

QUARTERLY REPORT

FOR THE SECOND QUARTER ENDING MARCH 31, 2013.

Commission File Number 0 - 30164

EPIC CORPORATION

(FORMERLY TENSLEEP CORPORATION)
(Changed September 2007)

COLORADO	33-0789960
(state or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

8000 Centre Park Drive, Suite 345, Austin, Texas 78754
(Address of Principal Executive offices, Zip Code)

307-633-9874
(Issuer's Telephone Number, including area code)

307-633-9873
(Issuer's Fax Number, including area code)

www.epiccor.com
(Issuers email address)

Common Stock, No Par Value
(Title of Class)

The company is not now and never has been a shell corporation as defined in Rule 144(i).

The number of shares outstanding of issuer's only class of Common Stock, no par value, was 25,594,726 on March 31, 2013. The common stocks CUSIP number is 29428L 205 and symbol is EPOR.

Corporate Stock Transfer, Inc.
3200 Cherry Creek Drive South, Suite 430
Denver, Colorado 80209
(SEC Registered under the Securities Exchange Act of 1934)

INDEX

Item 3. Financial Information	
Financial Statements for Epic Corporation:	
Balance Sheets	
Statements of Operations	
Statements of Shareholders' Equity	
Statements of Cash Flows	
Notes to Financial Statements	
Item 4. Management's Discussion and analysis or Plan of Operations	
Overview	
Plan of Operation	
Discussion and Analysis	
Item 5. Legal Proceedings	
Item 6. Defaults Upon Senior Securities	
Item 7. Other Information	
Item 8. Exhibits	

ITEM 3. FINANCIAL STATEMENTS

The consolidated financial statements have been prepared by Epic Corporation, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. The Company believes that the disclosures are adequate to make the information presented not misleading when read with the Company's compiled financial statements for the years ended September 30, 2012 and 2011. The financial information presented reflects all adjustments, consisting only of normal recurring adjustments, which are, in the opinion of management necessary for a fair statement of the results from the periods presented.

EPIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

For Six Months Ending

March 31, 2013 AND 2012

See Accompanying Notes:

EPIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As Of
March 31, 2013 and 2012

ASSETS

	<u>2013</u>	<u>2012</u>
CURRENT ASSETS		
Cash	\$ 10,871	\$ 12,036
Accounts Receivable	-	5,260
Inventory	16,934	12,769
Prepaid Expense	-	-
Total Current Assets	27,805	30,066
OTHER ASSETS		
Investments	650,465	1,066,777
Deferred Tax	1,040,100	1,040,100
License	1,131,008	130,000
Equipment	12,056	-
Organizational Costs -Net	-	443
Contract Receivable	- 0	- 0
Total Other Assets	2,833,629	2,237,320
TOTAL ASSETS	\$ 2,861,434	\$ 2,267,386

LIABILITIES AND STOCKHOLDERS EQUITY

	<u>2013</u>	<u>2012</u>
CURRENT LIABILITIES		
Accounts Payable	\$ 21,756	\$ 6,020
Accrued Interest	256,156	155,116
Loans Payable	-	30,486
Total Current Liabilities	277,912	191,622
LONG TERM LIABILITIES		
Loans Payable – Convertible Notes (Note __)	900,276	919,395
TOTAL LIABILITIES	1,178,188	1,111,017
SHAREHOLDERS EQUITY		
Preferred Stock, no stated value 10,000,000 shares authorized, no shares issued and outstanding	-	-
Common Stock, \$0.01 stated value, 150,000,000 shares Authorized, 25,594,726 and 12,797,368 shares issued outstanding as of March 31, 2013 and 2012	255,947	127,974
Additional Paid In Capital	7,171,100	7,409,074
Accumulated Deficit	(6,677,409)	(6,202,842)
Net Income (Loss)	933,607	(177,837)
TOTAL SHAREHOLDERS EQUITY	1,683,246	1,156,369
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 2,861,434	\$ 2,267,386

EPIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

For the 6 months Ending
March 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
REVENUES		
Product Sales	\$ 1,000	\$ -
Consulting Income	-	20,773.65
License Fee	<u>1,000,000</u>	<u>-</u>
	1,001,000	
COST OF GOODS SOLD		
Cost of Products	-	-
Freight Out	<u>-</u>	<u>-</u>
Total Cost of Goods Sold	<u>-</u>	<u>-</u>
GROSS PROFIT	1,001,000	-
EXPENSES		
Advertising	1,898	910
Consulting Services	-	-
Dues & Subscriptions	-	7,237
Insurance	1,403	121,500
Miscellaneous	5,044	18,630
Organization	-	1,004
Outside Services	8,148	16,384
Professional Fees	-	-
Travel and entertainment	4,037	2,199
Utilities	<u>381</u>	<u>4,449</u>
Total Expenses	<u>20,912</u>	<u>172,312</u>
TOTAL OPERATING PROFIT (LOSS)	980,088	(172,312)
OTHER INCOME/(EXPENSES)		
Other Income	-	20,773.65
Interest Expense	(46,481)	(28,011)
Research & Development	-	-
Gain on equity sale	<u>-</u>	<u>1,713.23</u>
Total Other Income/Expenses	<u>(46,481)</u>	<u>(5,524)</u>
NET PROFIT/LOSS	<u>\$ 933,608</u>	<u>\$ (177,837)</u>

EPIC CORPORATION AND SUBSIDIARIES

STATEMENT OF STOCKHOLDERS EQUITY
From September 30, 2007 to March 31, 2013

	Date	Number of Shares	Consideration	Common Stock	Paid-in Capital	Retained Earnings	Allowance for Unrealized Gains and Losses	Total
Balance 9/30/2007		19,912,023		\$ 199,121	\$ 7,037,218	\$ (5,453,562)	\$ 400,000	\$ 2,182,777
Share Issuance – Note	April	6,350,000	Non-Cash	63,500	275,000	-	-	338,500
Redemption - Note	March	-15,000,000	Non-Cash	-150,000	(307,500)	-	-	(457,500)
Reverse Split - Note	June	(9,009,660)		-90,097	90,097	-	-	-
Adjustment Prior Period		-		-	-	9,845	(400,000)	(390,155)
Net Loss for 2008		-		-	-	(345,214)	-	(345,214)
Balance 9/30/2008		2,252,363		22,524	7,094,815	(5,788,931)	-	1,328,408
Share Issuance – Note	September	1,045,000	Non-Cash	10,450	94,050	-	-	104,500
Adjustment Prior Period		-		-	62,695	240,901	-	303,596
Net Loss for 9/30/09		-		-	-	(613,678)	-	(613,678)
Balance 9/30/2009		3,297,363		32,974	7,251,560	(6,161,708)	-	1,122,826
Share Issuance – Note	June	2,000,000	Convert Debt	20,000	80,000	-	-	100,000
Adjustment Prior Period		-		-	(57,486)	99,921	-	42,435
Net Gain for 6/30/2010		-		-	-	(18,134)	-	(18,134)
Balance 9/30/2010		5,297,363		52,974	7,274,074	(6,079,921)	-	1,247,127
Share Issuance – Note	10/15/10	5,000,000	Convert Debt	50,000	-	-	-	50,000
Share Issuance – Note	08/26/11	2,500,000	None Cash	25,000	25,000	-	-	50,000
Adjustment Prior Period		-		-	-	-	-	26,023
Net Gain for 9/30/2010		-		-	-	(300,877)	-	(300,877)
Balance 9/30/2011		12,797,363		127,974	7,299,074	(6,354,775)	-	1,072,273
Share Issuance – Note	4	12,797,363		127,974	(127,974)	-	-	0
Adjustment Prior Period		-		-	100,000	129,244	-	229,244
Net (Loss) for period		-		-	-	(134,087)	-	(134,087)
Balance 9/30/2012		25,594,726		255,948	7,271,100	(6,359,618)	-	1,167,430
Adjustment Prior Period		-		-	(100,000)	(317,791)	-	(417,791)
Net Profit (Loss) for period		-		-	-	933,608	-	933,608
Balance 03/31/2013		25,594,726		\$ 255,948	\$ 7,171,100	\$ (5,743,801)	-	\$ 1,683,247

EPIC CORPORATION AND SUBSIDIARIES
 STATEMENTS OF CASH FLOWS
 From March 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income (Loss)	\$ 933,608	\$ (177,837)
Adjustments to reconcile net loss to net cash provided (used) by operations:		
(Increase) decrease in assets:		
Inventory	0	(2,045.49)
Prepaid Expense	0	(4,100.00)
Increase (decrease) in liabilities:		
Accounts Payable	14,407	667
Accrued Interest	46,098	42,291
Loans Payable	<u>4,017</u>	<u>(148,730.42)</u>
Net cash provided (used) by operating activities	998,131	(285,654)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments	0	(350,000.00)
Equipment	0	(16,312.12)
Note Receivable	<u>(1,000,000)</u>	<u>(443)</u>
Net cash provided by investing Activities	(1,000,000)	(366,755)
CASH FLOWS FROM FINANCING ACTIVITIES		
Note Payable - Convertible	-	439,066.59
Common Stock	-	0
Paid Surplus	<u>-</u>	<u>200,000.00</u>
Net cash provided by Financing Activities	<u>-</u>	<u>639,067</u>
NET INCREASE (DECREASE) IN CASH	(1,869)	(13,343)
CASH, beginning of year	<u>12,740</u>	<u>29,479</u>
CASH, end of Period	<u>\$ 10,871</u>	<u>\$ 12,037</u>
None Cash Transactions:		
License Fee - Income	\$ (1,000,000)	
Receivable for License Fee	\$ 1,000,000	

EPIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
March 31, 2013 AND 2012

ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

EPIC is dedicated to making an impact on peoples lives. We strive to provide for better healthcare through the development and commercialization of acquired technologies, and we realize, we cannot prosper in isolation. We and our strategic partners are using the technologies to develop economical devices to reduce trauma, aid in diagnosing diseases, and provide comfort. We are committed to grow our business by focusing on research and development, production, marketing, and sales of Healthcare products and services.

Mission Statement

EPIC focus's on achieving success through research and development conducted in conjunction with our affiliates and strategic partners. Our driving force for success is innovation in our products and financial matters, both measured in human and financial terms. In seeking the fulfillment of our mission, we are guided by values that establish who we are.

History

EPIC was founded in October 1997, in the State of Colorado, and in September 1999 we became a full reporting company under the Securities Exchange Act of 1934 and started trading on the Bulletin Board. In December 2001 we voluntarily withdrew our registration under the Exchange Act, and have since traded on the OTC Markets.

Consolidation Policy

The consolidated financial statements include the accounts of the Company and all of its wholly owned and majority-owned subsidiaries. All inter-company transactions and balances have been eliminated. The Company's investments in 20% to 50% owned affiliates in which it has the ability to exercise significant influence over operating and financial policies are accounted for using the equity method. Accordingly, the Company's share of the earnings of these companies is included in consolidated net income. Investments in other companies are carried at cost.

Product Development Costs

Product development costs are expensed as incurred. Prior to commencing operations the Company incurred research and development costs which were also charged to operations when incurred. There were no research and development costs for the years ending September 30, 2010 and 2011.

Cash and Cash Equivalents

For the purposes of financial statement reporting, the Company considers all liquid investments with maturity of 3 months or less to be cash equivalents.

Concentration of Credit Risk

The Company maintains its operating cash accounts at commercial banks in California. The accounts at the banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000 per bank. At times some accounts may exceed FDIC limits. The Company limits the amount of credit exposure with any one financial institution and believes that no significant concentration of credit risks exists with respect to cash and cash equivalents.

Property and Equipment, Depreciation and Amortization

Property and equipment obtained in exchange for stock are carried at the fair market value of the equipment on the date of exchange. Property and equipment purchased is carried at cost as of the date of purchase. Depreciation and amortization are computed using the straight-line method over the assets' expected useful lives. The useful lives of property and equipment for purposes of computing depreciation are:

Machinery & Equipment	3 years
Software	3 years

Repairs and maintenance are charged to operations when incurred. Costs of betterments, which materially extend the useful lives of the assets, are capitalized. Gains and losses from sales or disposition of assets are included in the statement of operation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value of Financial Instruments

For the Company's financial instruments, the carrying value is considered to approximate the fair value. Cash, prepaid expenses and accounts payable are settled so close to the balance sheet date that fair value does not differ significantly from the stated amounts.

Income Taxes

Income taxes are recognized during the year in which transactions enter into the determination of consolidated financial statement income, with deferred taxes being provided for temporary differences between amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws.

The consolidated financial statements of the Company include a benefit for income taxes based on the consolidated results of operations for the parent company and its subsidiaries. For consolidated financial reporting purposes, the provision for income taxes using the consolidated results of operations was offset through the utilization of the parent company's net operating loss carryover.

Adjustments

In the opinion of management the data reflects all adjustments necessary for a fair consolidated statement of results for this period. All adjustments are of a normal and recurring nature.

Advertising

Advertising costs, except for costs associated with direct-response advertising, are charged to operations when incurred. The costs of direct-response advertising, if any, are capitalized and amortized over the period during which future benefits are expected to be received.

NOTE 1: INVESTMENT IN AMCOR FINANCIAL CORP.

Amcor Financial Corp. (Amcor), a specialty finance company, provided merchant banking services in the form of real estate financing and financing of emerging growth companies. A major shareholder of the Company is also a major shareholder of Amcor. During the year ended September 30, 2004, due to excessive litigation by the former parent company of Amcor Financial and purchasers of homes from the parent company, Amcor was forced to cease business operations, and in

January 2005, it filed bankruptcy under Chapter 7. The Company has written down its investment in Amcor Financial to \$286,778, which the Company believes to be the residual value.

