

NEW ASIA HOLDINGS, INC.

FORM 10-Q (Quarterly Report)

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Industry	Investment Trusts
Sector	Financials
Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 10-Q

Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2014

Transition Report pursuant to 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number: 333-165961

DM Products, Inc.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

45-0460095

(IRS Employer Identification No.)

P.O. Box 2458

Walnut Creek, CA

(Address of principal executive offices)

925-943-2090

(Registrant's telephone number)

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

Indicate by check mark whether the registrant (1) 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 issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days Yes No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer Accelerated filer

Non-accelerated filer

Smaller reporting company

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

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 1,821,803 common shares as of May 6, 2014.

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PART I - FINANCIAL INFORMATION**Item 1. Financial Statements**

Our financial statements included in this Form 10-Q are as follows:

- 4 Consolidated Balance Sheets as of March 31, 2014 and December 31, 2013 (unaudited) ;
- 5 Consolidated Statements of Operations for the three months ended March 31, 2014 and 2013 (unaudited);
- 6 Consolidated Statement of Stockholders' Equity as of March 31, 2014 (unaudited);
- 7 Consolidated Statements of Cash Flows for the three months ended March 31, 2014 and 2013 (unaudited); and
- 8 Notes to Consolidated Financial Statements.

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the SEC instructions to Form 10-Q. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the interim period ended March 31, 2014 are not necessarily indicative of the results that can be expected for the full year.

DM Products, Inc. And Subsidiaries**March 31, 2014**

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DM Products, Inc. And Subsidiaries
Consolidated Balance Sheets
(Unaudited)

	<u>March 31,</u> <u>2014</u>	<u>December</u> <u>31, 2013</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 624	\$ 10,589
Total Current Assets	624	10,589
Property and Equipment - net	53	128
Other Assets		
TOTAL ASSETS	<u>\$ 677</u>	<u>\$ 10,717</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts Payable	\$ 43,668	\$ 47,074
Accrued Expenses	286,453	301,653
Total Current Liabilities	330,121	348,727
Total Liabilities	330,121	348,727
Stockholders' Equity (Deficit)		
Preferred Stock, \$0.001 par value, 30,000,000 shares authorized, 0 shares issued and outstanding	-	-
Common Stock, \$0.001 par value, 400,000,000 shares authorized, 1,821,803 shares issued and outstanding (1,557,803 - 2013).	1,822	1,558
Additional Paid In Capital	1,271,148	1,245,012
Accumulated Deficit	(1,602,414)	(1,584,580)
Total DM Products, Inc. Stockholders' Equity (Deficit)	(329,444)	(338,010)
Total Stockholders' Equity (Deficit)	(329,444)	(338,010)
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)	<u>\$ 677</u>	<u>\$ 10,717</u>

DM Products, Inc. And Subsidiaries
Consolidated Statements of Operations
(Unaudited)

	For the 3 months ended	For the 3 months ended
	March 31, 2014	March 31, 2013
Revenues		
Sales revenues		
Total revenues	<u>-</u>	<u>-</u>
Operating expenses		
Professional Fees	3,800	5,422
Salary & Wages	-	30,000
Consulting	10,400	184
General & Administrative expenses	3,636	4,071
Total operating expense	<u>17,836</u>	<u>39,677</u>
Income (Loss) from operations and before non-controlling Interest	(17,836)	(39,677)
Other Income	<u>2</u>	<u>-</u>
Income (Loss) before non-controlling Interest	(17,834)	(39,677)
Less: Income Attributable to non-controlling interest	<u>-</u>	<u>(73)</u>
Income (Loss) before income taxes	(17,834)	(39,604)
Provision for income taxes	<u>-</u>	<u>-</u>
Net Income (Loss)	<u>\$ (17,834)</u>	<u>\$ (39,604)</u>
Net Income (Loss) per common share-basic and fully diluted	<u>\$ (0.0105)</u>	<u>\$ (0.0272)</u>
Weighted average common shares outstanding-basic and diluted	<u>1,695,670</u>	<u>1,453,931</u>

DM Products, Inc. And Subsidiaries
Consolidated Statements of Shareholders' Equity (Deficit)
(Unaudited)

