounting. The Company has elected a fiscal year end date of August 31. B. BASIC EARNINGS PER SHARE ASC No. 260, "Earnings Per Share", specifies the computation, presentation and disclosure requirements for earnings (loss) per share for entities with publicly held common stock. The Company has adopted the provisions of ASC No. 260. Basic net loss per share amounts is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted earnings per share are the same as basic earnings per share due to the lack of dilutive items in the Company. C. CASH EQUIVALENTS The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. D. USE OF ESTIMATES AND ASSUMPTIONS The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In Management's opinion all adjustments necessary for a fair statement of the results for the interim periods have been made, and all adjustments are of a normal recurring nature. Actual results could differ from those estimates. E. INCOME TAXES Income taxes are provided in accordance with ASC No. 740, Accounting for Income Taxes. A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and net operating loss 13 carryforwards. Deferred tax expense (benefit) results from the net change during the year of deferred tax assets and liabilities. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion of all of the deferred tax assets will be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. F. REVENUE The Company records revenue on the accrual basis when all goods and services have been performed and delivered, the amounts are readily determinable, and collection is reasonably assured. The Company has not generated any revenue since its inception. G. ADVERTISING The Company will expense its advertising when incurred. There has been no advertising since inception. H. RECENT ACCOUNTING PRONOUNCEMENTS The Company has evaluated all the recent accounting pronouncements through the date the financial statements were issued and filed with the Securities and Exchange Commission and believe that none of them will have a material effect on the Company's financial statements. 14 ITEM 8. FINANCIAL STATEMENTS SEALE AND BEERS, CPAs PCAOB & CPAB REGISTERED AUDITORS www.sealebeers.com REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM To the Board of Directors and Stockholders of SOPAC Cellular Solutions, Inc. (A Development Stage Company) We have audited the accompanying balance sheets of SOPAC Cellular Solutions, Inc. (A Development Stage Company) as of August 31, 2012 and 2011, and the related statements of income, stockholders' equity (deficit), and cash flows for each of the years in the two-year period ended August 31, 2012 and since inception on July 10, 2006 through August 31, 2012. SOPAC Cellular Solutions, Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evident.'? supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SOPAC Cellular Solutions, Inc. (A Development Stage Company) as of August 31, 2012 and 2011, and the related statements of income, stockholders' equity (deficit), and cash flows for each of the years in the two-year period ended August 31, 2012 and since inception on July 10, 2006 through August 31, 2012 in conformity with accounting principles generally accepted in the United States of America. The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has no revenues, has negative working capital at August 31, 2012, has incurred recurring losses and recurring negative cash flow from operating activities, and has an accumulated deficit which raises substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty /s/ Seale and Beers, CPAs -- Seale and Beers, CPAs Las Vegas, Nevada November 27, 2012 50 S. JONES BLVD. SUITE 202 LAS VEGAS, NV 89107 PHONE: (888) 727-8251 FAX: (888) 782-2351 15 SOPAC CELLULAR SOLUTIONS INC. (A Development Stage Company) Balance Sheets -- As of As of August 31, August 31, 2012 2011 -------- -------- ASSETS CURRENT ASSETS Cash $ 1,578 $ 1,637 -------- -------- TOTAL CURRENT ASSETS 1,578 1,637 -------- -------- TOTAL ASSETS $ 1,578 $ 1,637 ======== ======== LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT) CURRENT LIABILITIES Accounts Payable $ 2,570 $ 1,160 Accounts Payable - Related Party 3,000 1,800 Loan Payable - Related Party 46,965 22,978 -------- -------- TOTAL CURRENT LIABILITIES 52,535 25,938 -------- -------- STOCKHOLDERS' EQUITY (DEFICIT) Common stock, ($0.001 par value, 75,000,000 shares authorized; 1,700,000 shares issued and outstanding as of August 31, 2012 and August 31, 2011 1,700 1,700 Additional paid-in capital 38,300 38,300 Deficit accumulated during development stage (90,957) (64,301) -------- -------- TOTAL STOCKHOLDERS' EQUITY (DEFICIT) (50,957) (24,301) -------- -------- TOTAL LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT) $ 1,578 $ 1,637 ======== ======== The Accompanying footnotes are an integral part of these financial statements 16 SOPAC CELLULAR SOLUTIONS INC. (A Development Stage Company) Statements of Operations -- July 10, 2006 (inception) Year Ended Year Ended through August 31, August 31, August 