NOTE 2: INVESTMENT IN TENSLEEP TECHNOLOGIES, INC.

In July 2000 the Company exchanged net assets valued at \$1,199,631 for 5,000,000 shares of Tensleep Technologies, Inc., a wholly owned subsidiary under common control in a business combination accounted as a pooling. Tensleep Technologies, Inc., completed the development of a motor controller, an Internet gateway and focused on bringing-to-market penetration through strategic relationships, joint ventures and international marketing alliances.

In August 2002 the company declared a stock dividend of Tensleep Technologies common stock to its shareholders and distributed approximately 1,000,000 shares and in November 2002 the shares of Tensleep Technologies began trading. In December 2004 the company entered an agreement for the reverse acquisition of Tensleep Technologies, which was completed in March 2005; its name was later changed to Commodore International Corporation.

In November 2005 the Company transferred 1,000,000 shares of its Commodore International common stock to Land & Realty, LLC ("Land & Realty") as an investment valued at \$1,000,000, which value was also based on unrealized appreciation of the Commodore common stock. Prior to September 30, 2006 the Company had received a return on investment of \$410,000 leaving a net investment in Land & Realty of \$590,000. For the year ending September 30, 2007, the company's investment in Land & Realty, due to a loss in its investment Land & Realty, was reduced by \$190,000, and the remaining value of \$400,000 was written off in 2008.

NOTE 3: MAJORITY OWNED SUBSIDIARIES AND AFFILIATE

TENSLEEP WIRELESS CORPORATION

In August 2000 the Company incorporated Tensleep Wireless Corporation as a wholly owned subsidiary ("Wireless"). Wireless was organized to develop and design wireless electronic products making use of technologies owned and developed by the Company and its subsidiary Tensleep Technologies, Inc. Wireless and the company had limited funds with which to conduct its Research and Development, and was without funds to sell and market its products.

In December 2002 the Company subscribed to an additional shares of common stock of Wireless in exchange for organizational costs and services paid for by the Company and the transfer of a none exclusive license to use the technology developed by the Company.

In September 2003 Tensleep Technologies transfer its business to Wireless pursuant to an agreement with the Company as a capital contribution valued at \$375,595, and in September 2004 the Company contributed Research and Development costs to Wireless, paid for by the company, as a capital contribution.

The company on January 18, 2006, declared a stock dividend of Wireless stock and distributed approximately 1,000,000 shares to its shareholders, and holds more than 80% interest in Wireless. Wireless, in June 2006, declared a four to one stock dividend and the Company now owns 19,600,000 shares of Wireless. The Company then focused on having Wireless seeking to acquire and develop technologies in the consumer electronic products. From 2006 through 2011 the company has been seeking to develop a strategic relationship with a development stage consumer products company to augment its products.

In September 2007 Wireless transferred its Research and Development business to an independent company which has continued to work on Wireless' technologies in developing RF receivers and transmitters, and electronic controllers and timers. These products have been use in deer feeders, remote controlled lights, automatic spraying systems, etc..

TENSLEEP FINANCIAL CORPORATION

The Company incorporated Tensleep Financial Corporation ("Financial") on February 14, 2001, as a wholly owned subsidiary and was to be engaged in the business of providing funding for residential and commercial loans. The Company made an initial investment of \$50,000 and receive 5,000,000 shares of Financial in exchange. The \$50,000 was invested in an acquired mortgage banking company, which was later closed down. Financial's business plan was modified to provide

commercial funding that was not provided by other financial institutions.

For business reasons, the company on May, 2006, declared a stock dividend of all Financial's common stock to its stockholders and distributed approximately 4,500,000 shares to its shareholders, retaining less than a 10% ownership interest in Financial. The shares of Financial are not publicly traded.

In September 2007 the company contributed the obligations of RX Healthcare Systems, Inc., in the amount of \$130,000 to Tensleep Financial. The Company then held approximately a 8.76% (438,014 shares out of 15,000,000 issued and outstanding) ownership interest in Financial valued at \$200,000.

In September 2009 the Company contributed its investment of \$200,000 in Tensleep Financial and a \$134,550 promissory note of Meadow at Quail Run to RX Healthcare. RX Healthcare then simultaneously contributed the \$134,550 promissory note to Tensleep Financial, thereby having an investment of \$334,550 in Tensleep Financial.

RX HEALTHCARE SYSTEMS, LTD.