	<u>Common Stock</u>		<u>Additional Paid In Capital</u>	<u>Accumulated Deficit</u>	<u>Total Shareholders' Equity (Deficit)</u>
	<u>Shares</u>	<u>Amount</u>			
Balance, December 31, 2013	1,557,803	\$ 1,558	\$1,245,012	\$ (1,584,580)	\$ (338,010)
Shares issued per agreement for services performed	264,000	\$ 264	\$ 26,136		\$ 26,400
Net income (loss) for the period ended March 31, 2014				\$ (17,834)	\$ (17,834)
Balance, March 31, 2014	<u>1,821,803</u>	<u>\$ 1,822</u>	<u>\$1,271,148</u>	<u>\$ (1,602,414)</u>	<u>\$ (329,444)</u>

DM Products, Inc. And Subsidiaries
Consolidated Statements of Cash Flows
(Unaudited)

	For the 3 months ended March 31, 2014	For the 3 months ended March 31, 2013
Cash flows from operating activities		
Net Income/Loss	\$ (17,834)	\$ (39,677)
Adjustment to reconcile net loss to net cash provided (used) by operating activities:		
Depreciation	75	75
Share-based compensation	26,400	-
Changes in operating assets and liabilities:		
Royalties receivable	-	1,541
Accounts payable	(3,406)	(12,519)
Accrued expenses	(15,200)	30,000
Net cash provided (used) by operating activities	<u>(9,965)</u>	<u>(20,580)</u>
Cash flow from investing activities	-	-
Cash flows from financing activities	-	-
Net increase (decrease) in cash	(9,965)	(20,580)
Cash at beginning of period	10,589	34,762
Cash at end of period	<u>\$ 624</u>	<u>\$ 14,182</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ -</u>	<u>-</u>
Taxes paid	<u>\$ 600</u>	<u>-</u>

Note 1: Summary of Significant Accounting Policies

Nature of Operations

DM Products, Inc.(the Company) was incorporated on March 1, 2001 as Effective Sport Nutrition Corporation. Subsequently, on April 11, 2005, the Company changed its name to Midwest E.S.W.T Corp and on December 14, 2005, it changed its name again to DM Products, Inc.

On July 18, 2005, the Company acquired Direct Success, Inc. a California Corporation in exchange for 70% of the Company's Common Stock, making Direct Success, Inc. a wholly owned subsidiary of the Company. Midwest E.S.W.T agreed that a total of 114,851,043 shares of Restricted Common Stock were to be issued to shareholders of Direct Success, Inc.

The Company operates from Walnut Creek, California and it wholly owned Direct Success, Inc. which owned 75% of Direct Success, LLC 3, a limited liability company formed on or about August 16, 2002. Direct Success, Inc. entered into a joint venture with Buena Vista Infomercial Corporation which owned 25%. The purpose is to market products through direct response to television infomercials. The companies obtain the distribution, production and licensing rights to a product in exchange for royalty agreements based on the sales of the products. The Company sets up the production, marketing and the distribution of the products.

On April 8, 2010 a Form S-1 Registration Statement was completed and submitted to the Securities and Exchange Commission. The registration filing was declared effective on October 15, 2010. On April 21, 2010 a Information Statement Form 211 was submitted to the Financial Industry Regulatory Authority (FINRA) for active trading on the Over the Counter Bulletin Board (OTCBB). The filing was approved on November 9, 2010.

On July 14, 2010, the Company incorporated a wholly-owned subsidiary corporation Aliano, Inc dba Aliano Westlake Village. The purpose of this fragrance and personal care division is to create, manufacture, distribute and sell prestige fragrances and beauty related products.

On December 27, 2012 the Company dissolved Aliano Inc., dba Aliano Westlake Village, since the corporation had been unsuccessful in raising sufficient capital to commence operations. As a result of this dissolution, an intercompany loan between the Company and Aliano, Inc. was written off in the respective books with no effect in the consolidated balance sheet and in the consolidated statement of operations.