31, 2012 2011 2012 ---------- ---------- ---------- REVENUES Revenues $ -- $ -- $ -- ---------- ---------- ---------- TOTAL REVENUES -- -- -- Professional Fees 8,000 8,000 45,250 General & Administrative Expenses 17,456 2,609 38,907 General & Administrative Expenses - Related Party 1,200 1,200 6,800 ---------- ---------- ---------- TOTAL OPERATING EXPENSES 26,656 11,809 90,957 PROVISION FOR INCOME TAXES -- -- -- ---------- ---------- ---------- NET INCOME (LOSS) $ (26,656) $ (11,809) $ (90,957) ========== ========== ========== BASIC EARNING (LOSS) PER SHARE $ (0.02) $ (0.01) ========== ========== WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING 1,700,000 1,700,000 ========== ========== The Accompanying footnotes are an integral part of these financial statements 17 SOPAC CELLULAR SOLUTIONS INC. (A Development Stage Company) Statements of Changes in Stockholders' Equity (Deficit) From July 10, 2006 (Inception) through August 31, 2012 -- Deficit Accumulated Common Additional During Common Stock Paid-in Development Stock Amount Capital Stage Total ----- ------ ------- ----- ----- BALANCE, JULY 10, 2006 -- $ -- $ -- $ -- $ -- ---------- ------- -------- -------- -------- Stock issued for cash on July 10, 2006 @ $0.005 per share 1,000,000 1,000 4,000 5,000 Net loss, August 31, 2006 (565) (565) ---------- ------- -------- -------- -------- BALANCE, AUGUST 31, 2006 1,000,000 1,000 4,000 (565) 4,435 ========== ======= ======== ======== ======== Stock issued for cash on April 10, 2007 @ $0.05 per share 700,000 700 34,300 35,000 Net loss, August 31, 2007 (10,885) (10,885) ---------- ------- -------- -------- -------- BALANCE, AUGUST 31, 2007 1,700,000 1,700 38,300 (11,450) 28,550 ========== ======= ======== ======== ======== Net loss, August 31, 2008 (11,689) (11,689) ---------- ------- -------- -------- -------- BALANCE, AUGUST 31, 2008 1,700,000 1,700 38,300 (23,139) 16,861 ========== ======= ======== ======== ======== Net loss, August 31, 2009 (15,396) (15,396) ---------- ------- -------- -------- -------- BALANCE, AUGUST 31, 2009 1,700,000 1,700 38,300 (38,535) 1,465 ========== ======= ======== ======== ======== Net loss, August 31, 2010 (13,956) (13,956) ---------- ------- -------- -------- -------- BALANCE, AUGUST 31, 2010 1,700,000 1,700 38,300 (52,492) (12,492) ========== ======= ======== ======== ======== Net loss, August 31, 2011 (11,809) (11,809) ---------- ------- -------- -------- -------- BALANCE, AUGUST 31, 2011 1,700,000 1,700 38,300 (64,301) (24,301) ========== ======= ======== ======== ======== Net loss, August 31, 2012 (26,656)

(26,656) ---------- ------- -------- -------- -------- BALANCE, AUGUST 31, 2012 1,700,000 $ 1,700 $ 38,300 $(90,957) $(50,957) ========= ======= ======== ======== ======== The Accompanying footnotes are an integral part of these financial statements 18 SOPAC CELLULAR SOLUTIONS INC. (A Development Stage Company) Statements of Cash Flows -- July 10, 2006 (inception) Year Ended Year Ended through August 31, August 31, August 31, 2012 2011 2012 -------- -------- -------- OPERATING ACTIVITIES Net income (loss) $(26,656) $(11,809) $(90,957) Adjustments to reconcile net loss to net cash provided by (used in) operating activities: Changes in operating assets and liabilities: Accounts Payable 1,410 (590) 2,570 Accrued Rent - Related Party 1,200 1,200 3,000 -------- -------- -------- NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES (24,046) (11,199) (85,387) INVESTING ACTIVITIES NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES -- -- -- FINANCING ACTIVITIES Issuance of common stock -- -- 1,700 Additional paid-in capital -- -- 38,300 Loan Payable - From Related Party 29,987 10,846 46,863 Loan Payable - Paid to Related Party -- 102 102 -------- -------- -------- NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES 23,987 10,948 86,965 -------- -------- -------- NET INCREASE (DECREASE) IN CASH (59) (251) 1,578 CASH AT BEGINNING OF PERIOD 1,637 1,888 -- -------- -------- -------- CASH AT END OF YEAR $ 1,578 $ 1,637 $ 1,578 ======== ======== ======== SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION Cash paid during year for: Interest $ -- $ -- $ -- ======== ======== ======== Income Taxes $ -- $ -- $ -- ======== ======== ======== The Accompanying footnotes are an integral part of these financial statements 19 SOPAC CELLULAR SOLUTIONS INC. (A Development Stage Company) Notes to Financial Statements August 31, 2012 -- NOTE 1. ORGANIZATION AND DESCRIPTION OF BUSINESS SOPAC Cellular Solutions Inc. (the Company) was incorporated under the laws of the State of Nevada on July 10, 2006. The Company was formed to provide wireless solutions to corporate customers. The Company is in the development stage. Its activities to date have been limited to capital formation, organization, development of its business plan and very limited operations. NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES A. BASIS OF ACCOUNTING The Company's financial statements are prepared using the accrual method of accounting. The Company has