

ISSUER INFORMATION DISCLOSURE

HOLLUND INDUSTRIAL MARINE, INC. (a Washington Corporation)

**107-417 477 Peace Portal Drive
Blaine, WA 98230**

QUARTERLY REPORT

For the period ended March 31, 2013

April 30, 2013

HOLLUND INDUSTRIAL MARINE, INC.

April 30, 2013

**Information required for compliance with the provisions of the
OTC Markets Group Inc. (f/k/a Pink Sheets, LLC)
Guidelines for Providing Adequate Current Information
(Version 10.2 – January 3, 2013)**

The following information specifies forward-looking statements of our management; this Issuer Information Statement contains certain “forward-looking statements” (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended). These statements reflect our current expectations regarding our possible future results of operations, performance, and achievements. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, regulation of the Securities and Exchange Commission, and common law.

Wherever possible, we have tried to identify these forward-looking statements by using words such as “anticipate,” “believe,” “estimate,” “expect,” “plan,” “intend,” and similar expressions. These statements reflect our current beliefs and are based on information currently available to us. Accordingly, these statements are subject to certain risks, uncertainties, and contingencies, which could cause our actual results, performance, or achievements to differ materially from those expressed in, or implied by, such statements. These risks, uncertainties and contingencies include, without limitation, the factors set forth under “Item IV. Management’s Discussion and Analysis or Plan of Operation.” We have no obligation to update or revise any such forward-looking statements that may be made to reflect events or circumstances after the date of this Issuer Information Disclosure.

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities in the balance sheet and revenue and expenses in the statement of operations. Actual results could differ from those estimates. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

Item I The exact name of the issuer and the address of the issuer’s principal executive offices.

The exact name of the Issuer is HOLLUND INDUSTRIAL MARINE, Inc. (the “Issuer” or “Company”).

Other than listed above, the Issuer has used the following names in the past five years:
Formerly = Hollund Industrial, Inc. until 8-2008

Formerly = Carver Corp. until 11-07

107-417 477 Peace Portal Drive
Blaine, WA 98230
Phone: (604) 534-8102
Fax: (604) 534-8118

E-mail: info@hollundindustrial.com
Website: <http://www.hollundindustrial.com>

Item II Shares outstanding.

Common Stock

	<u>Fiscal Year End</u>	<u>Fiscal Year End</u>	<u>Fiscal Year End</u>	<u>Quarter End</u>
Period End Date	12-31-2010	12-31-2011	12-31-2012	3-31-2013
Common Shares Authorized	500,000,000	750,000,000	10,000,000,000	10,000,000,000
Common Shares Outstanding	7,402,763	302,002,772	4,189,341,272	5,298,341,272
Free Trading Common Shares				
Total Number of Shareholders	195	152	612	612

Preferred A Stock

	<u>Fiscal Year End</u>	<u>Fiscal Year End</u>	<u>Fiscal Year End</u>	<u>Quarter End</u>
Period End Date	12-31-2010	12-31-2011	12-31-2012	3-31-2013
Common Shares Authorized	2,000,000	2,000,000	2,000,000	2,000,000
Common Shares Outstanding	2	0	0	0
Free Trading Common Shares	0	0	0	0
Total Number of Shareholders	2	0	0	0

Preferred B Stock

	<u>Fiscal Year End</u>	<u>Fiscal Year End</u>	<u>Fiscal Year End</u>	<u>Quarter End</u>
Period End Date	12-31-2010	12-31-2011	12-31-2012	3-31-2013
Common Shares Authorized	10,000,000	10,000,000	10,000,000	10,000,000
Common Shares Outstanding	920,000	0	0	0
Free Trading Common Shares	0	0	0	0
Total Number of Shareholders	9	0	0	0

Preferred C Stock

	<u>Fiscal Year End</u>	<u>Fiscal Year End</u>	<u>Fiscal Year End</u>	<u>Quarter End</u>
Period End Date	12-31-2010	12-31-2011	12-31-2012	3-31-2013
Common Shares Authorized*	0	10,000,000	10,000,000	10,000,000
Common Shares Outstanding*	0	354,829	696,841	695,732
Free Trading Common Shares	0	0	0	0
Total Number of Shareholders	0	1	18	12

Item III Interim financial statements.