RX Healthcare Systems, is a consolidated subsidiary of the Company, was incorporated on March 29, 2006 by R Tucker & Associates, Inc., a Colorado corporation, as a wholly owned subsidiary; and was to operate as a developer, marketer and distributor of electronic products, primarily to be used in the healthcare field. In January 2007 the Company granted RX Healthcare a technology license in exchange for a license fee of \$130,000 to be paid at a later date. The obligation was later transferred to Tensleep Financial as describe above. Then in September 2007 the Company entered into a consulting agreement and received 1,000,000 shares of RX Healthcare, valued at \$24,000 as a consulting fee and represented a 1/3 ownership interest. The investment is carried at cost.

In September 2009 the Company contributed its investment of \$200,000 in Tensleep financial and a \$134,550 promissory note of Meadow at Quail Run to RX Healthcare. In exchange the Company received 3,100,000 shares of RX Healthcare's common stock. RX Healthcare then simultaneously contributed the \$134,550 promissory note to Tensleep Financial, thereby increasing its investment in that company. At this time RX Healthcare redeemed the 1,000,000 shares of its common stock owned by R Tucker & Associates, Inc., in exchange for a five year convertible promissory note in the amount of \$200,000 convertible at \$0.05 per share. As a result of the redemption the Company owns more than 80% of RX Healthcare's common stock. The Company is the master distributor of the **AcuFAB™** products to distributors and direct to consumers.

EPIC MEDICOR, LTD.

EPIC Medicor, Ltd, a Colorado limited liability company, is a one member wholly owned subsidiary was incorporated on August 3, 2011. The company was formed to be the operating company for designing and producing the EPIC **AcuPAD™** products from its **AcuFAB™** acupressure spacer fabric support overlay. The company will be selling the **AcuFAB™** to OEMs and to RX Healthcare Systems, its master distributor.

NOTE 4: CAPITAL TRANSACTIONS

In April 2007 the Company issued R Tucker & Associates, Inc., 10,000,000 shares of common stock pursuant to Section 4(2) of the Securities Act of 1933, such shares were restricted in accordance with Rule 144 under the Securities Act of 1934, in exchange for the payment of \$100,000 of consulting services paid for by R Tucker for the benefit of the Company.

In January 2008 the Company issued 6,000,000 shares to R Tucker & Associates, Inc., for consulting services paid for by R Tucker for the benefit of the Company value at \$338,500. The shares were issued pursuant to Section 4(2) of the Securities Act of 1933 and were restricted in accordance with Rule 144 under the Securities Act of 1934.

In January 2008 (mistakenly reported as March 2008 and for an amount slightly less than \$500,000) the Company redeemed 15,000,000 shares of its common stock for a convertible promissory note in the face amount of \$500,000 payable to R Tucker & Associates, Inc., and affiliate, and Land & Realty LLC, a non-affiliate. The shares were returned to authorized but unissued. In June 2008 the company had a reverse stock split reducing the number of shares on the basis of one share for each five outstanding shares, the result being 2,252,363 shares being issued and outstanding as of September 30, 2008.

In September 2009 the Company entered into a joint venture, named Hallmark Heritage, LLC, in which the Company acquired a 50% interest in exchange for 1,045,000 shares of the Company's common stock, valued at \$104,500. Hallmark's business was to locate and negotiate the acquisition of healthcare facilities.

In February 2010 a conflict arose with the managing member of Hallmark Heritage and the Company rescinded the transaction and the investment was written off, but 1,000,000 shares have not been returned and continue to be accounted for as issued and outstanding.

In June 2010 the Company issued R Tucker & Associates, Inc., and Tensleep Financial Corporation 1 million shares each in lieu of a cash payment of \$100,000 principal on the convertible promissory note executed in January 2008. The shares issued were issued pursuant to Section 4(2) of the Securities Act of 1933 and since both parties are affiliates of the company legends were placed on the certificates.

In October 2010 the Company issued R Tucker & Associates, Inc., 5 million shares in lieu of a cash payment of accrued interest in the amount of \$50,000 on the convertible promissory note executed in January 2008. The shares issued were issued pursuant to Section 4(2) of the Securities Act of 1933 and since R Tucker is an affiliate of the company a legend was placed on the certificates.

In August 2011 the Company issued R Tucker & Associates, Inc., 1.7 million shares and 800,000 shares to 6 non-affiliates in lieu of a cash payment of accrued interest in the amount of \$50,000 on the convertible promissory note executed in January 2008. The shares issued were issued pursuant to Section 4(2) of the Securities Act of 1933 and since R Tucker is an affiliate of the company a legend was placed on the certificates, but the shares issued to the non-affiliates were issued free and clear of any restrictions or legends.