elected a fiscal year end date of August 31. B. BASIC EARNINGS PER SHARE ASC No. 260, "Earnings Per Share", specifies the computation, presentation and disclosure requirements for earnings (loss) per share for entities with publicly held common stock. The Company has adopted the provisions of ASC No. 260. Basic net loss per share amounts is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted earnings per share are the same as basic earnings per share due to the lack of dilutive items in the Company. C. CASH EQUIVALENTS The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. D. USE OF ESTIMATES AND ASSUMPTIONS The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In Management's opinion all adjustments necessary for a fair statement of the results for the interim periods have been made, and all adjustments are of a normal recurring nature. Actual results could differ from those estimates. 20 SOPAC CELLULAR SOLUTIONS INC. (A Development Stage Company) Notes to Financial Statements August 31, 2012 -- NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) E. INCOME TAXES Income taxes are provided in accordance with ASC No. 740, Accounting for Income Taxes. A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and net operating loss carryforwards. Deferred tax expense (benefit) results from the net change during the year of deferred tax assets and liabilities. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion of all of the deferred tax assets will be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. F. REVENUE The Company records revenue on the accrual basis when all goods and services have been performed and delivered, the amounts are readily determinable, and collection is reasonably assured. The Company has not generated any revenue since its inception. G. ADVERTISING The Company will expense its advertising when incurred. There has been no advertising since inception. H. RECENT ACCOUNTING PRONOUNCEMENTS The Company has evaluated all the recent accounting pronouncements through the date the financial statements were issued and filed with the Securities and Exchange Commission and believe that none of them will have a material effect on the Company's financial statements. NOTE 3. GOING CONCERN The accompanying financial statements are presented on a going concern basis. The Company had limited operations during the period from July 10, 2006 (inception) to August 31, 2012 and generated a net loss of $90,957. This condition raises substantial doubt about the Company's ability to continue as a going concern. Even though the Company is currently in the development stage and has minimal expenses, management does not believes that the company's current cash of $1,578 is sufficient to cover the expenses they will incur during the next twelve months. Management plans to raise additional funds through debt or equity offerings as needed. There is no guarantee that the Company will be able to raise any capital through any offerings. 21 SOPAC CELLULAR SOLUTIONS INC. (A Development Stage Company) Notes to Financial Statements August 31, 2012 -- NOTE 4. WARRANTS AND OPTIONS There are no warrants or options outstanding to acquire any additional shares of common. NOTE 5. RELATED PARTY TRANSACTIONS The Company neither owns nor leases any real or personal property. Beginning January 1, 2007 the Company has paid a director $100 per month for use of office space and services. The sole officer and director of the Company is involved in other business activities and may, in the future, become involved in other business opportunities as they become available. Thus he may face a conflict in selecting between the Company and his other business interests. The Company has not formulated a policy for the resolution of such conflicts. As of August 31, 2012, there is a loan payable due to Ezra E. Ezra, sole officer and director of the Company, for $46,965, which is non-interest bearing with no specific repayment terms. NOTE 6. INCOME TAXES August 31, 2012 August 31, 2011 -------------- -------------- Loss $ 26,656 $ 11,809 Deferred Tax Asset (30%) $ 7,997 $ 3,543 -------- -------- Impairment of Deferred Tax Asset $ (7,997) $ (3,543) -------- -------- Net Deferred Tax Asset $ 0 $ 0 ======== ======== The Company provides for income taxes under ASC No. 740, "Accounting for Income Taxes." ASC No. 740 requires the use of an asset and liability approach in accounting for income taxes. ASC No. 740 requires the reduction of deferred tax assets by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. No provision for income taxes is included in the statement due to its immaterial amount, net of the allowance account, based on the likelihood of the Company to utilize the loss carry-forward. 