

QUARTERLY REPORT

**QUARTER ENDED
AS OF JUNE 30, 2013**

WINDPOWER INNOVATIONS, INC.

**2415 E. Camelback Rd.
7th Floor
Phoenix, Az. 85016
Phone: 480-767-3535
Fax: 480-383-6158**

Federal I.D. No.

27-0772914

CUSIP No.

97348B 102

ISSUER'S EQUITY SECURITIES

COMMON STOCK

\$0.001 Par Value

350,000,000 Common Shares Authorized

86,692,284 Shares Issued and Outstanding as of August 13, 2013

WINDPOWER INNOVATIONS, INC.

INFORMATION AND DISCLOSURE STATEMENT

AS OF JUNE 30, 2013

All information contained in this Information and Disclosure Statement has been compiled to fulfill the disclosure requirements of Rule 15c2-11(a)(5) promulgated by the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The enumerated items and captions contained herein correspond to the format as set forth in the Rule.

PART A GENERAL COMPANY INFORMATION

Item 1. The exact name of the issuer and its predecessors for the past five years (if any):

WindPower Innovations, Inc., a Wyoming corporation (as of 08/10/09) f/k/a Alkane, Inc., a Michigan corporation (as of 11/06/08).

Item 2. The address of the Issuer's principal executive offices:

Company Headquarters:

2415 E. Camelback

7th Floor

Phoenix, AZ 85016

Phone: 480-767-3535

Email: csmyers3@msn.com

Website: <http://wpienergy.com>

Item 3. Security Information

Trading Symbol: WPNV

CUSIP: 97348B 10 2

Exact title and class of securities outstanding:

Common Stock; \$0.001 par value

Total Shares Authorized: 350,000,000

Total Shares Outstanding as of June 30, 2013: 82,052,284

Series A Convertible Preferred Stock; \$0.001 par value

Total Shares Authorized: 300,000

Total Shares Outstanding: 200,000

(Each share is convertible into ten (10) shares of the Company's common stock.)

Series B Convertible Preferred Stock; \$0.001 par value

Total Shares Authorized: 85,000

Total Shares Outstanding: 67,488

(Each share is convertible into one (1) share of the Company's common stock.)

Series C Non-Convertible Preferred Stock; \$0.001 par value

Total Shares Authorized: 50,000

Total Shares Outstanding: 50,000

(non-convertible with special voting Rights- each share has 800 votes.)

Transfer Agent:

Western States Transfer & Registrar, Inc.

1911 Ryan Park Avenue

Sandy, UT 84092

Phone: 801-523-1547

Our transfer agent is registered under the Exchange Act. There are no restrictions on the transfers of securities other than those promulgated pursuant to Rule 144. There have been no trading suspension orders issued by the SEC in the past twelve (12) months.

Item 4. Issuance Information

Detailed below are all events, in chronological order, that resulted in changes in our total shares of preferred stock and common stock outstanding within the two-year period ending on the last day of our most recent fiscal year ended September 30, 2012 and the nine-month period ending on June 30, 2013.

Date	Event	Series A Preferred Outstanding	Series B Preferred Outstanding	Series C Preferred Outstanding
06/30/13	Shares Outstanding at end of Third Quarter	200,000	67,488	n/a
09/30/12	Shares Outstanding at year end	200,000	67,488	n/a
09/30/11	Shares Outstanding at year end	200,000	67,488	n/a

Date	Event	Number of Shares of Common Stock Issued	Total Shares Outstanding
09/30/10	Shares Outstanding at Year End	39,142,284	39,142,284
01/08/11	Shares issued in exchange for Consulting services valued at \$2,550	2,550,000 restricted shares of Common Stock Issued to: Ronald Dickson (1,000,000), Byron Handy (500,000), Joe Pizzamonti (50,000), and A.F. Dick Mfg. (1,000,000)	41,692,284
01/08/11	Shares issued in exchange for debt conversion	6,200,000 free trading shares of Common Stock issued to James Ray	47,892,284
03/03/11	Shares issued in exchange for consulting services valued at \$750 - \$2,550	750,000 restricted shares of Common Stock issued to: Alex Jonsson (500,000) and Howard Skolnik (250,000)	48,642,284

07/11/11	Shares issued in exchange for Consulting services valued at \$1,000	1,000,000 restricted shares of Common Stock Issued to: DLC and Associates (500,000) and Belmont Acquisitions, LLC (500,000)	49,642,284
04/17/12	Shares issued in exchange for Services Rendered valued at \$250	250,000 restricted shares of Common Stock Issued to Perry Barker	49,892,284
05/21/12	Shares issued in exchange for services rendered valued at \$11,000	11,000,000 restricted shares of Common Stock Issued to; Tailor Made Business Solutions (500,000), Belmont Acquisitions (500,000), and DJD Trust (10,000,000)	60,892,284
09/24/12	Shares issued in exchange for services rendered	500,000 restricted shares of Common Stock Issued to; David L. Myers (133,000), Debra Brooke Manning Molitor (134,000), John A. Myers (133,000) and Ingladsen, Massen, Fitzgerald (100,000)	61,392,284
4/1/13	Shares issued in exchange for services rendered valued at \$68,000	6,800,000 restricted shares of Common Stock issued to: TEN Associates (5,300,000) and Denali (1,500,000)	68,192,284
4/19/13	Shares issued in exchange for services rendered valued at \$40,000	2,000,000 restricted shares of Common Stock issued to Belmont Acquisitions.	70,192,284
4/19/13	Shares issued for acquisition of R.I.G. Construction, Inc. valued at \$183,347	10,000,000 restricted shares of Common Stock issued to shareholders of R.I.G. Construction, Inc. for all of the outstanding shares of R.I.G. common stock	80,192,284
5/1/13	Shares issued for services rendered valued at \$11,000	500,000 restricted shares of Common Stock issued to TMBS	80,692,284
5/20/13	Shares issued and exchanged for \$500	1,000,000 restricted shares of Common Stock issued to Charles Brown, our director	81,692,284
6/30/13	Shares issued for deferred compensation of the CEO and Secretary valued at \$360,000	360,000 restricted shares of Common Stock issued to John Myers, and Carole Myers our CEO and Corporate Secretary, respectively.	82,052,284

Rescission of Geartec Services, Inc.

We rescinded the acquisition of Geartec Services, Inc. with the mutual consent of Geartec Services, Inc. on February 4, 2010 as if the transaction had never occurred. This voided the acquisition of Geartec Services, Inc. which originally occurred on September 12, 2009 through which we acquired 100% of Geartec Services, Inc. in exchange for 20,000,000 shares of our common stock and other considerations. Geartec has not yet returned the 20,000,000 shares of common stock; consequently, we had to place a stop order on the stock certificate with our transfer agent. Accordingly, these shares are excluded from the shares outstanding as if they had been cancelled.

In connection with above-mentioned issuances of unregistered securities, each shareholder received disclosures that the securities had not been registered under the Securities Act and that any resale must be made pursuant to a registration or an available exemption from such registration. All of these issuances of our unregistered securities were made in reliance upon Section 4(2) of the Act and/or under Rule 506 of Regulation D. All of the individuals and/or entities listed above that acquired the unregistered securities were all known to us and our management through pre-existing business relationships. All individuals

receiving shares were provided access to all material information that they requested and all information necessary to verify such information and were afforded access to our management in connection with their purchasers. All shareholders acquiring the unregistered securities acknowledged to us that they acquired such for investment and not with a view toward distribution.

All certificates or agreements representing such securities that were contained restrictive legends, prohibiting further transfer if the certificates or agreements representing such securities, without such securities either being first registered or otherwise exempt from registration in any further resale or disposition.

Item 5. Financial Information for the Issuer's Most Recent Fiscal Period.

Our unaudited condensed consolidated financial statements for the years ended September 30, 2012 and as of the third quarter ended June 30, 2013 are attached at the end of this filing beginning on page F-1 and are incorporated herein by reference. The financial statements have been prepared in accordance with U.S. GAAP by a person with sufficient financial skills. The index to the financial statements follows:

INDEX TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENT	PAGE
Condensed Consolidated Balance Sheets as of June 30, 2013 and September 30, 2012	F-1
Condensed Consolidated Statements of Operations for the three months ended June 30, 2013 and 2012 and the nine months ended June 30, 2013 and 2012	F-3
Condensed Consolidated Statements of Cash Flows for the nine months ended June 30, 2013 and 2012	F-5
Notes to Unaudited Condensed Consolidated Financial Statements as of June 30, 2013	F-6

Item 6. The nature of the issuer's business:

Our fiscal year end is September 30. We were incorporated in Wyoming on August 10, 2009. Our primary and secondary SIC Codes are 7600 (Miscellaneous Repair Services) and 3690 (Electrical Machinery, Equipment and Sales).

Until April 19, 2013, WindPower Solutions, Inc. was our sole operating entity and primary marketing arm; however, with the acquisition of R.I.G., Inc. (d/b/a Cameo Pools) and its subsidiaries on April 19, 2013, we have now branched out into markets serving the commercial and residential pool industry. These new businesses will integrate into our profile with energy conservation through the development of solar generated power division of R.I.G. In addition, R.I.G., Inc. will build wind turbine foundations. This acquisition substantiates and underscores our continued focus on opportunities, products and or companies in any profitable area that can generate value for our shareholders including our primary focus in the renewable resources market, whether for conservation or vertical integration or in the generation of electricity through our services related to Solar, Geothermal, Bio Mass, Oil, Gas and Coal as well as those services that reduce carbon emissions, promote renewable resources and those that would be synergistic with our vision and could be integrated as sales continue to materialize and grow.