NOTE 5: INCOME TAXES

The benefit for income taxes for the years ended September 30, 2011 and 2010 consists of the following:

	<u>2011</u>	<u>2010</u>
Federal deferred tax benefit		
Net operating loss carry forwards	<u>\$ 1,040,100</u>	<u>\$ 1,040,100</u>

As of September 30, 2011 and 2010 the deferred tax asset consisted of the following:

Non-current deferred tax asset	<u>\$ 1,040,100</u>	<u>\$ 1,040,100</u>
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The Company has not generated any taxable income and therefore a provision for income taxes is not necessary. Similarly, a provision for deferred taxes is not necessary. For income tax purposes, the Company had available, at September 30, 2011 and 2010, net operating loss (“NOL”) carry forwards of approximately \$6,431,888 and \$6,161,708, respectively, which will expire in various years from 2018 through 2026.

NOTE 6: OTHER EVENTS

In March 2011 the company formed Sonmus Ltd, a Colorado limited liability company, to fabricate, market and sell the **AcuFAB™** Sleep Pad and other products made from the EPIC **AcuFAB™**.

EPIC in August 2011 entered into a distribution agreement with Micro Imaging Technology, Inc., for the exclusive sale and distribution of MIT's products for a term of five years, with three automatic extensions of two years each. EPIC then formed EPIC Healthcare Systems, Ltd., now known as EPIC Medicor Ltd., which in December 2011 was transferred to the company, as was the master distribution agreement of MIT's products.

In December 2011 Micro Imaging Technology, Inc., repudiated its alliance with EPIC and fails to honor its commitments made to EPIC and the Company.

NOTE 7: SUBSEQUENT EVENTS

EPIC since November 2011 has focused on the development of the *AcuFAB*[™] and *AcuPAD*[™] and other products that are and will be made. The *AcuFAB*[™] was to be imported from Asia but it was too expensive to do so. A specialty textile company was found and it developed the process to knit this unique fabric. EPIC has paid for the tooling necessary to knit the fabric and ordered and received its first production run in January 2012 and a second in April, 2012. EPIC has engaged a contract short run sewer to do the sewing and provide storage for the fabric and the finished products, as well as act as the fulfillment center.

The Company since receiving the 100 sleep pads from Asia has been providing samples to many individuals that have reported what the company believes to be amazing results.

EPIC and the Company since December 2011 have developed a marketing plan to sell the sleep pad and other products to consumers through direct marketing in television and radio advertising, etc., including an internet store; and a program to reach healthcare facilities with the support surface to prevent pressure sores. Through a free magazine ad and an email campaign we have been contacted by 20 healthcare facilities inquiring about the EPIC Support Surface used to prevent pressure sores and we have sent those facilities more than 20 samples for evaluation. The EPIC iStore is now doing business.

ITEM 4. MANagements DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS.

OVERVIEW

Capital Formation

The principle objective of the Company has always been and will always be the generation of capital for its shareholders.

Most investors in micro-cap stocks are obsessed with growth and invest in an exciting story hoping for the next “Apple” or “Amazon” but if they would study the financial statements of the vast majority of the “exciting micro-cap growth company’s” the financials do not support their expectations of revenue growth through sales. They are operating on what is know as the “greater fool theory’ in that “the investor buying the stock can sell it to a bigger fool than he is.”

Growth is good, but most investors forget that the point of growth is to generate capital for shareholders. Growth without generating capital is a mirage. Generating capital is the essence of Capitalism. There is only one objective way to evaluate a business no matter its size, and that is how efficient it produces capital.

A micro-cap company can produce capital by obtaining a level of capital efficiency. The business plan established for the Company by its management has always been and always will be to engage in strategic relationships with micro-cap and small companies with growth potential and help them obtain capital efficiency with the objective of creating value in the securities of those companies, which in turn creates value for the Company and its shareholders. The Company then shares the increased capital through cash and stock dividends with our shareholders.

Mission Statement

We focus on achieving success through research and development conducted in conjunction with our affiliates and strategic partners. Our driving force for success is innovation in products, services and financial matters, both measured in human and financial terms. In seeking the fulfillment of our mission, we are guided by values that establish who we are.

History

We were founded in October 1997, in the State of Colorado, and in September 1999 we became a full reporting company under the Securities Exchange Act of 1934 and started trading on the Bulletin Board. In December 2001 we voluntarily withdrew our registration under the Exchange Act, and have since traded on the OTC Markets. We survived the days of the “new economy” when our price was as high as \$7.00 per share in March 2000 and descended to \$0.01 more than a year later.