22 SOPAC CELLULAR SOLUTIONS INC. (A Development Stage Company) Notes to Financial Statements August 31, 2012 -- NOTE 7. NET OPERATING LOSSES As of August 31, 2012, the Company has a net operating loss carryforwards of approximately $90,957. Net operating loss carryforward expires twenty years from the date the loss was incurred. NOTE 8. STOCK TRANSACTIONS Transactions, other than employees' stock issuance, are in accordance with ASC No. 505. Thus issuances shall be accounted for based on the fair value of the consideration received. Transactions with employees' stock issuance are in accordance with ASC No. 718. These issuances shall be accounted for based on the fair value of the consideration received or the fair value of the equity instruments issued, or whichever is more readily determinable. On July 10, 2006 the Company issued a total of 1,000,000 shares of common stock to one director for cash at $0.005 per share for a total of $5,000. On April 10, 2007 the Company issued a total of 700,000 shares of common stock to 26 unrelated shareholders for cash at $0.05 per share for a total of $35,000. As of August 31, 2012 the Company had 1,700,000 shares of common stock issued and outstanding. NOTE 9. STOCKHOLDERS' EQUITY There were no new shares issued during fiscal year 2011. The stockholders' equity section of the Company contains the following class of capital stock as of August 31, 2012: * Common stock, $ 0.001 par value: 75,000,000 shares authorized; 1,700,000 shares issued and outstanding. NOTE 10. SUBSEQUENT EVENTS The Company evaluated all events or transactions that occurred after August 31, 2012 up through date the Company issued these financial statements. During this period, the Company did not have any material recognizable subsequent events. 23 ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON FINANCIAL DISCLOSURE None. ITEM 9A. CONTROLS AND PROCEDURES EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES Management maintains "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In connection with the preparation of this quarterly report on Form 10-Q, an evaluation was carried out by management, with the participation of the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of August 31, 2012. Based on that evaluation, management concluded, as of the end of the period covered by this report, that our disclosure controls and procedures were effective in that infomration was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, the company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that: 1. Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; 2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and 24 3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk. As of August 31, 2012 management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and SEC guidance on conducting such assessments. Based on that evaluation, they concluded that, during the period covered by this report, such internal controls and procedures were not effective to detect the inappropriate application of US GAAP rules as more fully described below. This was due to deficiencies that existed in the design or operation of our internal controls over financial reporting that adversely affected our internal controls and that may be considered to be material weaknesses. The matters involving internal controls and procedures that our management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board were: 1. lack of a functioning audit committee due to a lack of a majority of independent members and a lack of a majority of outside directors on our board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures; 2. inadequate segregation of duties consistent with control objectives; and 3. ineffective controls over period end financial disclosure and reporting processes. The aforementioned material weaknesses were identified by our Chief Executive Officer in connection with the review of our financial statements as of August 31, 2012. Management believes that the material weaknesses set forth in items (2) and (3) above did not have an effect on our financial results. However, management believes that the lack of a functioning audit committee and the lack of a majority of outside directors on our board of directors results in ineffective oversight in the establishment and monitoring of required internal controls and procedures, which could result in a material misstatement in our financial statements in future periods. 25 This annual report does not include an attestation report of the Corporation's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Corporation's registered public accounting firm pursuant to temporary rules of the SEC that permit the Corporation to provide only the management's report in this annual report. MANAGEMENT'S REMEDIATION INITIATIVES Management is committed to improving its internal controls and will (1) continue to use third party specialists to address shortfalls in staffing and to assist the Company with accounting and finance responsibilities, (2) increase the frequency of independent reconciliations of significant accounts which will mitigate the lack of segregation of duties until there are sufficient personnel and (3) may consider appointing outside directors and audit committee members in the future. CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING There was no change in our internal controls over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting. PART III ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE Our directors are elected by the stockholders to a term of one year and serves until his or her successor is elected and qualified. Our officers are appointed by the Board of Directors to a term of one year and serves until his or her successor is duly elected and qualified, or until he or she is removed from office. The Board of Directors has no nominating, auditing or compensation committees. The name, address, age and position of our officer and director is set forth below: Name and Address Age Position(s) ---------------- --- ----------- Ezra E. Ezra 65 President, CEO 4438 Vesper Avenue, Suite 2 Secretary, Treasurer Sherman Oaks, California 91423 CFO & Director The person named above has held his offices/positions since inception of our Company and is expected to hold said offices/positions until the next annual meeting of our stockholders. The officer and director is our only officer, director, promoter and control person. 26 BACKGROUND INFORMATION ABOUT OUR OFFICER AND DIRECTOR Eric Ezra has been the CEO, CFO, Director, President, Secretary and Treasurer of the company since inception. From September 2003 - October 2006 he was employed as a sales consultant to Starving Students Inc., a household moving company. From May 2000 - September 2003 he was a Marketing Consultant to private companies, introducing marketing and sales experts to companies who needed help developing a marketing and sales program to improve sales. From March to May 2000, he was an Associate with the Los Angeles, CA based Financial Public Relations firm, Magnum Financial Group. From March 1998 to March 1999, he was a Consultant to Interlink Rehab of California, a company that provides rehab services to hospitals and nursing homes. From 1990 until 1998, he was the Chairman and CEO of Brentwood Equity Corp., a holding company, that owned and operated a large health care provider of rehab services, physical and occupational therapy and speech language pathology, to acute care hospitals and skilled nursing facilities, from the central coast of California to the Mexican border. The company at one time employed as many as 350 full, part-time and per diem employees. Prior to 1990, he was the Managing Director of Drake Capital, a Santa Monica, CA based Investment Banking firm. For most of his life prior to that he was a licensed broker with such firms as Ladenburg Thalmann, Morgan Olmstead Kennedy and Gardner, Cantor Fitzgerald, Drexel Burnham Lambert and Hardy & Co. Mr. Ezra attended Tulane University, studying Economics, and attended Elphinstone College in Bombay, India. He will devote his time as required to the business of the Company. SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers, and persons who own more than ten percent of our common stock, to file with the Securities and Exchange Commission initial reports of ownership and reports of changes of ownership of our common stock. Officers, directors and greater than ten percent stockholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file. We intend to ensure to the best of our ability that all Section 16(a) filing requirements applicable to our officer, director and greater than ten percent beneficial owners are complied with in a timely fashion. CODE OF ETHICS We do not currently have a code of ethics, because we have only limited business operations and a sole officer and director, we believe a code of ethics would have limited utility. We intend to adopt such a code of ethics as our business operations expand and we have more directors, officers and employees. CORPORATE GOVERNANCE We currently act with Eric E. Ezra as our sole director. 27 ITEM 11. EXECUTIVE COMPENSATION Currently, our sole officer and director is not being compensated for his services during the development stage of our business operations. The officer and director is reimbursed for any out-of-pocket expenses he incurs on our behalf. In addition, in the future, we may approve payment of salaries, but currently, no such plans have been approved. We also do not currently have any benefits, such as health insurance, life insurance or any other benefits available to our employees. In addition, our officer, director or employee is not party to any employment agreements. SUMMARY COMPENSATION TABLE Change in Pension Value and Non-Equity Nonqualified Incentive Deferred All Name and Plan Compen- Other Principal Stock Option Compen- sation Compen- Position Year Salary Bonus Awards Awards sation Earnings sation Totals ------------ ---- ------ ----- ------ ------ ------ -------- ------ ------ Ezra E. Ezra 2012 0 0 0 0 0 0 0 0 CEO, CFO, 2011 0 0 0 0 0 0 0 0 President, 2010 0 0 0 0 0 0 0 0