Neither we nor our predecessors have been in bankruptcy, receivership or any similar proceeding. We have not had our securities delisted by any securities exchange nor has there been any current, past, pending or threatened legal proceedings or administrative actions either by or against us that could have a material effect on our business, financial condition, or operations and any current, past, or pending trading suspensions by a securities regulator, except for some pending legal proceedings that we were pulled into from our brief association with XH Industries, Inc. which occurred before WindPower Solutions, Inc. was acquired on or about March 22, 2010, and was later rescinded on September 2, 2010. No allowance has been recognized for this contingency other than for legal defense.

For the three and nine months ended June 30, 2013, and the year ended September 30, 2012, as well as of the date of this filing:

- our fiscal year end is September 30;
- we have never been in bankruptcy, receivership or similar proceedings;
- other than the disclosures to our financial statements (footnote 7), we are not currently in default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring us to make payments;
- we have not had any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets other than mentioned above;
- we have never been delisted by any securities exchange and our Common Stock currently trades on OTCPink; and
- we do not have any current, past, pending or threatened legal proceedings or administration actions either by or against the Company that could have an effect on our business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator.

Business of Issuer

WindPower Innovations, Inc. and Subsidiaries

WindPower Innovations, Inc. is a public holding company with the bulk of its operating activity included in its wholly-owned subsidiaries. WindPower Innovations, Inc. is an acquirer and operator of fundamentally sound companies with a focus on renewable and sustainable green technology companies or companies that benefit from "going green" that are market accepted, scalable and demonstrate a quantifiable value proposition. Our focus is on organizations that have strong market presence, brand awareness and talented and dedicated management teams with the potential to achieve exceptional performance over time. As subsidiaries of WindPower Innovations, these companies can gain access to our operational support, management approach, and ability to access financial markets for operational and growth capital. By focusing on sustainable companies with wind, solar, and other alternative energy technologies, as well as companies utilizing green technologies to make consumer products more affordable and convenient that lower the carbon footprint, we believe that we will be able to create value for humanity at large and enhance shareholder value. WindPower Innovations has two subsidiaries: WindPower Solutions, Inc., which repairs and remanufactures wind power turbines for operators across the U.S., and R.I.G. Construction, Inc., which under the Cameo brand name, builds and renovates swimming pools and markets sustainable outdoor products to consumers in the southwestern United States.

The Company intends to make additional acquisitions in the near term to support its successful acquisitions and others that management believes might be synergistic to them and/or would provide significant shareholder value.

WindPower Solutions, Inc. is a wholly owned subsidiary which was formed on March 16, 2010. Currently, WindPower Solutions, Inc. designs, remanufactures, rebuilds, and repairs wind turbines, including gearboxes. Our company is specifically focused on the provision of timely, cost effective, region specific wind turbine design, and rebuilding services. As we continue establishing ourselves as an industry leader, our proprietary minimally low failure part upgrades, gearbox improvements and zero defect approach to the services we provide, will further differentiate us from companies that currently attempt makeshift repairs and rebuilds. WindPower Solutions, Inc. has made its first redesigned, "New Generation" turbine that has 80% new parts as presently installed at a California wind farm. This next generation turbine has just hit a milestone by operating for over 130,000 k/w hours and is therefore ready to market. WindPower Solutions, Inc. has a unique opportunity to fill a void in the design, remanufacture, rebuild, and repair of wind turbines, including gearboxes. We plan to offer comprehensive preventative maintenance programs in addition to its full service rebuilding operation.

Due to some fairly recent changes in the Productions Tax Credits ("PTC") that directly affect tax credits and incentives for wind power generation in favor of solar and other renewable power generation products WindPower Solutions has hired a new Director of Sales and Marketing with extensive experience in successfully selling solar and other alternative energy products fully utilizing the tax credit and incentives available. This will allow WindPower Solutions, in conjunction with Cameo Solar (See R.I.G. Construction- herein below) to expand its product offerings to all aspects of renewable energy sometimes in combination with wind projects that would not be economically feasible as a stand-alone offering.

The Company will continue to evaluate potential acquisitions in the alternative energy field to support its subsidiary, WindPower Solutions, and may look outside the United States, where the incentives and or profit margins are greater than in the U.S. for these opportunities.

R.I.G. Construction, Inc. - On April 19, 2013, R.I.G. Construction became a wholly owned subsidiary of the Company. It has two subsidiaries, Cameo Pools and Cameo Landscaping, and operates one division of Cameo Pools by the name of Cameo Solar. Cameo Pools is one of the oldest pool companies in Mesa, Arizona, whose quality brand is over 35 years old. Cameo focuses on the overall quality of their operation, including their ability to provide quality products and services that their customers appreciate and at a price they can afford. Cameo also provides solar options that reduce annual operating costs and reduce carbon emissions. Cameo Pools repairs, maintains, designs and installs pools, water features, and landscaping with solar options and is looking to make acquisitions in other high growth regions. R.I.G. Construction has generated the preponderance of the Company's revenue since it was acquired. This report will contain actual financial information about R.I.G. construction from April 19, 2013 through June 30, 2013 as well as pro-forma information for the period from October 1, 2012 through April 19, 2013 (acquisition date) and the nine months ended June 30, 2012.

Gear Train Services, Inc. is a wholly owned subsidiary, that currently has no assets and has no business purpose outlined for its use.

Management Discussion and Analysis

WindPower Innovations, Inc. is a public holding company with three subsidiaries; WindPower Solutions, Inc., R.I.G. Construction, Inc. and Gear Train Services, Inc. Of the three subsidiaries Gear Train Services, Inc. is inactive and has been since its inception. WindPower Innovations, Inc. therefore generates all of its revenue from its two operating subsidiaries; WindPower Solutions, Inc. and R.I.G. Construction, Inc. Since the acquisition of R.I.G. Construction, the Company has generated virtually all of its revenue in the reporting period from this subsidiary.

WindPower Solutions, Inc. sold one wind turbine in Palm Desert for \$115,000 to Noble Renewable Resources in July of 2012. This subsidiary has not generated any revenue in the quarter ended June 30, 2013. The 85KW Wind Turbine has now been successfully tested and has run for over 130,000KWH. The customer has failed to pay for this unit and the Company may elect to remove this unit and sell it to another party. This 85KW product is the signature model for the Company's products going forward. Now that this product has been tested and the Company has hired a director of sales and marketing, the Company intends to generate revenue from this subsidiary from the sale of Wind Turbines and other renewable energy products.

R.I.G. Construction, Inc. d/b/a Cameo Pools, Cameo Landscaping & Cameo Solar ("R.I.G.") was acquired on April 19, 2013, pursuant to a share exchange agreement whereby the Company exchanged 10 million of its common stock for all of the issued and outstanding shares of R.I.G. Under the terms of that agreement the Company also agreed to provide \$250,000 in new capital to its newly acquired subsidiary within 12 months of the acquisition or if not accomplished the Sellers would be able to unwind the transaction. The Company intends to meet its obligation by assuming certain liabilities of R.I.G. in excess of \$250,000. On August 13, 2013, the Sellers and the Company have agreed that the Company has met this obligation and therefore the transaction cannot be rescinded. The Company also guaranteed to the Sellers that the value of the common stock the company provided to the sellers would be valued at \$.60 per share within 36 month of the acquisition or the Company would upon the 36 month anniversary of the acquisition provide additional newly issued common shares to compensate the Sellers. On August 13, 2013, the R.I.G. shareholders amended the purchase agreement to waive the guaranteed stock price retroactive to the date of acquisition provided that the Company agreed to assume up to \$750,000 of additional R.I.G. debt and to settle that debt with common stock, which the Company agreed to do. This constitutes a total new capital investment into R.I.G. by the Company of up to \$1 million dollars.

Results of operations

Net Revenues. The Company had net revenue of \$1,470,000 and \$1,478,000 for the three and nine months ended June 30, 2013, respectively compared to no net revenue three and nine months ended June 30, 2012, respectively, the increase in net revenues is primarily due to the acquisition of R.I.G. Construction and its results of operations.

From April 19, 2013 until June 30, 2013, R.I.G. generated revenue of \$1.47 million based on percentage of completion accounting primarily from the sale of new and refurbished pools. Net revenues were comprised of the following: 72.5% came from new pools, 23.4% from the refurbishment of existing pools and 4.10% from maintenance and repair. On June 18, 2013, R.I.G. announced that it has launched a pool maintenance division and expects to earn approximately \$1.0 million in annual revenue from that operation.

Cost of Net Revenues. The Company had cost net revenue of \$1,304,000 and \$1,304,000 for the three and nine months ended June 30, 2013, respectively compared to no cost of net revenue for the three and nine months ended June 30, 2012, respectively, the increase in cost of net revenues is primarily due to the acquisition of R.I.G. Construction and its results of operations. R.I.G.'s cost of net revenues includes the costs to design, build and service pools. R.I.G. outsources the majority of the pool construction to sub-contractors. The subcontractors bid on the pool after the contract has been executed by the homeowner, resulting in some variances of costs of construction. R.I.G. is working with the subcontractors to establish more favorable pricing terms.

The Company elects not to report consolidated pro-forma information for the three and nine month periods ending June 30, 2013.

Gross Margin. Gross margins were 11.6% and 11.8% for the three and nine months ended June 30, 2013. With the actions by the Company to assume some of this subsidiary's debt and retire that debt by issuing additional common shares, R.I.G.'s balance sheet will become stronger, allowing it to demand better terms and pricing from its suppliers which, will over time improve operating margins and thus profitability. By launching its pool maintenance division, R.I.G. will both increase revenues and margins over the course of the next 12 months. By working closely with WindPower Solutions, Inc., Cameo Solar can expect to provide additional revenue and income going forward.

Operating Expenses

Sales and Marketing. The Company had \$45,000 in sales and marketing expenses for the three and nine months ended June 30, 2013, there were no sales and marketing expense for the three and nine months ended June 30, 2012. The sales and marketing expenses were primarily due to the acquisition of R.I.G. and the expenses associated with that division, including, advertising and automobile expenses.