The following documents are filed under “*Exhibit I*” and are included as part of this Disclosure:

Financial Statements of the Company as of and for the three month periods ended
March 31, 2013 and 2012:

Balance Sheets
Statements of Income
Statements of Stockholders’ Equity
Statements of Cash Flows
Notes to Financial Statements

See Attached Exhibit 1

Item IV Management’s Discussion and Analysis or Plan of Operation.

Forward Looking Statements

Some of the statements contained in this Quarterly Report that are not historical facts are “forward-looking statements” which can be identified by the use of terminology such as “*anticipate,*” “*believe,*” “*estimate,*” “*expect,*” “*plan,*” “*project,*” “*intend,*” or the negative or other variations, or by discussions of strategy that involve risks and uncertainties. We urge you to be cautious of the forward-looking statements, that such statements, which are contained in this Quarterly Report, reflect our current beliefs with respect to future events and involve known and unknown risks, uncertainties and other factors affecting our operations, market growth, services, products and licenses. No assurances can be given regarding the achievement of future results, as actual results may differ materially as a result of the risks we face, and actual events may differ from the assumptions underlying the statements that have been made regarding anticipated events. Factors that may cause actual results, our performance or achievements, or industry results, to differ materially from those contemplated by such forward-looking statements include without limitation:

- Our ability to attract and retain qualified management;
- Our ability to raise capital when needed and on acceptable terms and conditions;
- Our ability to successfully partner and harvest the Company's products;
- The intensity of competition: and
- General economic conditions.

All written and oral forward-looking statements made in connection with this Quarterly Report that is attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Given the uncertainties that surround such statements, you are cautioned not to place undue reliance on such forward-looking statements.

The following discussion should be read in conjunction with our financial statements and the related notes contained elsewhere in this Annual Report and in our other Pink Sheets filings, including our Pink Sheets Initial Disclosure Report for the year ended Dec 31,2012.

A. PLAN OF OPERATION

BUSINESS OVERVIEW

The Company offers integrated project development services and solutions focused on underwater forest management. The Company has an exclusive license agreement on a patented articulated robot manipulator technology named “Tiger-Lynk.” Tiger-Lynk is a machine technology designed to operate like traditional forest harvesting equipment. The robot arm is comprised of 5 booms connected by four rotary joints which is well suited for heavy construction and repair (bridges, dams, offshore platforms and rigs, pipelines, levees, etc.), forest recovery, mining, flood emergency response, diver assistance, cutting, drilling, grappling, welding, dredging, raking, heavy transport, and other remote services.

Estimates from 2006, places approximately 300 million trees inundated in over 50,000 manmade lakes and large hydroelectric dam reservoirs worldwide. Many of the resulting reservoirs contain sufficient forest resources to sustain long term commercial operations. Brazil, a leading dam building nation with over 4,000 square miles of flooded Amazon forests is one of our primary geographic markets. Additional target areas include large reservoirs within additional countries of South America, Central America, North America, Asia and Europe. In addition, hundreds of new dams are being built each year, adding even more reserves to an already huge forest base. The Company has focused on tropical regions where existing reservoirs contain exotic hardwood species. The wood products from these flooded trees are highly sought after due to their ecologically friendly nature, their unique qualities resulting from inundation in the aquatic environment and their high quality. As a result, underwater harvested wood can sell at a premium in comparison to the majority of wood sold on the market today. In addition, developing these non-living forest resources can also aid in reducing deforestation and its impact on climate change.

RISKS AND UNCERTAINTIES

The business of exploration, development, production and acquisition of underwater forestry and concessions granting rights to such, involves a number of uncertainties and as a result the Company is exposed to certain business risks inherent in the forestry industry which impact our results. Information on these and other risk factors that could affect operations or financial results are included in more detail under the heading “Risk Factors” of our prior filings with the Securities and Exchange Commission and all such “Risk Factors” are fully incorporated herein.