In December, 2012, the Company began negotiations with Magnum Real Estate Services, Inc., a Delaware corporation and Don Baker, an individual, for the formation of Dyatlov Pass Productions, LLC, a Nevada limited liability company. It is the intent of the joint venture to raise capital sufficient to produce, promote and distribute a film based on screenplay written by Don Baker. Pursuant to an agreement entered into subsequent to the filing period contained herein, DM Products, Inc. owns 33 1/3% of Dyatlov Pass Productions, LLC. However, the Company surrendered its interest and participation in Dyatlov Pass Productions by way of Board Resolution on April 29, 2013.

On April 12, 2013, Articles of Incorporation were filed with the California Secretary of State for the creation of a new division, ELK Films, Inc. This division was established for both film production and distribution.

On December 26, 2012, the Company dissolved ELK Films, Inc. since the corporation had been unsuccessful in raising sufficient capital to commence operations. As a result of this dissolution, the intercompany loan between the Company and ELK Films, Inc. was written off in the respective books with no effect in the consolidated balance sheet and in the consolidated statement of operations.

On May 5, 2013, the Company entered into a non-binding Letter of Intent with Iris Corporation Berhad for the purchase of certain assets in exchange for 96.75% of the outstanding stock of DM Products. Both parties to the transaction acknowledge that the Letter of Intent did not contain all matters upon which a Definitive Agreement (“Agreement”) must be reached, and that the obligations of the Parties to consummate an Agreement was subject to the negotiations and execution of a Definitive Agreement in form and substance satisfactory to all Parties and their respective counsel and further due diligence analysis. A subsequent draft Agreement was approved by written consent of the Directors of DM Products, Inc. and its majority Shareholders. The draft Agreement was between the Company and Earth Heat Limited (an affiliate of Iris Corporation Berhad) and was consistent with the terms presented in the Letter of Intent. However, the draft Agreement was never executed and the Letter of Intent since expired. In April, a confidential settlement was entered into between Iris Corporation Berhad, Earth Heat Limited and DM Products, Inc. whereby the parties satisfactorily resolved any current or future disputes that may arise as a result of the Letter of Intent, its expiration and the failure of the parties to agree upon a Definitive Agreement.

Basis of Consolidation

The consolidated financial statements include the accounts of DM Products, Inc., Aliano, Inc., Direct Success, Inc., and the accounts of its 75% owned subsidiary Direct Success LLC 3. All material inter-company transactions have been eliminated. As of December 31, 2013, both subsidiaries have been dissolved.

Basis of Presentation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America and are presented in US dollars.

Accounting Basis

The Company uses the accrual basis of accounting and accounting principles generally accepted in the United States of America ("GAAP" accounting). The Company has adopted a December 31 fiscal year end.

Cash and Cash Equivalents

All highly liquid investments with maturities of three months or less are considered to be cash equivalents. At March 31, 2014 and December 31, 2013, the Company had cash balances of \$624 and \$10,589 respectively.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, prepaid expense, accounts payable, sales tax payable, and other current liabilities. The carrying amount of these financial instruments approximates fair value due either to length of maturity or interest rates that approximate prevailing market rates, unless otherwise disclosed in these financial statements.

Use of Estimates

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 the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Company records revenue in accordance with ASC Topic 605 - Revenue Recognition. During the year ended December 31, 2013 revenues came from royalties from the contract Banjo Minnow the fishing lure with TriStar Products, Inc. Revenues derived from the Company license sales are recognized when (1) there is evidence of an arrangement, (2) collection of our fee is considered probable, and (3) the fee is fixed and determinable.

Direct Success entered into a manufacturing, marketing and distribution agreement with Banjo Buddies, who is the inventor of Banjo Minnow, a fishing lure which Direct Success LLC 3 had a license agreement to market the product since Oct 2002. The Company entered into a modification of said agreement in April 2005. On or about May 11, 2005, Direct Success LLC 3, subcontracted the manufacturing and distribution rights to TriStar Products, Inc. In March 2007, Direct Success granted back to Banjo, the right to license and privilege for internet sales and small parts sale of the product. Under the agreement, Banjo will pay Direct Success 4% royalty on all gross sales of product. As of date of settlement, effective January 1, 2010, Direct Success no longer receives the 4% royalty for internet and part sales from Banjo Buddies. The revenues are strictly based on the contractual obligation contained in the agreement with Tristar Products, Inc., which are the royalties received from the sales of the Banjo Minnow. These royalty arrangements with Tristar provide the Company with a flat \$4.00 (for unit sales under \$18) and \$5.00 (for unit sales over \$18), per unit sold domestically, and \$2.50 per unit sold internationally. The present retail price for the Banjo Minnow is \$19.95. As of December 31, 2012, no more revenues related to the Banjo Minnow will be recognized due to the terms of the agreement.