General and Administrative. The Company had \$254,000 and \$382,000 of general and administrative expenses for the three and nine months ended June 30, 2013, compared to \$38,000 and \$66,000 for the same period of the prior years. Of the increase of \$216,000 and \$316,000 for the three and nine months ended June 30, 2013, R.I.G. represented \$114,000 of the increases respectively for each period. The remaining increase is due to shares issued for advisory and consulting services by WindPower.

Interest Expense. Interest expense was \$11,000 for the three and nine months ended June 30, 2013 and related to debt service of R.I.G.

Net (Loss) Income. Net (loss) was (\$139,000) and \$(264,000) for the three and nine months ended June 30, 2013, or \$0.00 earnings per share for each period. The loss was primarily due to the costs incurred for public company expenses, including advisory and consulting fees, offset in part by the profitable margins due to the acquisition of R.I.G. Net (loss) income was (\$38,000) and \$17,000 for the three and nine months ended June 30, 2012. The net income for the nine months ended June 30, 2012, was primarily attributable to the rescission of officer compensation of \$80,000.

With interest rates being lower and the economy beginning to show signs of improvement in R.I.G.'s primary Phoenix metropolitan market, the Company expects these trends to continue to improve and with the significant reduction in debt and the ability to demand better prices and terms from its suppliers management believes that the margins will improve significantly within the next 12 months.

Subsequent Events:

Funding Agreement

On July 26, 2013, the Company entered into a \$1.0 million funding agreement with Exelerate Group, Inc. whereby the Company can draw funds in tranches through the sale of our Common Stock as determined by the price and trading volume thereof, as frequently as every 20 days during a three-year period. The amount of discount to market will be determined on each tranche based on daily trading volume and the availability of the exemption on trading restrictions. Management may set a floor on each tranche below which the Company will not be responsible to sell any shares to Exelerate Group, Inc. These funds may be used for any business purpose including; operating expenses, salaries, acquisitions, audit fees and other public company expenses et al. On August 5, 2013, the Company executed its first tranche request to receive \$45,000 in funds to be used in part to audit the Company's books and records for the past two years and to establish the Company as a fully reporting company.

Stock Activity

On July 25, 2013, the board of directors authorized that the Company increase its shares of authorized Common Stock to 350,000,000 shares. In addition, they authorized the increase in the voting rights of the Series C non-convertible preferred stock from 800 votes per share to 1,600 votes per share.

Director of Sales

On July 30, 2013, the Company hired Nick Palumbo as Director of Sales and Marketing for WindPower Solutions (WPS), WindPower Innovations' wholly-owned subsidiary. Mr. Palumbo comes to WindPower with extensive experience in alternative energy consulting, lead generation, and deal management. Mr. Palumbo's experience in tax credits, solar energy projects, and energy reduction efforts will be harnessed to develop WPS sales channels.

Letter of Intent to Acquire Gearstar

On August 06, 2013, the Company and Gearstar Performance Transmissions, Inc. of Akron, Ohio, have signed a letter of intent which provides the framework for the acquisition of Gearstar by WindPower Innovations in a share exchange. The exact details of the exchange and the amount of shares to be exchanged will be determined after completion of final due diligence of Gearstar.

Gearstar is a well-known rebuilder of high performance, high quality gearboxes and vehicle transmissions, with annual revenue of approximately \$1.2 million per year. Gearstar has excess capacity in its facilities where it can rebuild the gearboxes that are at the heart of WindPower Innovations' wind turbines. By being acquired by WindPower, Gear Star will gain access to additional capital, liquidity for its shareholders by being public and additional markets in the wind energy sector exclusively with and through WindPower.

Debt Settlement Agreement

On August 13, 2013, the Sellers who sold R.I.G. construction to the Company agreed to modify the existing Share Exchange Agreement effective as of the date of the acquisition of R.I.G., April 19, 2013 to eliminate and/or remove the contingencies in the Share Exchange Agreement as follows: 1) The 36 month \$.60 stock price guarantee was deleted in its entirety and 2) in exchange for the Company's commitment to assume up to \$ 1million dollars of R.I.G.'s debt and satisfy that debt with newly issued stock the Sellers agreed that the Company had meet its obligation to provide up to \$250,000 in capital to R.I.G. and they removed that contingency as well.

Item 7. The nature and extent of the issuer's facilities:

Our principal corporate office is located at 2415 E. Camelback Rd., 7th Floor, Phoenix, AZ 85016 and is provided to us without rent by Belmont Acquisitions, LLC.

Our subsidiary, WindPower Solutions, Inc., maintains offices with the Company but provides all of its product services through third party vendors.

Our subsidiary, R.I.G. Construction, rents 4,100 square feet of office, warehouse and yard space at 260 N. Gilbert Road Mesa, Arizona for a monthly rent of \$3,127.82. On July 15, 2013, this lease expired and was renewed for one year with three additional one year options that contain a 0% annual escalation clause. By executing the new lease in this fashion, management protected its long term interest in the facilities while also providing the opportunity to move to a larger facility as the business continues to grow.

Item 8. Officers, Directors and Control Persons.

A. Officers, Directors, and Significant Employees

Members of our Board of Directors serve until the next annual meeting of shareholders and until their successors are elected and qualified. Officers are appointed by and serve at the discretion of the Board of Directors. Our current officers and directors are:

John E. Myers	Chairman, President and Chief Executive Officer (WPNV), Chief Executive Officer of subsidiary (WindPower Solutions)
Charles Brown	Director (WPNV)
Carole S. Myers	Secretary (WPNV)
Kelly Anderson	Chief Financial Officer and Director (WPNV)
Larry Duffy	President of subsidiary (R.I.G. Construction)
Steven Vollaro	Director (WPNV) and Chief Operating Officer of subsidiary (R.I.G. Construction)
Nick Palumbo	Director of Sales and Marketing of subsidiary (WindPower Solutions)

John E. (Corky) Myers - Chairman, President and Chief Executive Officer of WPNV, Chief Executive Officer of subsidiary (WindPower Solutions)

Prior to founding WindPower Solutions and taking over the helm at WindPower Innovations in 2010, Mr. Myers spent over 40 years in the automotive industry as a specialist in drivetrains and gearboxes and he continues to promote new innovations in the renewable energy sector. As Founder, President, and Chief Executive Officer of Torque Converter Rebuilding Systems, Inc., Mr. Myers is credited with helping to create the torque converter aftermarket. Mr. Myers is truly a visionary. His concept of designing and manufacturing a system allows a local transmission shop to be able to build their torque converters in-house. He received 21 patents on the TCRS equipment and built this company to over \$25 million in sales before selling to Hicklin Engineering. Mr. Myers is also the founder of the TCRA (Torque Converter Rebuilders Association), a nonprofit trade association. Mr. Myers' experiences include owning and operating transmission repair centers, transmission parts distribution companies, and torque converter rebuilding companies. He has served as president of a publicly traded wind turbine remanufacturing company. He is a member of the following trade groups: ATRA, ATSG, TCRA, and APRA.

Charles Brown - Director

Charles Brown, an independent Director, is a Service-Disabled Veteran who also serves as President and Founder of Exodus International, a Government Agency and Prime Contractor sourcing company. He also serves as President of Single Source Renewables and Johnson Logistics and is a Chairman of MyVetZone, an innovative resource delivery platform for Veterans. Mr. Brown served honorably for over 15 years in the U.S. Army in many roles including Assistant Operation Officer (NCO), Combat Paratrooper, and Army Recruiting Station Commander. After his 15+ years of military service he entered the private sector as a MRI Recruiting Account Manager and then on to Director of Staffing for the Southwest Region of the 2nd largest Physical Therapy company in the nation, Physiotherapy Associates, where he was directly involved in the development and execution of a recruitment and retention screening and qualifying process for new employees in over 200 clinics. Mr. Brown holds an MBA and Bachelor's degrees in Business Administration and Marketing. Mr. Brown is also trained in strategies and trends by the Department of Defense and is certified by both the Gallup® and Talent® organizations with the following credentials: Gallup Strength Finder™ Talent®, Clinic Director Interview Analyst (CDIA) Talent®, and Clinician Interview Analyst (CIA).

Carole S. Myers - Secretary

Carole Myers, Secretary of WindPower Innovations since 2010, has been a leader in the financial sector for over 30 years and has experience in banking relations, leasing, and accounting. Previously, she owned and operated a 5-star lodge in Alaska with John Myers, WindPower CEO. Mrs. Myers has years of experience in mortgages, finance, and accounting. She has worked for diverse entities including Denali Leasing where she assisted clients with equipment leasing, Discover Home Mortgage, and acted as day-to-day operations manager of Torque Converter Rebuilding Systems, Inc., a company with over \$25 million in sales. Mrs. Myers, a proven business leader, has also owned her own Title Insurance and Escrow business. She has also served as President of Mortgage Women and American Land Title Association. She served as Director for the Home Builders Association. Mrs. Myers was also instrumental in starting a Build-Pac for the Anchorage Home Builders Association and raised over \$300,000 dollars.

Kelly Anderson - Chief Financial Officer and Director

Ms. Anderson, Chief Financial Officer and a Director, is a Certified Public Accountant and seasoned financial executive. Concurrent with her appointment as WindPower Innovation's Chief Financial Officer, Ms. Anderson is also serving since 2012 as the Chief Accounting Officer of Fisker Automotive, Inc., and served on the Board of Directors, Audit Committee Chair, and on the Compensation Committee of the Psychic Friends Network, Inc. from 2012 through May 2013. Prior to joining Fisker Automotive, Ms. Anderson served from 2008 to 2012 as Executive Vice President, Chief Financial Officer and as President of T3 Motion, Inc. At T3 Motion, revenue increased from \$4.6 million to \$9.5 million and Ms. Anderson raised over \$30 million including an \$11.1 million underwritten offering which included an uplisting to the NYSE Amex exchange. Ms. Anderson also has experience as a financial executive with larger companies such as Experian, and as Chief Accounting Officer of Triple Net Properties where she was an officer of such publicly traded entities as G REIT, Inc., NNN 2002 Value Fund, and NNN 2003 Value Fund. She was a member of the First American Federal Credit Union supervisory committee whose responsibilities included oversight on that organization's Board of Directors and management. Ms. Anderson is a graduate of California State University, Fullerton and a Certified Public Accountant, State of California.