COMMITMENTS

In the normal course of business, the Company may enter into contractual obligations including the following:

- purchase of services;
- royalty agreements;
- operating agreements;
- flow through share agreements; and
- lease agreements for office space, and office equipment.

TWELVE MONTH PLAN OF OPERATION

The Company is currently working to secure a number of underwater logging concession opportunities in which we will employ the Tiger-Lynk technology to harvest inundated forests on a commercial scale in a safe, environmentally friendly and cost effective manner. We have interests from numerous parties in partnering to develop the Tiger-Lynk technology. Demand for our product and services will depend in large part on the demand for wood fiber. That demand will be largely fueled by global population growth and need for infrastructure. At the same time deforestation is consuming millions of acres of wood fiber each year. We believe these factors will increase the demand for products necessary to the harvesting of submerged hardwood. Once we have a definitive purchase order, we will start to raise the money necessary to complete our first unit (the AR-120). Once this has been completed, we have identified a few key personnel to help expand the Company into additional industries (i.e.: offshore drilling, Port Cleanup, and Military applications). We do not foresee any need to build or purchase a production facility, as we plan to contract a manufacturer to provide us with warranty and worldwide servicing that we could not provide at this stage of the company.

We plan to raise additional funds in order to manufacture the Tiger-Lynk AR-120, conduct work utilizing the Tiger-Lynk, acquire new concessions to properties, and to generally meet our future corporate obligations. We plan to raise funds through the sale of our common stock or through loans. There is no guarantee that we will be successful in arranging the required financing. Our future success will be materially dependent upon our ability to satisfy additional financing requirements. We are reviewing our options to raise equity capital. We cannot estimate when we will begin to realize revenue. In order to satisfy our requisite budget, we have held and will continue to conduct negotiations with various investors. We cannot predict whether these negotiations will result in additional investment income for us. Funding for our operations may not be available under favorable terms, if at all. If adequate funds are not available, we may be required to further curtail operations significantly or to obtain funds by entering into arrangements with collaborative partners or others that may require us to relinquish rights that we would not otherwise relinquish.

Our current exploitation and development plans are described in this disclosure document. Whether we undertake an exploitation or development project will depend on the following factors:

- availability and cost of capital;
- receipt of additional geographical data or the reprocessing of existing data;
- current and projected lumbar gas prices;
- the costs and availability of equipment supplies and personnel necessary to conduct operations;
- success or failure of activities in similar areas;
- changes in the estimates of the costs to complete our projects;
- our ability to attract other industry partners to acquire a portion of the working interests, to reduce costs and exposure to risks;
- decisions of our joint working interest owners and partners;
- defects in title or loss of any potential concessions could limit our abilities or result in significant unanticipated costs;
- decreased availability or increased costs of key equipment, supplies or commodities

- could decrease our profitability;
- our operations may adversely impact the environment which could result in material liabilities to us;
- we may be required to obtain governmental permits and approvals for operations, which can be a costly and time-consuming process, can result in restrictions on our operations, and may delay or prevent us from obtaining necessary permits; and
- Union represented labor may result in an increased risk of work stoppages and increased labor costs.

We will continue to gather data about our projects, and it is possible that additional information will cause us to alter our schedule or determine that a project should not be pursued. You should understand that our plans regarding our projects might change.

B. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

As of March 31, 2013, the Company has been involved primarily with acquiring an exclusive license agreement on the Tiger-Lynk technology and organizing and restructuring the company to meet the needs of shareholders and attract a suitable financing. We now have an opportunity to provide and operate a product uniquely designed for harvesting submerged forests and recovering hardwood in a safe and cost effective manner.

To fund operations for the next twelve (12) month period, we project a need for \$2.3 million that we will have to raise through debt or equity. We have already identified a manufacturer with facilities designed and capable of producing the Tiger-Lynk AR-120 and providing worldwide warranty and service.