Concentration of Risk

The Company is earning (over 90%) the majority of the royalty income from Tristar Products, Inc. Since the Company is depending on Tristar Products, Inc., the inability of Tristar to perform in the future may have a material adverse effect on the Company's financial condition.

Income Taxes

Income taxes are computed using the asset and liability method. Under the asset and liability method, deferred income tax, assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and are measured using the currently enacted tax rates and laws. A valuation allowance is provided for the amount of deferred tax assets that, based on available evidence, are not expected to be realized. It is the Company's policy to classify interest and penalties on income taxes as interest expense or penalties expense. As of March 31, 2014, there have been no interest or penalties incurred on income taxes.

Advertising Policy

The Company recognizes advertising expense as incurred. The advertising expense for the three month periods ended March 31, 2014 and March 31, 2013 are \$0 and \$0 respectively.

Basic Income (Loss) Per Share

Basic income (loss) per share is calculated by dividing the Company's net loss applicable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by dividing the Company's net income available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive debt or equity. There are no such common stock equivalents outstanding as of March 31, 2014.

Stock-Based Compensation

The Company accounts for employee stock-based compensation in accordance with the guidance of FASB ASC Topic 718, Compensation – Stock Compensation, which requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values.

The Company follows ASC Topic 505-50, formerly EITF 96-18, "Accounting for Equity Instruments that are Issued to Other than Employees for Acquiring, or in Conjunction with Selling Goods and Services," for stock options and warrants issued to consultants and other non-employees. In accordance with ASC Topic 505-50, these stock options and warrants issued as compensation for services provided to the Company are accounted for based upon the fair value of the services provided or the estimated fair market value of the option or warrant, whichever can be more clearly determined. The fair value of the equity instrument is charged directly to operating expense and additional paid-in capital over the period during which services are rendered. There were 31,915 shares issued to a non-employee with a value of \$6,000 during the year ended December 31, 2013 and \$27,000 of share-based compensation issued to employees and directors in 2013.

There was no stock-based compensation issued to non-employees during the period ended March 31, 2014.

Recent Accounting Pronouncements

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position or cash flows.

Note 2: Property & Equipment

Property and equipment are carried at cost. Major expenditures and those which substantially increase useful lives are capitalized. Maintenance, repairs and minor renewals are charged to operations when incurred. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations. Once placed in service, depreciable assets are depreciated over their estimated useful lives using both accelerated and straight-line methods.

Depreciation expenses totaled \$75 and \$75 for the three month periods ended March 31, 2014 and March 31, 2013, respectively.

Note 3: Non-Controlling Interest

The Company has owned 75% of Direct Success LLC 3 (LLC 3) since 2002. The assets and liabilities of Direct Success LLC 3 have been included in these consolidated financial statements. The 25% of LLC 3 not owned by the Company has been presented as a non-controlling interest in these financial statements. As of December 31, 2013 both entities were completely dissolved.

Note 4: Accrued Expenses

Accrued expenses consisted of the following at March 31, 2014 and December 31, 2013:

	<u>2014</u>	<u>2013</u>
Accrued Wages	\$ 285,653	\$ 285,653
Accrued Directors' Fees	\$ 0	\$ 16,000
Accrued Tax	\$ 800	\$ 0
Total Accrued Expenses	<u>\$ 286,453</u>	<u>\$ 301,653</u>

Wages are accrued under an employee agreement entered into on the 20th day of April, 2007 by and between the Company and Kurt Cockrum, who is the CEO, President, Board Chairman, and a Director. According to the agreement, employee's starting salary is \$6,000 per month during the first 90 days following execution of the agreement or until \$500,000 in capital is raised. After such period of time, employee's salary shall be increased to \$10,000 per month. Should the company determine it in the best interest not to pay employee's entire monthly compensation, at any time, any such compensation shall be treated as deferred compensation and will accumulate on the books and provided to employee, at employee's sole discretion, taking into consideration the funds available and the best interest of the Company.