Larry Duffy – President of subsidiary (R.I.G. Construction)

Mr. Duffy, President of R.I.G. Construction, has been an owner and manager of Cameo Pools and Cameo Landscaping for the past 10 years and has helped develop the company into what it is today; a 37-year old business located in Mesa, AZ that builds residential and commercial swimming pools and installs hardscapes and landscaping throughout the Phoenix Metropolitan Area. Earlier in his career, Mr. Duffy performed event marketing for AT&T for 6 years where he traveled across the country promoting AT&T products and services and managed over 250 people in several markets. Mr. Duffy is a Member of the Chandler Compadres, a non-profit charitable organization started in 1983 comprising local businessmen who support many local charities. Mr. Duffy helped form the Boys and Girls Club of Round Valley and currently resides on the Board of the Boys and Girls Club in Springerville and Eager, AZ. Mr. Duffy is also a co-owner of Molly Butler Lodge and Greer Cabin Keepers. Molly Butler Lodge is a 103-year old building featuring a restaurant and bar, and Greer Cabin Keepers consists of 50 privately-owned cabins.

Steven Vollaro – Director (WPNV) and Chief Operating Officer of subsidiary (R.I.G. Construction)

Mr. Vollaro joined the Board of Directors of WindPower Innovations, Inc. in May 2013. Mr. Vollaro is also the President, Chief Operating Officer and Corporate Secretary for WindPower's largest subsidiary, R.I.G. Construction, Inc. d/b/a Cameo Pools ("Cameo"), the same positions he has held since 2004, prior to the acquisition of Cameo by WindPower. During his tenure at Cameo, Mr. Vollaro has been directly responsible for tripling sales volume over a two-year period. Mr. Vollaro has managed over 90 people at one time and is a successful lifelong entrepreneur with experience and direct ownership in many companies over a wide range of industries including; retail, construction and the automotive businesses. To any venture Mr. Vollaro brings his pragmatic, positive "can-do" attitude, skills that he has taught others in his role as a senior facilitator for personal development seminars such as "Personal Mastery"

which he did while working for Klemmer & Associates. Mr. Vollaro is a veteran of the U.S. Navy where he served during the Vietnam War.

Nick Palumbo, Director of Sales and Marketing of subsidiary (WindPower Solutions)

Nick Palumbo, Director of Sales and Marketing, also serves as CEO of Management Consulting Pro where he is responsible for helping both national and international clients to reduce expenses in the area of telecommunications, energy, and federal tax liabilities. Mr. Palumbo has grown Management Consulting Pro to 12 million dollars in annual revenues in the first year in business. Over the past 5 years, Mr. Palumbo co-founded JustInCaseDay.com and ScooterDealsInc.com, worked with Razorgator and Tickco as an SEO manager, consulted with executives at Groubal.com, founded EcommerceNational.com, launched a hosting business to support these clients, Rebranded TollFreeDeals.com to support call centers and mid-size carriers, founded BuyEnergyTaxCredits.com, founded GreenCoreFunding.com, founded ManagementConsultingPro.com, and founded two additional sites designed to help cities reduce their expenses and create long-term revenue streams. Mr. Palumbo is an entrepreneur and visionary in every sense of the word with a 22-year track record of success spanning over 30 start-up companies. At just 12 years old, he launched multiple online stores. In addition to consulting, he brings extensive experience in mergers & acquisitions, has designed his own lead management system and has structured over 100 million dollars in projects since his career began.

B. Legal/Disciplinary History

During the past five years, none of our directors, executive officers or persons that may be deemed promoters is currently or have been involved in any legal proceeding concerning (i) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (ii) any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses); (iii) being subject to any order, judgment or decree, not subsequently reversed, suspended, or vacated, of any court of competent jurisdiction permanently or temporarily enjoining, barring, suspending or otherwise limiting involvement in any type of business, securities or banking activity; or (iv) being found by a court, the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law (and the judgment has not been reversed, suspended or vacated). Unless otherwise stated, each person listed in the table has an address of 2415 E. Camelback, 7th Floor, Phoenix, AZ 85016. The percentage of ownership for each person is based on 82,052,284 shares of Common Stock outstanding.

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C. Beneficial Shareholders

Unless otherwise stated, each person listed in the table has an address of 2415 E. Camelback, 7th Floor, Phoenix, AZ 85016. The percentage of ownership for each person is based on 82,052,284 shares of Common Stock outstanding.

Shareholder Name and Address	Office Held	Common Stock Beneficial Ownership	Percentage of Ownership
John E. Myers	Chairman, President and Chief Executive Officer	13,430,000 ⁽¹⁾	16.37%
Carole S. Myers	Secretary	13,430,000 ⁽¹⁾	16.37%
Steven Vollaro	Director	3,333,333 ⁽²⁾	4.11%
Kelly Anderson	Chief Financial Officer, Director	2,000,000	2.46%
Charles Brown	Director	1,000,000	1.23%
Management as a Group (5 persons)		33,193,333	40.54%

⁽¹⁾As to voting power, John E. Myers and Carole S. Myers beneficially own all of Series C non-convertible preferred stock which is not convertible to common stock. Taking into consideration the combined voting power of the outstanding common stock and preferred stock, Mr. and Mrs. Myers control approximately 54.78% of the voting power of the Company. On July 25, 2013, the company's board of directors increased the voting rights of the Series C non-convertible preferred stock from 800 votes per share to 1,600 votes per share, thereby increasing the voting control to 65.94%.

⁽²⁾Mr. Vollaro received his shares as part of the acquisition of R.I.G. Construction, Inc. He is also entitled to an additional 1,666,667 shares when a certain debt R.I.G. Construction owes to T.J. Brown. Those shares are currently being held as collateral towards the repayment of the obligation to T.J. Brown.

Item 9. Third Party Providers

Investment Banker:

None

Advisory Firm:

Belmont Acquisitions, LLC
2415 E. Camelback Road, 7th floor
Phoenix, Arizona 85016
Phone: 602-508-3548
Contact: David Mau

Promoters:

None

Legal Counsel:

Blair Krueger, Esq.
The Krueger Group, LLP
7486 La Jolla Boulevard
La Jolla, California 92037
Telephone: (858) 405-7385
blair@thekruegergroup.com

Accounting Firm/Auditors:

None

IR/PR Firm:

Ten Associates, LLC.

Contact: Tom Nelson

16810 East Avenue of the Fountains Suite 112

Fountain Hills, Arizona 85268

Phone: 480-326-8577

Other Advisor:

Teresa J. Bray, Vice President

Back Office Consultants, Inc.

325 Whitfield Avenue

Sarasota, FL 34243

Phone: 863-224-0072

[E-mail: tbray01@gmail.com](mailto:tbray01@gmail.com)

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Item 10. Issuer's Certification

I, John E. Myers, Chief Executive Officer of the issuer, certify that:

1. I have reviewed this quarterly report of WindPower Innovations, Inc.
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.

August 14, 2013

/s/ John E. Myers
John E. Myers
Chief Executive Officer

I, Kelly Anderson Chief Financial Officer of the issuer, certify that:

1. I have reviewed this quarterly report of WindPower Innovations, Inc.
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.

August 14, 2013

/s/ Kelly Anderson
Kelly Anderson
Chief Financial Officer

WindPower Innovations, Inc.

	June, 30 2013	September, 30 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 98,000	\$ 130,000
Accounts receivable, net of allowance of \$125,500 and \$45,000, respectively	64,000	70,000
Unbilled Receivables	165,000	
Investment in affiliate	108,000	-
Inventories, net of allowance of \$2,000 and none, respectively	49,000	1,000
Prepaid expenses and other current assets	6,000	-
Total current assets	490,000	201,000
Property and equipment, net	81,000	-
Goodwill	1,922,000	-
Total assets	<u>\$ 2,493,000</u>	<u>\$ 201,000</u>

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities:		
Accounts payable	\$ 1,460,000	\$ 10,000
Accrued expenses	51,000	-
Billings in excess of revenue	117,000	
Warranty liability	159,000	-
Note payable	402,000	-
Total current liabilities	2,189,000	10,000

Long term liabilities		
Related party payables	362,000	705,000
Note payable	69,000	-
Total liabilities	2,620,000	\$ 715,000

Stockholders' deficit:

Preferred stock, \$0.001 par value; 10,000,000 shares authorized, 485,000 designated by series, 515,000 shares undesignated		
Series A convertible preferred stock, \$0.001 par value; 300,000 shares authorized; and 200,000 shares issued and outstanding, respectively	-	-
Series B convertible preferred stock, \$0.001 par value; 85,000 shares authorized; and 67,488 shares issued and outstanding, respectively	-	-
Series C non-convertible preferred stock, \$0.001 par value; 50,000 shares authorized, issued and outstanding, respectively	-	-

Common stock, \$0.001 par value; 200,000,000 shares
authorized; 82,052,284 and 61,392,284 shares issued and
outstanding, respectively

	81,000	61,000
Additional paid-in capital	797,000	166,000
Accumulated deficit	<u>(1,005,000)</u>	<u>(741,000)</u>
Total stockholders' deficit	<u>(127,000)</u>	<u>(514,000)</u>
Total liabilities and stockholders' deficit	<u>\$ 2,493,000</u>	<u>\$ 201,000</u>

See accompanying notes to condensed consolidated financial statements

WindPower Innovations, Inc.