Over the next twelve (12) months, we do not plan on significant product research and development other than required modifications to equipment to improve efficiency and adapt it to specific operating platforms as required for specified uses. We do not plan to allocate any funding to research and development activities.

We do not expect any significant changes in the number of employees until after we obtain concessions for the use of the Tiger-Lynk AR-120.

The Company plans to start the initial phase of the project in the current year.

Currently the Company is formulating additional long term and short term goals. We are also actively seeking additional potential projects that could fit into the company's long term strategy.

C. OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital resources or capital reserves.

Item V Legal proceedings.

There are no current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the Issuer's business, financial condition, or operations.

Item VI Defaults upon senior securities.

The Issuer has not been notified of any defaults of any notes outstanding.

Item VII Other information.

None

Item VIII Exhibits.

Exhibit 1 – Interim Financial Statements

Item IX Issuer's Certifications.

CERTIFICATIONS

I, Peter Meier, President of Hollund Industrial Marine, Inc., hereby certify that:

1. I have reviewed this "Initial Company Information and Disclosure Statement" of Hollund Industrial Marine, Inc. for the period through March 31, 2013; and
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 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, and for, the periods presenting this disclosure statement.

Date: April 30, 2013

/s/ Peter Meier
By: Peter Meier
President

Exhibit 1

HOLLUND INDUSTRIAL MARINE, INC.		
(Unaudited)		
BALANCE SHEETS		
	March 31,	March 31,
	2013	2012
ASSETS		
CURRENT ASSETS		
Cash	-	-
Prepaid expenses	\$ 17,426	\$ -
TOTAL CURRENT ASSETS	17,426	-
LONG TERM ASSETS		
Office equipment	2,218	-
TOTAL ASSETS	\$ 19,644	\$ -
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Lines of credit with related parties	\$ 52,780	52,780
Notes payable – related parties	299,016	164,125
Cash Overdraft	455	-
Accrued officer compensation	541,900	463,400
Accrued interest	8,930	463,223
Other accrued liabilities	159,977	80,833
	\$	\$
TOTAL CURRENT LIABILITIES	1,063,058	1,224,361
LONG-TERM LIABILITIES		
Note Payable – net of current portion	\$ 720,859	-
TOTAL LONG-TERM LIABILITIES	720,859	-
		\$
TOTAL LIABILITIES	\$ 1,783,917	1,224,361
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock, \$0.000001 par value per share;	5,298	348
Class A Preferred stock, \$0.001 par value per share;	-	-
Class B Preferred stock, \$0.001 par value per share;	-	-
Class C Preferred stock, \$0.000001 par value per share;	1,391,464	709,565
Additional paid-in capital	1,289,526	1,229,953
Accumulated deficit	(4,451,601)	(3,164,227)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	(1,764,273)	(1,224,361)
		\$
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ 19,644	\$ -

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

HOLLUND INDUSTRIAL MARINE, INC.
(Unaudited)
STATEMENTS OF OPERATIONS
FOR THE QUARTER ENDED MARCH 31, 2012 and
FOR THE QUARTER ENDED MARCH 31, 2013

	Three Months Ended March 31,	Three Months Ended March 31,	For the period October 6, 2006 (date of inception) to March 31,
	2013	2012	2013
SALES	\$ --	\$ --	\$ --
OPERATING EXPENSES	--	--	--
Officer compensation	18,000	6,000	795,894
Compensation to Founders	--	--	253,689
Compensation to former Officers	--	---	330,000
Corporate expenses	--	--	720,859
Advertising and promotion	--	---	25,375
Bank charges	62	--	995
Miscellaneous	5,038	--	17,618
Office expenses	--	--	51,143
Office supplies	360	--	4,371
Postage and delivery	--	--	1,630
Professional fees	66,336	16,035	610,261
Strategic planning conference	--	--	32,000
Telephone	606	--	5,606
Travel	10,507	--	24,879
Licenses and permits	--	--	4,739
Total operating expenses	<u>100,909</u>	<u>22,035</u>	<u>2,879,029</u>
(LOSS) INCOME FROM OPERATIONS	(100,909)	(22,035)	(2,880,069)
Interest expense	(1,312)	(124)	(231,500,988)
Interest revenue	--	--	229,929,456
NET (LOSS) INCOME	<u>\$ (102,221)</u>	<u>\$ (22,159)</u>	<u>\$ (4,450,561)</u>