The accrued wages owed under the employment agreement as of March 31, 2014 and December 31, 2013, respectively, were \$285,653 and \$285,653.

Salary expense to the related party was \$0 for the period ended March 31, 2014 and December 31, 2013.

The Board of Directors passed a resolution on October 15, 2011 to compensate Directors, Secretary, Treasurer, CEO, President and Board Chairman by issuing common stock annually. This policy is retroactive with an effective date of January 1, 2010. Per the policy the Company owed Kurtis Cockrum who is a Director, CEO, President and Board Chairman \$6,000 worth of common stock, James Clarke who is a Director, Secretary and Treasurer \$2,000 worth of common stock as of December 31, 2011. This amount has been recorded as director fees at December 31, 2011. The Company has issued to Kurtis Cockrum \$6,000 worth of common stock on April 24, 2013 and to James Clarke \$2,000 worth of common stock on May 6, 2013 to settle the balance. For the calendar year 2012, The Company owed Kurtis Cockrum \$13,000 worth of common stock and James Clarke \$6,000 worth of common stock. This amount has been recorded as director fees in the second quarter 2013 and the Company has issued to Kurtis Cockrum \$13,000 worth of common stock and \$6,000 worth of common stock on April 24, 2013 to settle the balance. For the calendar year 2013, The Company owed Kurtis Cockrum \$10,000 worth of common stock and James Clarke \$6,000 worth of common stock. The amount has been recorded as accrued director fees at December 31, 2013 and the Company has issued to Kurtis Cockrum \$10,000 worth of common stock on February 12, 2014 and to James Clarke \$6,000 worth of common stock to settle the balance.

Note 5: Other Income

On July 10, 2013, the company received an advance of \$8,000 from Iris Corporation related to entering a Letter of Intent on the potential acquisition of the Company. On October 16, 2013 and October 31, 2013, the Company received additional advances of \$15,000 and \$12,500. The total of advances received from Iris Corporation amounted to \$35,500 at December 31, 2013. The Company has recently placed Iris Corporation on notice that it is in default under the Letter of Intent for acquisition and does not believe it is obligated to return any of the sums advanced to the Company.

Note 6: Common Stock

The Company has 430,000,000 shares of capital stock, consisting of 400,000,000 shares of \$0.001 par value common stock, and 30,000,000 shares of \$0.001 par value preferred stock. The Company had 1,821,803 shares of common stock issued and outstanding as of March 31, 2014 and 1,557,803 shares issued and outstanding as of December 31, 2013.

On April 24, 2013, 15,957 shares of restricted common stock were issued to James Clarke for services performed as Secretary, Treasurer, and member of the Board of Directors of the Company for the calendar year 2012. These services were valued at \$6,000, which is the fair market value of the shares at the time of issuance.

On April 24, 2013, 50,531 shares of restricted common stock were issued to Kurtis Cockrum for services performed as President and Chairman of the Board of Directors of the Company for the calendar years 2012 and 2011. These services were valued at \$19,000, which is the fair market value of the shares at the time of issuance.

On April 29, 2013, 31,915 shares of restricted common stock were issued to Scott Kline for consulting services performed for the Company. The invoice amount for these services was \$6,000.

On May 6, 2013, 5,319 shares of restricted common stock were issued to James Clarke for services performed as Secretary, Treasurer, and member of the Board of Directors of the Company for the calendar year 2012 and 2011. These services were valued at \$2,000, which is the fair market value of the shares at the time of issuance.

On July 17, 2013, FINRA approved a one for one hundred eighty eight (1:188) reverse split of the Corporation's issued and outstanding common stock. Following the reverse split, the number of outstanding shares of the Corporation common stock decreased from 306,339,011 shares to 1,557,807 shares with effective date of July 17, 2013. All share and per share data reflected in the financial statements have been adjusted to reflect the results of the stock split.