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2013	2012	2013	2012
Net revenues	1,475,000	-	1,478,000	-
Cost of net revenues	1,304,000	-	1,304,000	-
Gross profit	171,000	-	174,000	-
Operating expenses:				
Sales and marketing	45,000	-	45,000	-
General and administrative	254,000	38,000	382,000	66,000
Officer compensation	-	-	-	(83,000)
Total operating expenses	299,000	38,000	427,000	(17,000)
(Loss) income from operations	(128,000)	(38,000)	(253,000)	17,000
Other income (expense):				
Interest expense	(11,000)	-	(11,000)	-
Total other income (expense), net	(11,000)	-	(11,000)	-
(Loss) income before provision for income tax	(139,000)	(38,000)	(264,000)	17,000
Provision for income tax	-	-	-	-
Net (loss) income	(139,000)	(38,000)	(264,000)	17,000
Net (loss) income per share:				
Basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ 0.00
Weighted average number of common shares outstanding:				
Basic and diluted	78,581,173	53,292,284	67,058,951	50,892,284

See accompanying notes to condensed consolidated financial statements

	Nine Months Ended June 30,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	\$ (264,000)	\$ 17,000
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation and amortization	5,000	19,000
Warranty expense	7,000	-
Officer based compensation		(90,000)
Shares issued for services	108,000	12,000
Change in operating assets and liabilities:		
Accounts and other receivables	(63,000)	-
Inventories	(23,000)	-
Prepaid expenses and other current assets	25,000	(3,000)
Accounts payable and accrued expenses	265,000	14,000
Related party payables	2,000	-
Net cash provided by (used in) operating activities	62,000	(31,000)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	-	-
Net cash (used in) provided by investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loans/advances from related parties	54,000	29,000
Proceeds from related party notes payable	-	-
Proceeds from stock grant	1,000	-
Repayment of notes payable	(19,000)	-
Repayment of related party notes payable	(130,000)	-
Net cash (used in) provided by financing activities	(94,000)	29,000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(32,000)	(2,000)
CASH AND CASH EQUIVALENTS — beginning of period	130,000	2,000
CASH AND CASH EQUIVALENTS — end of period	<u>\$ 98,000</u>	<u>\$ -</u>

See accompanying notes to condensed consolidated financial statements

	Nine Months Ended June 30,	
	2011	2010
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	\$ 9,000	\$ -
Income taxes	\$ -	\$ -
Supplemental disclosure of non cash activities:		
Shares issued for related party payables	\$ 360,000	\$ -
Liabilites assumed in company acquisition	\$ 2,084,000	\$ -
Shares issued in company acqusition	\$ 183,000	\$ -
Assets acquired in company acquisition	\$ 345,000	\$ -
Goodwill recorded in company acquisition	\$ 1,922,000	\$ -

See accompanying notes to condensed consolidated financial statements

WINDPOWER INNOVATIONS, INC. and SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (unaudited)

NOTE 1 - Description of Business and Summary of Significant Accounting Policies

WindPower Innovations, Inc. (OTC Pinks: WPNV) a Wyoming corporation, was incorporated on April, 23, 1986, as Electronic Biotek, Inc. On March 16, 2010, our name was changed to WindPower Innovations, Inc.

WindPower Innovations, Inc. and its wholly-owned subsidiaries, WindPower Solutions, Inc., R.I.G. Construction, Inc. d/b/a Cameo Pools, Cameo Landscaping and Cameo Solar (collectively the “Company”, “we”, “us” or “our”) is primarily focused on green renewable energy.

Through our wholly-owned subsidiary, WindPower Solutions, Inc., acquired on March 16, 2010, we refurbish, remanufacture, enhance and resell wind power turbines. The refurbished, remanufactured and enhanced wind turbines, which are our main products, will be composed of greater than 80% in remanufactured turbines which will allow our customers to apply for available Federal Tax Credits and other incentive grants.

Through our wholly-owned subsidiary, R.I.G. Construction, Inc. d/b/a Cameo Pools, Cameo Landscaping and Cameo Solar (“R.I.G.”), we design, build and remodel sustainable swimming pools to consumers. In addition, we provide landscaping and maintenance service and through our Cameo Solar division, offer solar heating solutions.

In addition to our core business, we are focused on the acquisition of synergistic businesses that will allow us to expand by vertically integrating our services.

On April 19, 2013, we acquired all of the issued and outstanding shares of R.I.G. in exchange for 10 million shares of our common stock. The shares were valued \$183,000, the current market price at the time of acquisition. Under the terms of that agreement the Company also agreed to provide \$250,000 in new capital to its newly acquired subsidiary within 12 months of the acquisition or if not accomplished the Sellers would be able to unwind the transaction. The Company intends to meet its obligation by assuming certain liabilities of R.I.G. in excess of \$250,000. The Company also guaranteed to the sellers, a stock price of \$0.60 per share at the end of 36 months. If our common stock has not traded at or above that price for twenty or more days during that 36 month period, then we will issue to the selling R.I.G. shareholders additional common shares on the 36 month anniversary date such that the R.I.G. shareholders will receive a valuation of \$6 million dollars. The price will be determined by a Qualified Appraiser and there will be a floor price of \$0.10 to limit the exposure to us and our shareholders. We have not as of yet obtained an independent valuation report related to this acquisition. On August 14, 2013, the R.I.G. shareholders amended the purchase agreement to waive the guaranteed stock price retroactive to the date of acquisition provided that the Company agreed to assume up to \$750,000 of R.I.G. debt and to settle that debt with common stock. On the same date, the R.I.G. shareholders acknowledged that the Company had met the \$250,000 capital requirement in the share exchange agreement and therefore the acquisition cannot be rescinded.

Interim Unaudited Condensed Consolidated Financial Statements

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with regulations for interim financial information. The principles for condensed interim financial information do not require the inclusion of all of the information and footnotes required by accounting principles generally accepted in the United States of America (“GAAP”) for complete financial statements. Therefore, these financial statements should be read in conjunction with our Annual

Report, for the years ended September 30, 2012 and 2011, filed with FINRA on December 31, 2012. The condensed consolidated financial statements included herein are unaudited; however, in the opinion of management, they contain all normal recurring adjustments necessary for a fair presentation of the consolidated results for the interim periods. The results of operations for the three and nine months ended June 30, 2013, are not necessarily indicative of the results that may be expected in any other period or for the entire fiscal year.

We have evaluated subsequent events through the filing date of this quarterly report, and determined that no subsequent events have occurred that would require recognition in the condensed consolidated financial statements or disclosure in the notes hereto other than as disclosed in the accompanying notes.

Liquidity and Going Concern

Our financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. We plan to expand our business however we may not be able to meet all of our financial obligations timely. Without additional cash infusion, we most likely will not be able to continue or meet our anticipated growth. As a result, we would not be able to implement our planned growth and expansion and may not experience sufficient revenues or cost containments to meet all of our obligations.

We believe that the acquisition mentioned above and our efforts to raise capital will be sufficient to fund our business plan.

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of WindPower Innovations, Inc. and its wholly owned subsidiaries, WindPower Solutions, Inc. and R.I.G. All significant inter-company accounts and transactions are eliminated in consolidation.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include, but are not limited to: collectability of receivables, recoverability of long-lived assets, realizability of inventories, warranty accruals, valuation of share-based transactions and. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

Concentrations of Credit Risk

Cash and Cash Equivalents

We maintain our cash accounts at financial institutions for which the Federal Deposit Insurance Corporation ("FDIC") provides basic deposit coverage with limits up to \$250,000 per owner. From time to time in our cash accounts, balances exceed the amount insured by the FDIC. We have not experienced any losses in such accounts and believe we are not exposed to any significant credit risk related to these deposits. At June 30, 2013, we had no cash deposits in excess of the FDIC limit.

We consider cash equivalents to be all short-term investments that have an initial maturity of 90 days or less and are not restricted. We invest our cash in short-term money market accounts.

Accounts Receivable

We perform periodic evaluations of our customers and maintain allowances for potential credit losses as deemed necessary. We generally do not require collateral to secure accounts receivable. We estimate credit losses based on management's evaluation of historical bad debts, customer concentrations, customer credit-worthiness, current economic trends and changes in customer payment patterns when evaluating the adequacy of our allowance for doubtful accounts. As of June 30, 2013 and September 30, 2012, we had an allowance for doubtful accounts of \$125,500 and \$45,000, respectively. Although we expect to collect amounts due, actual collections may differ from the estimated amounts.

As of June 30, 2013, three customers accounted for approximately 40% of total accounts receivable and as of September 30, 2012, one customer accounted for 100% of total accounts receivable. No customer represented more than 10% of net revenues for the three and nine months ended June 30, 2013 and 2012, respectively.

Accounts Payable

As of June 30, 2013 and September 30, 2012, two vendors accounted for more than 10% of total accounts payable.

Cash Equivalents

Cash equivalents are highly liquid investments purchased with an original maturity of three months or less.

Inventory

Inventories, which consist of parts used to service our equipment, are stated at the lower of cost or net realizable value, with cost being determined by the average-cost method, which approximates the first-in, first-out method. At each balance sheet date, we evaluate our ending inventories for excess quantities and obsolescence. This evaluation primarily includes an analysis of forecasted demand in relation to the inventory on hand, among consideration of other factors. Based upon the evaluation, provisions are made to reduce excess or obsolete inventories to their estimated net realizable values. Once established, write-downs are considered permanent adjustments to the cost basis of the respective inventories.