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

HOLLUND INDUSTRIAL MARINE, INC.
(UNAUDITED)
CONDENSED STATEMENT OF STOCKHOLDERS' DEFICIT
FOR THE QUARTER ENDED MARCH 31, 2012 and
FOR THE QUARTER ENDED MARCH 31, 2013

	<u>Common stock</u>		<u>Preferred Class A</u>		<u>Preferred Class B</u>		<u>Preferred Class C</u>		<u>Additional paid in capital</u>	<u>Accumulated deficit</u>	<u>Total</u>
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>			
Balance, December 31, 2012	4,189,341,272	\$ 4,189	-	\$ -	-	\$ -	696,841	\$ 1,393,682	\$ 1,288,417	\$ (4,348,340)	\$ (1,662,052)
Partial conversion of Class C into common stock	1,109,000,000	1,109	-	-	-	-	(1,109)	(2,218)	1,109	-	-
Net loss	-	-	-	-	-	-	-	-	-	(102,221)	(102,221)
Balance, March 31, 2013	<u>5,298,341,272</u>	<u>\$ 5,298</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>695,732</u>	<u>\$ 1,391,464</u>	<u>\$ 1,289,526</u>	<u>\$ (4,450,561)</u>	<u>\$ (1,764,273)</u>

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

HOLLUND INDUSTRIAL MARINE, INC.
(Unaudited)
STATEMENTS OF OPERATIONS
FOR THE QUARTER ENDED MARCH 31, 2012 and
FOR THE QUARTER ENDED MARCH 31, 2013

	Quarter Ended March 31,	Quarter Ended March 31,	For the period October 6, 2006 (date of inception) to March 31,
	2013	2012	2013
Cash flows from operating activities:			
Net loss	\$ (102,221)	\$ (22,159)	\$ (4,450,561)
Adjustments to reconcile to net loss to net cash used by operating activities:			
Depreciation expense	222	-	444
Estimated value of corporate start up costs paid by former shareholder	-	-	720,859
Estimated value of common stock issued to Founders	-	-	253,689
Estimated value of common stock issued to former officers	-	-	330,000
Estimated value of common stock issued to consultants	-	-	462,950
Estimated value of common stock issued for interest	-	-	324,863
Estimated value of common stock issued to officers	-	-	191,694
Estimated value of stock issued for partial debt settlement	-	-	56,280
Estimated value of shares returned by former officer	-	-	(20,000)
Estimated value of preferred class B issued for interest	-	-	85,038
Estimated value of preferred class B cancelled	-	-	(420,000)
Estimated value of preferred class C issued for interest	-	-	233,291
Increase (decrease) in operating assets and liabilities			
Prepaid expenses and other current assets	17,173	3,261	222,672
Accrued officer compensation	18,000	6,000	604,400
Accrued interest	1,312	124	859,205
Cash overdraft	456	-	456
Other accrued liabilities	<u>37,136</u>	<u>6,364</u>	<u>174,670</u>
Net cash used by operating activities	<u>(27,922)</u>	<u>(6,410)</u>	<u>(370,050)</u>
Cash flows from investing activities:			
Purchase of office equipment	<u>-</u>	<u>-</u>	<u>(2,662)</u>
Net cash used by investing activities	<u>-</u>	<u>-</u>	<u>(2,662)</u>
Cash Flows from financing activities:			
Proceeds from lines of credit with related parties	-	-	52,780
Proceeds from lines of credit with unrelated parties	-	-	20,700
Proceeds from notes payable with related parties	28,143	6,410	249,020
Repayment of notes payable with related parties	-	-	(2,288)
Proceeds from convertible note payable with unrelated parties	-	-	32,500
Proceeds from notes payable from Founders	<u>-</u>	<u>-</u>	<u>20,000</u>
Net cash provided by financing activities	<u>28,143</u>	<u>6,410</u>	<u>372,712</u>
Net decrease in cash	221	-	-
Cash at beginning of period	<u>711</u>	<u>-</u>	<u>-</u>
Cash at end of period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