On February 12, 2014, 60,000 shares of restricted common stock were issued to James Clarke for services performed as Secretary, Treasurer, and member of the Board of Directors of the Company for the calendar year 2013. These services were valued at \$6,000, which is the fair market value of the shares at the time of issuance.

On February 12, 2014, 100,000 shares of restricted common stock were issued to Kurtis Cockrum for services performed as President and Chairman of the Board of Directors of the Company for the calendar years 2013. These services were valued at \$10,000, which is the fair market value of the shares at the time of issuance.

On February 12, 2014, 104,000 shares of restricted common stock were issued to Don Baker for consulting services performed for the Company. The invoice amount for these services was \$10,400.

Note 7: Related Party Transactions

The accrued wages owed under the employment agreement as of March 31, 2014 and December 31, 2013 were \$285,653. Salary expense to this related party was \$0 as of March 31, 2014 and for the year ended December 31, 2014. See note 4.

The Company has issued to Kurtis Cockrum 15,957 of common stock worth \$6,000 on April 24, 2013 and to James Clarke 5,319 of common stock worth \$2,000 on May 6, 2013 to settle the balance outstanding as of December 31, 2011. For the calendar year 2012, the Company owed Kurtis Cockrum \$13,000 worth of common stock and James Clarke \$6,000 worth of common stock. This amount has been recorded as director fees in the second quarter 2013 and the Company has issued to Kurtis Cockrum 34,574 of common stock worth \$13,000 and 15,957 of common stock worth \$6,000 on April 24, 2013 to settle the balance. For the calendar year 2013, the Company owed Kurtis Cockrum \$10,000 worth of common stock and James Clarke \$6,000 worth of common stock. The amount has been recorded as accrued director fees at December 31, 2013 and the Company has issued to Kurtis Cockrum 100,000 of common stock worth \$10,000 and James Clarke 60,000 of common stock worth \$6,000 on February 12, 2014 to settle the balance. See note 4 and note 6.

Note 8: Commitments and Contingencies

The CEO and employees of the Company work from their homes. The fair market value of rents contributed by the related parties are estimated to be \$50.00 per month, which is immaterial to the Company's financial statements, and has not been recorded on the Company's books.

Note 9: Income Taxes

As of March 31, 2014, the Company had net operating loss carry forwards of approximately \$1,602,414 that may be available to reduce future years' taxable income through 2032. Future tax benefits, which may arise as a result of these losses, have not been recognized in these financial statements, as their realization is determined not likely to occur and accordingly, the Company has recorded a valuation allowance for the deferred tax asset relating to these tax loss carry-forwards.

The provision for federal income tax consists of the following for the three months ended:

	<u>March 31,</u> <u>2014</u>	<u>March 31,</u> <u>2013</u>
Federal income tax benefit attributable to:		
Current Operations	\$ 6,064	\$ 13,465
Less: valuation allowance	\$ (6,064)	\$ (13,465)
Net provision for Federal income taxes	<u>\$ 0</u>	<u>\$ 0</u>

The cumulative tax effect at the expected rate of 34% of significant items comprising our net deferred tax amount is as follows:

	<u>March 31,</u> <u>2014</u>	<u>December</u> <u>31, 2013</u>
Deferred tax asset attributable to:		
Net operating loss carryover	\$ 544,821	\$ 538,756
Less: valuation allowance	\$ (544,821)	\$ (538,756)
Net deferred tax asset	<u>\$ 0</u>	<u>\$ 0</u>

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry forwards of \$1,602,414 for federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, the net operating loss carry forwards may be limited as to use in future years.

Note 10: Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has sustained substantial losses since inception, has a working capital deficit, and is in need of additional capital to grow its operations so that it can become profitable.

In view of these matters, the ability of the Company to continue as a going concern is dependent upon growth of revenues and the ability of the Company to raise additional capital. Management believes that its successful ability to raise capital and increases in revenues will provide the opportunity for the Company to continue as a going concern.