Property and Equipment

Property and equipment are stated at cost, and are being depreciated using the straight-line method over the estimated useful lives of the related assets, ranging from three to seven years. Leasehold improvements are recorded at cost and amortized on a straight-line basis over the shorter of their estimated lives or the remaining lease term. Significant renewals and betterments are capitalized. Maintenance and repairs that do not improve or extend the lives of the respective assets are expensed. At the time property and equipment are retired or otherwise disposed of, the cost and related accumulated depreciation accounts are relieved of the applicable amounts. Gains or losses from retirements or sales are reflected in the condensed consolidated statements of operations.

Goodwill and Other Intangible Assets.

Goodwill and intangible assets with indefinite useful lives are not amortized. Intangible assets with finite useful lives are amortized generally on a straight-line basis over the periods benefited.

Impairment of Long-Lived Assets

We account for our long-lived assets in accordance with the accounting standards which require that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the historical carrying value of an asset may no longer be appropriate. We assess recoverability of the carrying value of an asset by estimating the future net cash flows expected to result from the asset, including eventual disposition. If the future net cash flows are less than the carrying value of the asset, an impairment loss is recorded equal to the difference between the asset's carrying value and fair value or disposable value. As of September 30, 2012 and 2011, we do not believe there have been any impairments of our long-lived assets. There can be no assurance, however, that market conditions will not change or demand for our products will continue, which could result in impairment of long-lived assets in the future.

Acquisitions

Our acquisitions are accounted for using the acquisition method. The purchase price is allocated to the assets acquired and liabilities assumed based on their fair values. An excess purchase price over the fair value of the net assets acquired is recorded as goodwill. For all acquisitions, operating results are included in the statement of consolidated operations since the dates of the acquisitions.

Income Taxes

The provision for income taxes is determined using the asset and liability approach of accounting for income taxes. Under this approach, the provision for income taxes represent income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid, and result from differences between the financial and tax bases of our assets and liabilities and are adjusted for changes in tax rates and tax laws when enacted.

Presently, management believes deferred income tax liability or benefit as of September 30, 2012 should not be recognized. Therefore, none is recognized. We have available loss carry forwards for future recognition in very limited circumstances for our wind power operations and any similar activity of future acquired companies. The rules related to such carry forwards are extremely complex and their realization is not determinable or guaranteed. At March 31, 2013, we had available \$875,000 of loss carry forwards of which \$351,000 will expire in 2025, \$179,000 will expire in 2026 and the remainder will expire in 2027.

Share-Based Compensation

We account for equity instruments issued to consultants and vendors in exchange for goods and services in accordance with the accounting standards. The measurement date for the fair value of the equity instruments issued is determined at the earlier of (i) the date at which a commitment for performance by the consultant or vendor is reached or (ii) the date at which the consultant or vendor's performance is complete. In the case of equity instruments issued to consultants, the expense for the fair value of the equity instrument is recognized over the term of the consulting agreement.

In accordance with the accounting standards, an asset acquired in exchange for the issuance of fully vested, non-forfeitable equity instruments should not be presented or classified as an offset to equity on the grantor's balance sheet once the equity instrument is granted for accounting purposes. Accordingly, we record the fair value of the fully vested, non-forfeitable common stock issued for future consulting services as a prepaid expense in our condensed consolidated balance sheets.

Revenue Recognition.

We recognize revenue in the period in which the services are rendered and the products are completed using progress billings. We account for construction contracts using the Percentage of Completion Method in accordance with FASB ASC Topic 605 Revenue Recognition ("ASC 605"). Under ASC 605, we record revenues and expenses as a contracted project progresses, and based on the percentage of costs incurred to date compared to the total estimated costs of the contract. As of June 30, 2013, we had \$165,000 in unbilled receivables and \$117,000 in revenues in excess of billings related to recognizing our revenue on the percentage of completion method.

Financial and Concentrations of Risk.

Financial instruments that potentially subject us to significant concentration of risk consist primarily of the number and geographic location of our customers. We currently have no customers, but do have one contract pending.

Comprehensive Income.

We adopted SFAS No. 130 Reporting Comprehensive Income. We have no reportable differences between net income and comprehensive income; therefore a statement of comprehensive income has not been presented.

Fair Value Accounting -Fair Value of Financial Assets and Liabilities

Fair value is defined under U.S. GAAP as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. U.S. GAAP also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Loss Per Share

Basic loss per share is computed by dividing net loss attributable to common stockholders by the weighted average number of common shares assumed to be outstanding during the period of computation. Diluted loss per share is computed similar to basic loss per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential shares had been issued and if the additional common shares were dilutive. Shares associated with the conversion of preferred stock to common stock of approximately 2.0 million and 2.0 million shares of common stock were outstanding at June 30, 2013 and September 30, 2012, respectively, but were excluded from the computation of diluted loss per share due to the anti-dilutive effect on net loss per share.

	<u>Three Months Ended June 30,</u>		<u>Nine Months Ended June 30,</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	(unaudited)			
Net loss	\$ (139,000)	\$ (38,000)	\$(264,000)	\$ 17,000
Weighted average number of common shares outstanding:				
Basic and diluted	<u>78,581,173</u>	<u>53,292,284</u>	<u>67,058,951</u>	<u>50,892,284</u>
Net loss per share:				
Basic and diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ 0.00</u>

Advertising

Advertising expenses are charged against operations when incurred. Advertising expenses for the three and nine months ended June 30, 2013 and 2012 were \$28,000, \$0, \$28,000 and \$0, respectively, and are included in sales and marketing expenses in the accompanying consolidated statements of operations and comprehensive loss.

Business Segments

We currently only have two reportable business segment due to the fact that we derive our net revenues from the sale of wind power turbines and the design and construction of pools. The net revenues from our segments are shown below:

	<u>Three Months Ended June 30,</u>		<u>Nine Months Ended June 30,</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Net revenues:				
Green energy segment	\$ - 0.0%	\$ -	\$ 3,000 0.2%	\$ -
Construction segment	1,475,000 100.0%	-	1,475,000 99.8%	-
Total net revenues	<u>\$1,475,000</u>	<u>\$ -</u>	<u>\$1,478,000</u>	<u>\$ -</u>

Recent Accounting Pronouncements

We do not expect that the adoption of other recent accounting pronouncements will have a material impact on our financial statements.

NOTE 2 – Unbilled Receivables

Unbilled receivables represent reimbursable costs and amounts earned and reimbursable under contracts in progress as of the respective balance sheet dates. Such amounts become billable according to the contract terms, which usually consider the passage of time, achievement of certain milestones, or completion of the project. We anticipate that substantially all of such unbilled amounts will be billed and collected over the next twelve months.

NOTE 3 – Prepaid and other current assets

Prepaid and other current assets consist primarily of payroll advances for sales personnel.

NOTE 4 – Inventory

We recognize work in progress at cost, which includes direct and indirect costs as well as a function of operating costs.

	June 30, 2013	September 30, 2012
Finished goods	\$ 51,000	\$ -
Work-in-process	-	1,000
Less: inventory reserve	(2,000)	-
	<u>\$ 49,000</u>	<u>\$ 1,000</u>

NOTE 5 - Equipment

Property and equipment consist of the following:

	June, 30 2013	September, 30 2012
Office and Computer equipment	\$ 5,000	\$ -
Vehicles	115,000	-
	<u>120,000</u>	<u>-</u>
Less: accumulated depreciation	(39,000)	-
Net	<u>\$ 81,000</u>	<u>\$ -</u>

Depreciation and amortization expense consisted of the following:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2013	2012	2013	2012
	<hr/>		<hr/>	<hr/>
	(unaudited)			
General and administrative	\$ 6,000	\$ 6,000	\$ 6,000	\$ 19,000
	<hr/>	<hr/>	<hr/>	<hr/>

NOTE 6 — INVESTMENT IN AFFILIATES

On May 22, 2006, R.I.G. entered into a membership agreement with one of its vendors, Aquatech which is an industry specific co-operative buying group. Per the terms of the membership, R.I.G. receives favorable pricing, advertising brochures and the ability to use the Aquatech products and name. The agreement calls for a sliding scale management fee, based on the value of products ordered, the management fee ranges from 6.0% to 2.0% of the total purchases over a one year period. This management fee represents the markup the buying group charges and is far below the margins charged by traditional swinging pool wholesalers and distributors. In order to be an Aquatech member, each member is required to purchase shares in Aquatech. As of April 19, 2013 (acquisition date), R.I.G. owned \$82,505 worth of stock in Aquatech.

Most large swimming pool wholesalers and distributors pass through the "travel credits and incentives" that they receive from various manufacturers. Aquatech provides these incentives as "travel credits" to its members who can use them for travel, provide them as incentives to their employees or use them as a dollar for dollar credit against purchases from Aquatech. The members earn these travel credits based on the both the types of purchases made and the volume. As of April 19, 2013 (acquisition date) and June 30, 2013, R.I.G. had \$26,000 in travel credits that could be applied to the outstanding accounts payable. Once the credits are applied to outstanding accounts payable, the credit line of R.I.G. is reduced by the amount applied. As of the April 19, 2013 (acquisition date) and June 30, 2013, the outstanding balance in accounts payable was \$262,292 and \$262,292, respectively. The company also has a note with Aquatech, the balance was \$ 33,000 as of April 19, 2013 (acquisition date) and June 30, 2013.