Director 2009 0 0 0 0 0 0 0 0 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END Option Awards Stock Awards --- -- Equity Incentive Equity Plan Incentive Awards: Plan Market or Awards: Payout Equity Number of Value of Incentive Number Unearned Unearned Plan Awards; of Market Shares, Shares, Number of Number of Number of Shares Value of Units or Units or Securities Securities Securities or Units Shares or Other Other Underlying Underlying Underlying of Stock Units of Rights Rights Unexercised Unexercised Unexercised Option Option That Stock That That That Options (#) Options (#) Unearned Exercise Expiration Have Not Have Not Have Not Have Not Name Exercisable Unexercisable Options (#) Price Date Vested(#) Vested Vested Vested ---- ----------- ------------ ---------- ----- ---- --------- ------ ------ ------ Ezra E. 0 0 0 0 0 0 0 0 0 Ezra 28 DIRECTOR COMPENSATION Change in Pension Value and Fees Non-Equity Nonqualified Earned Incentive Deferred Paid in Stock Option Plan Compensation All Other Name Cash Awards Awards Compensation Earnings Compensation Total ---- ---- ------ ------ ----------- -------- ----------- ----- Ezra E. Ezra 0 0 0 0 0 0 0 ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT The following table sets forth, as of the date of this report, the total number of shares owned beneficially by our director, officer and key employee, individually and as a group, and the present owner of 5% or more of our total outstanding shares. The stockholder listed below has direct ownership of his shares and possesses sole voting and dispositive power with respect to the shares. Name and Address No. of Percentage Beneficial Owner Shares of Ownership ---------------- ------ ------------ Ezra E. Ezra 1,000,000 59% 4438 Vesper Avenue, Suite 2 Sherman Oaks, CA 91423 All Officers and Directors as a Group (1) 1,000,000 59% FUTURE SALES BY EXISTING STOCKHOLDER All of the shares held by our sole officer and director are restricted securities, as that term is defined in Rule 144 of the Rules and Regulations of the SEC promulgated under the Act. Under Rule 144, such shares can be publicly sold, subject to volume restrictions and certain restrictions on the manner of sale, commencing one year after their acquisition. Any sale of shares held by the existing stockholder (after applicable restrictions expire) may have a depressive effect on the price of our common stock in any market that may develop, of which there can be no assurance. Our principal shareholder does not have any current plans to sell his shares. ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE We do not currently own any property. Our administrative offices are currently located at the residence of Ezra E. Ezra, which he donates to us on a rent free basis at 4438 Vesper Ave., Suite 2, Sherman Oaks, CA 91403. The space we occupy as a general administrative office is approximately 400 sq. ft. and we share the office equipment. We consider our current principal office space arrangement adequate and will reassess our needs based upon the future growth of the company. There is no written lease agreement or other material terms or arrangements relating to said arrangement. 29 On June 1, 2006, the Company issued 1,000,000 shares of its $0.001 par value common stock to Mr. Ezra E. Ezra, an officer and director of the Company in exchange for cash in the amount of $5,000, or $0.005 per share. As of August 31, 2012, there is a loan payable due to Ezra E. Ezra, sole officer and director of the Company, for $46,965, which is non-interest bearing with no specific repayment terms. We do not currently have any conflicts of interest by or among our current officers, directors, key employees or advisors. We have not yet formulated a policy for handling conflicts of interest; however, we intend to do so prior to hiring any additional employees. We do not currently have an independent director serving on the Board of Directors. ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES For the year ended August 31, 2012, the total fees charged to the company for audit services, including quarterly reviews, were $8,000, for audit-related services were $Nil, for tax services were $Nil and for other services were $Nil. For the year ended August 31, 2011, the total fees charged to the company for audit services, including quarterly reviews, were $8,000, for audit-related services were $Nil, for tax services were $Nil and for other services were $Nil. PART IV ITEM 15. EXHIBITS The following exhibits are included with this filing: Exhibit Number Description ------ ----------- 3(i) Articles of Incorporation* 3(ii) Bylaws* 31.1 Sec. 302 Certification of CEO 31.2 Sec. 302 Certification of CFO 32.1 Sec. 906 Certification of CEO 32.2 Sec. 906 Certification of CFO 101 Interactive data files pursuant to Rule 405 of Regulation S-T. ---------- * Included in our original SB-2 filed with the Securities & Exchange Commission on October 26, 2006 under File Number 333-138217. 30 SIGNATURES In accordance with Section 13 or 15(d) of the Securities Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. November 29, 2012 By: /s/ Ezra E. Ezra -- Ezra E. Ezra, Sole Director, President, Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer 31