We commenced business as a fab-less semi-conductor company, and then evolved in to a succession of different business models based on the technology and intellectual property developed by Tensleep Wireless Corporation (a subsidiary company). Then in 2006 we formed RX Healthcare Systems, Ltd., a Colorado corporation, to focus the healthcare industry. We licensed some of our intellectual property, developed by Tensleep Wireless Corporation, to RX Healthcare for the development of a remote controlled automatic spraying system. In 2010 we received samples of therapeutic sleep and seat pads, that had been sold for several years in Asia, for market evaluation. It was determined that the importation of these products was not practical. After an extensive search we were unable to find a similar fabric make in the United States, but we were able to find an industrial textile mill in North Carolina willing to develop a similar fabric. We received a first production run of the fabric, named **AcuFAB®**, in December 2011, and produced our first products. Then in April we received our second production run.

Business Plan

Our business plan is to develop both independent direct and indirect distribution channels to consumers and to healthcare institutions for our healthcare products, and distribution channels for our electronic products. The plan also includes the engagement of strategic relationships or joint ventures between our subsidiary companies, RX Healthcare and Tensleep Wireless, with third party research and development companies or companies with developed products. The third party companies are to have developed technology for healthcare products or products in need of electronic components. The essence of the strategic relationships and joint ventures is to provide for product commercialization, including regulatory approval if necessary, product procurement, marketing and/or distribution.

Current Business

AcuFAB® is produced for EPIC in the United States and in conjunction with our wholly owned subsidiary EPIC Medicor, Ltd., provides for the fabrication and direct distribution to Original Equipment Manufacturers (OEM(s)) and our majority owned subsidiaries, RX Healthcare Systems, Ltd., and EPIC Medicor Corporation., market and distribute the AcuPADtm products to consumers and healthcare institutions, respectively. The products currently produced in the United States include pressure overlay support surfaces, wheelchair and chair pads, auto and truck seat pads, pet pads, pillow sleeves and other healthcare products for consumers and healthcare enterprises under the brand name of **AcuPADtm**. For selling our healthcare products to consumers we established the EPIC iStore, (www.epicistore.com).

EPIC is finalizing the formation of joint venture in Europe which will market and distribute AcuFAB® and the AcuPADtm products in Europe.

We have developed and are continuing to design and develop commercial and industrial energy management products and OEM wireless products through Tensleep Wireless Corporation, but we have limited sales in these items to date.

Products

AcuFAB™ Spacer Fabric

The **AcuFAB™** is an acupuncture pressure support surface whose predecessor was developed in Asia and was used in **bone setting due to an apparent acceleration in the healing process**. The fabric is a unique type of spacer fabric. Spacer fabrics are complex fabrics of two or three types of materials. There is a top and bottom woven fabric which may be the same or different fabrics. Sandwiched between the two fabrics and attached to them is a stiff fiber creating a constant distance between the two fabrics.

AcuFAB™, as a space fabric, is unique because it is different in design and architecture. It is designed to conform to and run parallel to the meridian acupuncture points in the human body, and its architecture consists of 100% polyester yarn knitted into alternating convex and concave channels running down the length of the fabric with a single flat surface at the bottom of the channels. This architecture allows for the convex channels to support the whole body weight with limited limited pressure points against the bodies surface tissues. The convex channels are also designed to apply pressure against acupuncture pressure points giving a natural gentle massage effect that provides relief from muscle tension and stress.

AcuPAD™ Sleep Pads

The **AcuPAD™** Sleep Pads are a health care product developed to provide consumers with a more comfortable and restful nights sleep. When laying down the pads convex channels provide limited pressure points that prevent the blood and lymphatic vessels from being squeezed or crushed from the weight of the body. The limited pressure points reduce the number of contacts with the body's surface tissues, and apply pressure against the acupuncture pressure points relieving muscle tension and stress which allows for more relaxation and less strain on the body. The knitted pads with their many continuous and uneven areas provide a gentle massage effect and a ventilation effect facilitating greater blood circulation and providing a more temperate body temperature. This helps to relieve joint and back discomfort that reduces fatigue while sleeping, and allows you to sleep longer and to wake up with more rest and less stiffness making you more alert and ready to go. The pads give comfortable stimulus to the body and decreases the humidity or sultriness which helps reduce fatigue. The pads come in six different sizes, have an anti-bacterial and deodorization effect which prevents mildew and mold and can be machine washed and dried.

AcuPAD™ Pressure Overlays

The **AcuPAD™** Pressure Overlay support surface is a healthcare product made with **AcuFAB®** for patients of healthcare institutions to aid in preventing pressure sores. Because **AcuFAB®** Sleep Pads and **AcuPAD™** Pressure Overlays are made from **AcuFAB®** they have the same features, qualities and benefits. The only difference between the two is the purpose for their use. While the sleep pads are used to receive a better nights sleep which rejuvenates the body's vital organs the pressure overlay support surfaces are also used to reduce the risk of a patient developing pressure sores.