NOTE 7 — NOTES PAYABLE

Notes payable consist of the following:

	June, 30	September, 30
	2013	2012
Line of credit with Chase bank, 6.5% interest, due on the 10th, monthly payment of \$1,000.00	\$ 22,000	\$ -
Note payable to Bank of America, 7.25% interest, due on 15th, monthly payment of \$2,338.80	78,000	-
Line of credit with Compass bank, 7.92% interest, due on 15th, monthly payment of \$1,026.93	16,000	-
Secured note payable to Ally Bank, Secured by 2010 Chevy equinox, 6.0% interest, due on September 2015, monthly payment of \$411.94	10,000	-
Secured note payable to Ally Bank, Secured by 2007 Chevy HHR, 6.20% interest, due on October 2015, monthly payment of \$320.25.	8,000	-
Secured note payable to Ally Bank, Secured by 2012 Chevy Traverse, 2.9% interest, due on September 2017, monthly payment of \$341.46	16,000	-
Secured note payable to Ally Bank, Secured by 2011 Chevy Silverado, 3.9% interest, due on January 2018, monthly payment of \$355.19	18,000	-
Secured note payable to Ally Bank, Secured by 2012 GMC Sierra, 5.6% interest, due on March 2018, monthly payment of \$376.71	20,000	-
Note payable to Aquatech, 7.0% interest, due on 1st, monthly payment of \$1,588.00	33,000	-
Note payable to TJ Brown, 18.0% (default rate), February 2013	250,000	-
	<hr/> 471,000	<hr/> -
Less: current portion	(402,000)	<hr/>
	<hr/> \$ 69,000	<hr/> -

R.I.G. entered into a stock redemption agreement with TJ Brown on January 2, 2006, whereby, R.I.G. agreed to redeem his shares of stock in R.I.G. Per the terms of the redemption agreement, TJ Brown returned his R.I.G. stock to the Company and in exchange R.I.G. issued a note in the amount of \$375,000, with the annual interest rate at Wells Fargo Prime rate plus 1.0% (with a minimum rate of 6.75% and a annual cap increase at 1.0% above the prior year rate). The note is secured by a security agreement and pledge of the shares of stock redeemed, in addition to personal guarantees by R.I.G.'s CEO and President,

Larry Duffy and Steven Vollaro, respectively. The note called for monthly principal and interest payments and was due in full on February 1, 2013. In the event of default, the interest rate is 18.0%. Due to the downturn in the economy, R.I.G. reduced the payments it made to TJ Brown under the Note and since November 2011 R.I.G. has not made payments to TJ and the maturity date of the note has passed. TJ Brown has foreborne from collecting the debt and did not notice R.I.G. until October 2012 that the rate was to be increased to the default rate of 18.0%. The Company is currently negotiating with TJ Brown to convert the note into shares of common stock and has reached a verbal agreement to settle the amount of the debt for \$250,000 and to convert the debt into shares of common stock.

NOTE 8 - Related Parties

As of March 31, 2013, we did not have a single shareholder who owned a controlling ownership interest. John Myers, an officer and director, along with his wife, Carole Myers, Secretary, together beneficially own under SEC guidelines an aggregate of approximately 32.7%. They also beneficially control all 50,000 shares of Series C Preferred Stock which grants them additional voting Rights as of June 30, 2013, equivalent to 40 million shares of Common Stock, effectively giving them control with an aggregate of 54.8% beneficial ownership.

On July 25, 2013, the board of directors authorized a change in the voting rights of the Series C Non-Convertible Preferred Stock from 800 votes per share of Series C Non-Convertible Preferred Stock owned to 1,600 votes per share, effectively, granting a total of 80 million votes giving the Myers 65.9% beneficial ownership.

From time to time, officers and directors have advanced the company for services rendered.

Related party payables consisted of the following:

	June 30,	September 30,
	2013	2012
	<hr/>	<hr/>
Advances from Larry Duffy, shareholder	\$ 77,000	\$ -
Advances from Steven Vollaro, shareholder	16,000	-
Advances from John and Carole Myers, Shareholder	85,000	541,000
Advances from Perry Barker, prior director (deferred compensation)	5,000	5,000
Advances from Rare Inc., prior CFO (deferred compensation)	135,000	135,000
Advances from TMBS, prior CFO (deferred compensation)	46,000	24,000
	<hr/>	<hr/>
	\$ 362,000	\$ 705,000
	<hr/>	<hr/>

On June 11, 2013, John E. Myers, our Company's Chief Executive Officer, agreed to reduce his salary for the next 12 months. In addition, the Company has converted some short term obligations to equity. Mr. Myers agreed to a fixed salary for the next 12 months of only \$1.00 for the year as our Chief Executive Officer. For his role as the President of the subsidiary WindPower Solutions he will be paid 7% of the revenue generated from the sale of that subsidiary's products as those sales are generated and collected. In connection with this salary change Mr. Myers and the Corporate Secretary agreed to convert the previous compensation owed to them of \$360,000, included in related party payables, for 360,000 shares of newly issued common stock.

NOTE 9 – Stockholders Equity

Our board of directors has authorized 210,000,000 shares of capital stock, of which 200,000,000 are shares of Common Stock (\$0.001 par value per share) and 10,000,000 shares of Preferred Stock (\$0.001 par value per share). On July 25, 2013, the board of directors of the Company increased the authorized share to 360,000,000; of which 350,000,000 are shares of Common Stock (\$0.001 par value per share) and 10,000,000 shares of Preferred Stock (\$0.001 par value per share).

Preferred Stock

We are authorized to issue up to 10,000,000 shares of preferred stock with designations, Rights and preferences determined from time to time by our board of directors. Accordingly, our Board of Directors is empowered, without stockholder approval, to issue Preferred Stock with dividend, liquidation, conversion, voting, or other Rights that could adversely affect the voting power or other Rights of the holders of the Common Stock. In the event of issuance, the Preferred Stock could be used under certain circumstances as a method of discouraging, delaying or preventing a change in control of the Company.

An aggregate of 435,000 shares of Preferred Stock were designated in Series A, B, and C with an aggregate of 317,488 shares are issued and outstanding in those series. Currently, there are 9,565,000 shares that have yet to be designated in a series. The shares of preferred stock authorized and outstanding in each series are listed below:

Series A Convertible Preferred Stock

The Company designated 300,000 shares of Preferred Stock as Series A Convertible Preferred Stock and issued 200,000 shares. Voting Rights were established whereby one (1) share of Series A Convertible Preferred Stock has ten (10) equivalent votes of stockholders of the Company's common stock for an aggregate of 2,000,000 votes. Each share of Series A Convertible Preferred Stock is convertible into ten (10) shares of the Company's common stock. In event of the liquidation of the Company, the shareholders of Series A Convertible Preferred Stock would have preference over the shareholders of the Company's common stock and all other series of Preferred Stock.

Series B Convertible Preferred Stock

The Company designated 85,000 shares of Preferred Stock as Series B Convertible Preferred Stock and has issued 67,488 shares. Holders of Series B Convertible Preferred Stock have no voting Rights. Each share of Series B Preferred Stock is convertible into one (1) share of the Company's Common Stock. In event of the liquidation of the Company, the shareholders of Series B Convertible Preferred Stock would have preference over the shareholders of the Company's Common Stock and all other series of Preferred Stock except for the shareholders of Series A Convertible Preferred Stock.

Series C Non-Convertible Preferred Stock

The Company designated 50,000 shares of Preferred Stock as Series C Non-Convertible Preferred Stock and has issued all 50,000 shares. Holders of Series C Non-Convertible Preferred Stock have 800 shares of voting Rights per share. Series C Non-Convertible Preferred Stock is not convertible into any of the Company's Common Stock or other Series of Preferred Stock. In event of the liquidation of the Company, the shareholders of Series C Non-Convertible Preferred Stock would have preference over the shareholders of the Company's Common Stock and all other series of Preferred Stock except for the shareholders of Series A and Series B Convertible Preferred Stock. On July 25, 2013, the board of directors changed the voting Rights of the Series C Non-Convertible Preferred Stock to grant the holders of the class 1,600 votes per share of Series C Non-Convertible Preferred Stock owned.

Common Stock

From January to March 2011, we issued 3,300,000 shares of restricted common stock for services valued at \$3,300. Our Board subsequently determined that the services provided by one party who received 500,000 of these shares had not actually been provided; therefore, we requested the shares be returned. As the individual refused to return the shares, we instructed our transfer agent to place a "stop transfer" on the certificate. As of June 30, 2013 and September 30, 2012, the 500,000 shares were reported as part of our issued and outstanding shares.

During 2012, we issued an additional 11,750,000 shares for services rendered in lieu of cash. The most significant grant was to the Trust of Carole and John Myers, our founders and principal shareholders.

During the nine months ended June 30, 2013, we issued 8,800,000 shares of common stock for services rendered for a total value of \$108,000, 10,000,000 shares for the acquisition of R.I.G. (see Note 12 – Business Combinations). In addition, one of our board members purchased 1,000,000 of shares of common stock pursuant to a board grant for \$500.

On May 20, 2013, John E. Myers, our Company's Chief Executive Officer, and the Corporate Secretary agreed to settle the previous deferred compensation of \$360,000 owed to them for 360,000 newly issued shares of common stock.

We had the following shares outstanding as of June 30, 2013:

Stock Type	Outstanding	Authorized
Common Stock	82,052,284	200,000,000
Preferred Stock	317,488	10,000,000
Series A	200,000	300,000
Series B	67,488	85,000
Series C	50,000	50,000

As of June 30, 2013, all stock obligated to be issued by us has been issued, or is in process to be issued, rescinded or reduced and is recognized accordingly in these financial statements.

NOTE 10 – Commitments and Contingencies

Warranties

The warranty policy of our wholly-owned subsidiary R.I.G. Construction generally provides coverage for components of the pool, including the equipment, shell, decking, electric and gas and the floor cleaner. Typically, the coverage period is for two years, with equipment covered for three years, underground electric and gas covered for five years, the interior covered for seven years and there is a lifetime on the shell and floor cleaner. Since the majority of our work is subcontracted out, a portion of the warranty is charged back to the sub-contractor. Provisions for estimated expenses related to product warranties are made at the time products are sold. These estimates are established using estimated information on the nature, frequency, and average cost of claims. Revision to the reserves for estimated product warranties is made when necessary, based on changes in these factors. Management actively studies trends of claims and takes action to improve quality and minimize claims.