HOLLUND INDUSTRIAL MARINE, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2013

NOTE –1 CONDENSED FINANCIAL STATEMENTS

The accompanying condensed financial statements have been prepared by Hollund Industry Marine Inc. (the “Company”) without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows at March 31, 2013, and for all periods presented herein, have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with principles generally accepted in the United States have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company’s March 31, 2013 quarterly report. The results of operations for the three-month period ended March 31, 2013 are not necessarily indicative of the operating results for the full year.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

During August 2012, the Company signed an exclusive license and strategic partnership agreement with North Cal Woods Products, under which it has the exclusive right to manage, market and operate the Tiger-Lynk system.

NOTE –2 BASIS OF PRESENTATION

The Company’s condensed financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has experienced recurring losses from operations, has an accumulated deficit of approximately \$4,451,000 as of March 31, 2013 and has returned its rights, patents and physical components of the Tiger-Lynk underwater manipulator system to the former owners of HIRS. These factors, among others, raise substantial doubt as to its ability to continue as a going concern.

In order to continue as a going concern, the Company needs to develop a reliable source of revenues, and achieve a profitable level of operations. As of March 31, 2013, the Company has been involved primarily with acquiring an exclusive license agreement on the Tiger-Lynk technology and organizing and restructuring the Company to meet the needs of shareholders and attract suitable financing.

To fund operations for the next twelve months, the Company projects a need for \$2.3 million that will have to be raised through debt or equity. The Company has already identified a manufacturer with facilities designed and capable of producing the Tiger-Lynk AR120 and providing worldwide warranty and service.

Accordingly, the condensed financial statements are accounted for as if the Company is a going concern and do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amount and classification of liabilities or other adjustments that might be necessary should the Company be unable to continue as a going concern.

NOTE –3 STATEMENTS OF CASH FLOWS

Supplemental cash flows and non-cash investing and financing activities for the three-month periods ended March 31, 2013 and 2012 and for the period October 6, 2006 (date of inception) through March 31, 2013 are as follows:

	2013	2012	Inception to date
Supplemental cash flow information:			
Income taxes paid	\$ -	\$ -	\$ -
Interest expense paid	-	-	-
Non-cash investing and financing activities:			
Common stock issued to consultants	-	-	477,827
Cancellation of common stock due to nonperformance of services	-	-	(172,274)
Common stock issued to officers (signing bonus)	-	-	40,000
Common stock issued for partial debt settlement	-	-	35,000
Preferred Class B issued to consultants	-	-	420,000
Cancellation of Class B due to nonperformance of services	-	-	(420,000)
Conversion of Preferred Class B shares to note payable	-	-	(10,000)
Preferred Class B issued for accrued interest	-	-	415,000
Issuance of Preferred Class C for accrued interest	-	-	690,435
Preferred Class A issued for settlement of accrued compensation	-	-	185,400
Cancellation of Preferred Class A shares	-	-	(185,400)
Partial conversion of Preferred Class C into common stock	2,218	92	11,188
Debt issued for acquisition of Hollund Industrial Robotics Inc.	-	-	3,000,000
Preferred Class B issued for partial payment on acquisition debt	-	-	670,137
Conversion of Class B shares to Class C	-	-	1,400,000
Exchange note payable for convertible debt	-	-	2,000,000
Return of mechanical arm and cancellation of related acquisition debt	-	-	(3,000,000)
Conversion of note payable to Preferred Class C shares	-	-	50,000
Common stock issued for partial conversion of convertible debt	-	-	85,060
Reverse stock split (1000:1)	-	-	7,395
Reverse stock split (100:1)	-	-	2,810,646
Forward stock split (17:1)	-	-	28,223,348
Change of common stock par value	-	-	25,766,314