Pressure sores are often referred to as bed sores, but pressure sores may also be developed from diabetes and venous insufficiency. The two things they all have in common are: one they are very expensive to treat and the other is that they are the result of a lack of blood providing oxygen to the body's surface tissues.

Other **AcuPAD™** Products

The Company has developed and is starting to market and sale the **AcuPAD™** Pillow Sleeve, Wheelchair Pad, Auto, Airplane, and Truck Seat Pad, Pet Mat which are all made from **AcuFAB®**.

PATENTS AND PROPRIETARY RIGHTS.

EPIC seeks to protect and maintain its intellectual property, including its trade secrets and technical knowledge and to register trade names and trademarks. The Company has filed applications for the trade names and trademarks of **AcuFAB®** and **AcuPAD™**. When appropriate, it plans to file patent design and utility applications for key designs, innovations and inventions that it believes are most relevant to its product line and valuable as cost and technological advantages. It prevents the loss of valuable proprietary information, such as trade secrets and technical knowledge, through non disclosure agreements and the strict enforcement of its license agreements.

EPIC requires employees, consultants, and independent contractors to execute confidentiality and invention/copyright assignment agreements before engaging in any service to them. It requires other companies, when engaged in sensitive discussions involving proprietary technologies, to execute non disclosure agreements. These agreements are intended to protect their trade secrets, technical knowledge, patents, and copyrights by restricting disclosure of this information. No assurance can be made, however, that such contracts will give them adequate protection if such agreements are breached through the unauthorized disclosure or use of such intellectual property.

COMPETITION

There are many competitors with more financial resources than EPIC, but EPIC's management believes that it has a unique business model.

EPIC has an advantage in that it has commercialized commercialized products made from a single knitted industrial textile that is fabricated by a large textile mill capable of knitting approximately 18,000 yards of the fabric per week. The Company has a contract sewer to make up the various **AcuPAD™** products and is able to scale production.

The Company's competitors require extensive capital for plants, machinery, equipment, labor, inventory, factory burden, marketing and distribution and substantial overhead. The Company has little overhead and its capital requirements are limited to marketing and distribution.

PLAN OF OPERATION

Our plan of operation for the next 12 months includes, but is not limited to the following:

1. Continue to market and sell **AcuFAB™** acupressure textile and its **AcuPAD™** products directly and indirectly to consumers and to healthcare enterprises.

Our business model is similar Intel's famous "Intel inside" model. EPIC like Intel sells its technology, **AcuFAB™**, directly to OEMs and produces **AcuPAD™** products to sell to wholesale and retail distributors

and OEM's. However, unlike Intel which sells only business to business, EPIC is able to sell its **AcuPAD™** products directly to the consumer.

RISKS

The factors, which follow, make EPIC's Plan of Operation for the next twelve months risky.

Market Evaluation

In June 2012 the company commissioned a Market Report market report regarding the healthcare and medical niche market segments for its **AcuFAB™** and **AcuPAD™** solutions. The report only evaluates the mattress overly market relating to the prevention of pressure sores, and does not discuss the market for mattress overlays that provide a more comfortable and restful nights sleep, chair pads, car and truck seat pads, compression bandages, shoe inserts, and other products that can be made with **AcuFAB™**. The report sets forth a substantial potential market for the company, but there is no assurance that the company will be able to meet its expectations.

Dependence upon establishing a distribution network

EPIC's future success is dependent, in part, upon it being able to develop a distribution system.

Competition

The markets in which EPIC operates or will attempt to operate may be characterized by competition among a number of small and potentially large companies that are well financed with a long history. They will have substantial advantages in terms of breadth of sourcing of potential partners, financial strength, and marketing and distribution networks.

Dependence on key personnel

The value of EPIC lies in the experience and ability of the management, but there is no assurance that the managements past experience will enable it to succeed in the future.

Lack of Revenues

EPIC has not established a consistent source of revenues.

Lack of Funds

No assurance can be given that EPIC has or can obtain sufficient funds to enable it to develop its distribution network.

ITEM 5. LEGAL PROCEEDINGS.

None.

ITEM 6. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 7. OTHER INFORMATION

None

ITEM 6. EXHIBIT

None.

CERTIFICATIONS

I, Ronald S. Tucker, certify that:

1. I have reviewed this Quarterly Report of EPIC Corporation;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

EPIC Corporation



May 18, 2013

By _____
Chief Executive Officer and CFO