Note 11: Subsequent Events

On April 4, 2014 a Disbursement Agreement was executed with IRIS Corporation Berhad, Earth Heat Ltd, Econia Technologies Inc, Jose Antonio Capote, Janusz Bilinski, Scott Kline Law group and Craig Sultan. This agreement represents a full and complete payment of \$25,000 related to expenses incurred in the previously contemplated transaction associated with a Reverse Take Over (RTO) of DM Products Inc. DM Products also agrees to not take any legal action and heretofore agree to a General Release of any further claims against mentioned parties. Due to non-performance of the LOI dated May 1, 2013, to acquire DM products by RTO. DM Products further agrees that, for a period of 6 months from the date of this agreement (extendable by mutual consent), to preferentially consider a future offer to undertake a RTO Transaction that may be reintroduced by Earth Heat Ltd on the basis of the terms similar to that set forth in the previous LOI.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Certain statements, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements generally are identified by the words “believes,” “project,” “expects,” “anticipates,” “estimates,” “intends,” “strategy,” “plan,” “may,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions. We intend such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and are including this statement for purposes of complying with those safe-harbor provisions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse effect on our operations and future prospects on a consolidated basis include, but are not limited to: changes in economic conditions, legislative/regulatory changes, availability of capital, interest rates, competition, and generally accepted accounting principles. These risks and uncertainties should also be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Further information concerning our business, including additional factors that could materially affect our financial results, is included herein and in our other filings with the SEC.

Executive Overview

We, through our former wholly owned subsidiary, Direct Success, Inc ., have developed, financed, produced, marketed and distributed beauty, fashion, fitness and other products for sale through infomercial marketing and distribution channels. Profits were derived from inbound sales, outbound sales, up sells and retail distribution. Our primary objective was to penetrate this rapidly expanding industry by introducing consumer products to national and international markets through a series of infomercial campaigns.

Although we are actively pursuing additional business opportunities, as seen elsewhere in this filing, we have several direct marketing products available to launch if sufficient funding is obtained.

Purchase of Earth Heat Limited and W2W BV Sp Z.o.o and PHIL ECO INC

On May 5, 2013, the Company entered into a non-binding Letter of Intent with Iris Corporation Berhad for the purchase of certain assets in exchange for 96.75% of the outstanding stock of DM Products. Both parties to the transaction acknowledge that the Letter of Intent did not contain all matters upon which a Definitive Agreement (“Agreement”) must be reached, and that the obligations of the Parties to consummate an Agreement was subject to the negotiations and execution of a Definitive Agreement in form and substance satisfactory to all Parties and their respective counsel and further due diligence analysis. A subsequent draft Agreement was approved by written consent of the Directors of DM Products, Inc. and its majority Shareholders. The draft Agreement was between the Company and Earth Heat Limited (an affiliate of Iris Corporation Berhad) and was consistent with the terms presented in the Letter of Intent. However, the draft Agreement was never executed and the Letter of Intent since expired.

On April 4, 2014, a confidential settlement was executed with IRIS Corporation Berhad, Earth Heat Ltd, Econia Technologies Inc, Jose Antonio Capote, Janusz Bilinski, Scott Kline Law group and Craig Sultan whereby the parties satisfactorily resolved any current or future disputes that may arise as a result of the Letter of Intent, its expiration and the failure of the parties to agree upon a Definitive Agreement. This agreement represents a full and complete payment of \$25,000 related to expenses incurred in the contemplated transaction associated with a Reverse Take Over (RTO) of DM Products Inc. DM Products has agreed to not take any legal action and agreed to a General Release of any further claims against mentioned parties. Due to non-performance of the LOI dated May 1, 2013, to acquire DM products by RTO. DM Products further agreed that, for a period of 6 months from the date of this agreement (extendable by mutual consent), to preferentially consider a future offer to undertake a RTO Transaction that may be reintroduced by Earth Heat Ltd on the basis of the terms similar to that set forth in the previous LOI.

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General

Our results of operations may vary significantly from period-to-period. Our revenues will fluctuate due to the seasonality of our products, customer buying patterns, product innovations and competition, our ability to meet customer demand, media and advertising campaigns, and our ability to attract new customers and renew existing sales relationships. In addition, our revenues are highly susceptible to economic factors, including, among other things: the overall condition of the U.S. economy and economics of other countries where we market our products; and the availability of credit, both in the U.S. and abroad.