NOTE – 4 NOTES PAYABLE

During the quarters ended March 31, 2013 and 2012, the Company was advanced \$28,143 and \$6,410, respectively, from a former shareholder of HIRS. The advances due not bear interest and have no set maturity date. As of March 31, 2013 and 2012, the Company's unpaid advances were approximately \$195,500 and \$60,400, respectively.

NOTE – 5 STOCKHOLDERS EQUITY

Share Based Payments

Stock based compensation expense recognized during the three-month periods ended March 31, 2013 and 2012 and for the period October 6, 2006 (date of inception) through March 31, 2013 are based on the value of the portion of share based payment awards that are ultimately expected to vest during the period. As stock based compensation expense recognized in the condensed statement of operations for the three-month period ended March 31, 2013 and 2012 and for the period October 6, 2006 (date of inception) through March 31, 2013 has been based on awards currently vested, it was not necessary to reduce compensation expense for estimated forfeitures.

The weighted average fair value of stock based compensation is based on the single option valuation approach. The estimated fair value of stock based compensation awards are amortized using the straight-line method over the vesting period of the restricted common shares, as such method is consistent with the consultant's contractual obligation. The Company's fair value calculations for stock based compensation awards for the three-month periods ended March 31, 2013 and 2012 and for the period October 6, 2006 (date of inception) through March 31, 2013 were based on the following assumptions:

	2013	2012	Inception to date
Expected life in years	-	-	1 - 2
Stock price volatility	-	-	251- 1565%
Risk free interest rate	-	-	6.5%
Expected dividends	None	None	None

The following table summarizes stock based compensation, consulting and interest costs related to common shares under SFAS No. 123(R) for the three-month periods ended March 31, 2013 and 2012 and for the period October 6, 2006 (date of inception) through March 31, 2013 is allocated as follows:

	2013	2012	Inception to date
Officer compensation	\$ -	\$ -	\$ 166,694
Compensation to Founders	-	-	253,689
Compensation to former officers	-	-	330,000
Professional fees, net of cancellations	-	-	443,660
Interest	-	-	643,201
Total stock based compensation	\$ -	\$ -	\$ 1,837,244

NOTE – 5 STOCKHOLDERS EQUITY (continued)

Preferred Shares

Class A

The Company has authorized 2,000,000 preferred shares at a par value of \$0.000001 per share. As of March 31, 2013 and 2012, there are no shares issued and outstanding, respectively.

Class B

The Company has authorized 700,000 preferred shares at a par value of \$0.001 per share. As of March 31, 2013 and 2012, there are no shares issued and outstanding, respectively.

Class C

The Company has authorized 700,000 preferred shares at a par value of \$0.000001 per share.

During the quarter ended March 31, 2013, the holder of the Class C preferred shares converted 1,909 shares into 190,000,000 million common shares.

During the quarter ended March 31, 2012, the holder of the Class C preferred shares converted 45.8 shares into 45,800,000 million common shares.

As of March 31, 2013 and 2012, there are 695,732 and 354,783 shares issued and outstanding, respectively.

NOTE –6 COMMITMENTS AND CONTINGENCIES

In the opinion of management, there are no matters requiring recognition or disclosure as a loss contingency in accordance with Statement of Financial Standards No. 5, *Accounting for Contingencies*.

NOTE –7 RELATED PARTY TRANSACTIONS

Currently, the Company operates out of space offered without charge by one of the directors of the Company, and therefore does not currently pay any rent for office space.

NOTE –8 SUBSEQUENT EVENT

The Company evaluated all events and transactions that occurred from the balance sheet date of March 31, 2013 through the financial statements issue date. During this period there were no events or transactions occurring which require recognition or disclosure in the financial statements.