Results of Operations for the three months ended March 31, 2014 and ended March 31, 2013

Results of Operations our revenue was \$0.00 for the three months ended March 31, 2014, and \$0.00 for the same period ended March 31, 2013. For all periods mentioned above, our revenues were solely based on royalty payments, thus, our cost of goods sold during this period was zero. Pursuant to an arbitration settlement, the contractual term of our rights concerning the Banjo Minnow discontinued June 30, 2012. However some revenue continued from the inventory sell off period until yearend 2012.

We do not expect any further Banjo Minnow revenue coming at this time or in the future and we have no other revenue coming in from the Direct Marketing industry. We continue to incur expenses as we are now concentrating on executing our new business plan in the Waste to Energy Industry pursuant to a Share Exchange Agreement with Earheat and W2W. We will continue to incur expenses as we move forward in executing the agreement which will be announced soon.

We have incurred an operating loss in the amount of \$17,836 and net loss in the amount of \$17,834 for the three months ended March 31, 2014 as compared to an operating loss \$39,677 and net loss in the amount of \$39,604 for the same period ended March 31, 2013.

Liquidity and Capital Resources

As of March 31, 2014, we had total assets in the amount of \$677 consisting of \$624 in cash, \$0.00 in Prepaid Expenses and \$53 in Property and Equipment. Our current liabilities as of March 31, 2014 were \$330,121. We had a working capital deficit of (\$329,444) as of March 31, 2014.

Our current monthly fixed expenses (“Burn Rate”) are approximately \$8,000.

As of March 31, 2014, our cash reserves were \$624. If we need to and cannot raise additional capital, we would be forced to discontinue operations.

Off Balance Sheet Arrangements

As of March 31, 2014, there were no off balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

A smaller reporting company is not required to provide the information required by this Item.

Item 4. Disclosure Controls and Procedures

We carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of September 30, 2013. This evaluation was carried out under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer, Kurtis Cockrum. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2013, our disclosure controls and procedures are effective. There have been no changes in our internal controls over financial reporting during the quarter ended September 30, 2013.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act are recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Limitations on the Effectiveness of Internal Controls

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will necessarily prevent all fraud and material error. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving our objectives and our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective at that reasonable assurance level. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the internal control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are not a party to any pending legal proceeding. We are not aware of any pending legal proceeding to which any of our officers, directors, or any beneficial holders of 5% or more of our voting securities are adverse to us or have a material interest adverse to us.

Item 1A: Risk Factors

A smaller reporting company is not required to provide the information required by this Item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of equity securities during the period ended March 31, 2014.

Item 3. Defaults upon Senior Securities

None

Item 4. Mine Safety Disclosures

None

Item 5. Other Information

None

Item 6. Exhibits

Exhibit Number	Description of Exhibit
31.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
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

SIGNATURES

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

DM Products, Inc.

Date: May 12, 2014

By: /s/ Kurtis Cockrum
Kurtis Cockrum

Title: **Chief Executive Officer and Director**

CERTIFICATION

I, Kurtis Cockrum, certify that;

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2013 of DM Products, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 and 15d-15 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
 - 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 first 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.
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or person 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: May 12, 2014

/s/ Kurtis Cockrum

By: Kurtis Cockrum

Title: Chief Executive Officer

CERTIFICATION

I, James Clarke, certify that;

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended September 30, 2013 of DM Products, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 and 15d-15 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
 - 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 first 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.
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or person 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: May 12, 2014

/s/ James Clarke

By: James Clarke

Title: Chief Financial Officer

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

In connection with the quarterly Report of DM Products, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2013 filed with the Securities and Exchange Commission (the "Report"), I, Kurtis Cockrum and James Clarke, Chief Executive Officer and Chief Financial Officer, respectively, 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) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the consolidated financial condition of the Company as of the dates presented and the consolidated result of operations of the Company for the periods presented.

By: /s/ Kurtis Cockrum

Name: Kurtis Cockrum

Title: Principal Executive Officer and Director

Date: May 12, 2014

By: /s/James Clarke

Name: James Clarke

Title: Principal Financial Officer and Director

Date: May 12, 2014