The following table presents the changes in the product warranty accrual for the periods ended (unaudited):

	June, 30	September, 30
	2013	2012
Beginning balance, October 1,	\$ 6,000	\$ 6,000
Acquisition addition	150,000	-
Charged to cost of revenues	7,000	-
Usage	(4,000)	-
Ending balance, June 30,	\$ 159,000	\$ 6,000

Operating Lease

R.I.G. Construction rents 4,100 square feet of office, warehouse and yard space at 260 N. Gilbert Road Mesa, Arizona for a monthly rent of \$3,127.82. On July 15, 2013, this lease expired and was renewed for one year with three additional one year options that contain a 0% annual escalation clause. By executing the new lease in this fashion, management protected its long term interest in the facilities while also providing the opportunity to move to a larger facility as the business continues to grow.

Contingent Liabilities

In the ordinary course of business, we may face various claims brought by third parties in addition to the claim described above and may, from time to time, make claims or take legal actions to assert our Rights, including intellectual property Rights as well as claims relating to employment and the safety or efficacy of our products. Any of these claims could subject us to costly litigation and, while we generally believe that it has adequate insurance to cover many different types of liabilities, the insurance carriers may deny coverage or the policy limits may be inadequate to fully satisfy any damage awards or settlements. If this were to happen, the payment of such awards could have a material adverse effect on our consolidated

operations, cash flows and financial position. Additionally, any such claims, whether or not successful, could damage our reputation and business. Management believes the outcome of currently pending claims and lawsuits will not likely have a material effect on our consolidated operations or financial position.

When we acquired XH Industries, Inc. ("XHI"), XHI had ongoing litigation filed against it in the County of Los Angeles, CA named Scientia Energy Inc. vs. X. H. Industries, Inc., Superior Court of California County of Los Angeles, Case # BC407203. This case went into default and management understands that the plaintiff was awarded approximately \$300,000. Neither we nor our subsidiaries have been named in this lawsuit. We have made no provision for the outcomes of these lawsuits and expenses the costs incurred. These cases involve business and activities unrelated to us and prior to our involvement. At the time of this report these cases are over five years old.

We and our one unused subsidiary, Gear Train Services, Inc., have been named in two (2) subsequent lawsuits filed against XHI and Jerry Reynolds, the owner of XHI. These lawsuits are asking for recovery of monies paid to XHI for undelivered product. The lawsuits in which WindPower Innovations, Inc. and Gear Train Services, Inc. have been named as defendants are: 1) Joseph Millworks, Inc. Plaintiff vs. X.H. Industries, Inc., etc., Superior Court State of California For the County of Kern, Case # S-1500-CV269634-SPC, and 2) Kurt Warmbir Plaintiff, vs. X.H. Industries, Inc., etc. Superior Court of the State of California for the County of Kern, Case # S-1500-CV-271736 DRL. These cases deal with matters prior to our involvement and before the Acquisition Agreement of XH Industries, Inc. was rescinded. Our legal counsel believes that we will most likely be dismissed from these lawsuits. We have made no provision for the outcomes of these lawsuits and expenses the costs as incurred. These cases involve business and activities unrelated to us and for incidents before we became involved. At the time of this report these cases are three (3) years old.

NOTE 11 - Company Activity

Due to resignations of two of our directors in March 2012, the Board had been reduced to two members: John Myers, our CFO, and Charles Brown, an independent director. Since then, the Board has added two directors: Steven Vollaro on May 30, 2013 and Kelly Anderson on July 2, 2013. The Board is always actively searching for qualified directors with experience in our industry and/or finance to complement its membership.

On May 15, 2012, the Board approved a contract with Tailor Made Business Solutions, PLLC (TMBS). Under the terms of that Contract, TMBS made its Managing Member, Thomas P Meola CPA, CMGA available from time to time to fill the role left vacant by the Company's former Chief Financial Officer. TMBS through Mr. Meola was then appointed as Acting Chief Financial Officer and was paid a fee of \$12,500 per quarter. A portion of this fee (\$10,000) per quarter will be payable to TMBS upon successful financing of the business while the remainder is currently due and payable. At June 30, 2013, \$45,833 is due and payable. In addition, TMBS received 500,000 shares of WindPower common stock upon signing of the contract and was to receive another 500,000 shares of the same once the company becomes registered on any of the regulated exchanges. The Company issued the second 500,000 shares of stock in May 2013. TMBS and Mr. Meola resigned with an effective date of May 29, 2013 due to scheduling and resource related issues.

On June 30, 2013, we hired Kelly J. Anderson as our Chief Financial Officer. Ms. Anderson has significant experience as a public company CFO and in addition, on July 25, 2013, we added Ms. Anderson to our board of directors. Ms. Anderson earned 2 million shares of our Common Stock upon acceptance of the CFO appointment and earns cash compensation of \$50,000 per year with payments as follows: \$5,000 on August 15, 2013, 10,000 on December 31, 2013, \$17,500 on February 15, 2014, and \$17,500 on May 15, 2014.

On May 20, 2013, our CEO John Myers agreed to reduce his salary for the next 12 months to \$1 per year and he and Carole Myers, our Corporate Secretary, agreed to settle their \$360,000 in deferred compensation for 360,000 newly issued shares of common stock. On the same day, John Myers, for his role as CEO of our subsidiary, WindPower Solutions, Inc. agreed to be paid for performance which will be based on 7% of the revenue generated by the sale of that subsidiary's products.

Subsequent to the end of the reporting period on July 2, 2013, the Company hired Blair Krueger of The Krueger Group as its securities counsel. The Company agreed to compensate the firm with 1 million newly issued common shares for 12 months of service.

Subsequent to the end of the reporting period on July 25, 2013, the Company approved the contract of Nick Palumbo as the Director of sales and Marketing for its wholly owned subsidiary WindPower Solutions, Inc. Mr. Palumbo signed a two year agreement that calls for the issuance of 2 million shares of newly issued stock with a "claw back" provision whereby Mr. Palumbo earns those shares when he sells \$1 million dollars worth of the Company's products. The shares are held in the Company treasury for delivery in prorated amounts as revenue is achieved from Mr. Palumbo's efforts.

Note 12—Business Combination

Our acquisitions are reported as an asset acquisition unless it falls under the guidelines outlining a business combination. An asset acquisition transaction reports the value of the acquisition at the fair value of the assets and liabilities acquired or on the fair value of the stock issued and other considerations given, whichever can be best established.

A business combination is defined as "A business combination is a transaction or other event that results in an acquirer obtaining control of one or more businesses." (SFAS 141(R), par. 3) (FASB ASC 805-10-20) (The source "Reference" to the accounting literature used and quoted herein is PPC's Guide to GAAP at reference 6.225 to 6.227.) The assets acquired and liabilities assumed must constitute a business. Otherwise, the transaction should be accounted for as an asset acquisition (SFAS 141(R), par 6) FASB ASC 805-10-25-1). Reference 6.226 states, "Business combinations should be accounted for using the *acquisition method*. The acquisition method requires the following: (SFAS 141 (R), par 7) (FASB ASC 805-10-05-4) a) Identifying the acquirer. b) Determining the acquisition date. c) Recognizing and measuring: (1) Identifiable assets acquired, liabilities assumed, and non-controlling interests, (2) Goodwill or a gain from a bargain purchase."

In accounting for a business combination under the acquisition method one of the combining entities should be identified as the acquirer, that is the entity that obtains control or if no majority control is reached, then the entity with a significant voting interest. In Reference 6.227 b. it states, "For business combinations accomplished by exchanging equity interest, the entity that issues its equity interest is usually the acquirer (except for reverse acquisition)...." Reverse acquisition is understood to mean that the opposite, or reverse, of what a business combination usually consists of occurs instead; i.e., that the accounting of the past comes from the company acquired instead of from the existing company before the acquisition.

On April 19, 2013, we acquired all of the issued and outstanding shares of R.I.G. in exchange for 10 million shares of our common stock. The shares were valued \$183,000, the current market price at the time of acquisition. Under the terms of that agreement the Company also agreed to provide \$250,000 in new capital to its newly acquired subsidiary within 12 months of the acquisition or if not accomplished the Sellers would be able to unwind the transaction. Subsequent to the end of the reporting period the Company met its obligation by assuming certain liabilities of R.I.G. on excess of \$250,000. The Company also guaranteed a stock price to the Sellers of \$0.60 per share at the end of 36 months. If our common stock has not traded at or above that price for twenty or more days during that 36 month period, then we will issue to the selling R.I.G. shareholders additional common shares on the 36 month

anniversary date such that the R.I.G. shareholders will receive a valuation of \$6 million dollars. The price will be determined by a Qualified Appraiser and there will be a floor price of \$0.10 to limit the exposure to us and our shareholders. We have not as of yet obtained an independent valuation report related to this acquisition. On August 14, 2013, the R.I.G. shareholders amended the purchase agreement to waive the guaranteed stock price retroactive to the date of acquisition. Also subsequent to the end of the reporting period the Company agreed to assume up to an additional \$750,000 of R.I.G. debt and to settle that debt with common stock and therefor the Sellers have agreed to eliminate the stock price guarantee.

The acquisition has been accounted for as a business combination in accordance with FASB ASC Topic 805, Business Combinations. R.I.G. immediately began operating as a division of the Company. R.I.G. was established in October 2004 and has been a leading developer and builder of swimming pools, selling more than 1260 new pools in the Phoenix area over the past 9 years and over 900 remodels over the past 5 years. The acquisition of R.I.G. the Company to expand into another vertical market, in addition, the solar division fits into the green energy markets and the construction division will allow us to offer the base construction for Windmill sales. The acquisition provided us with an operating segment with immediate revenues and vertical market entrance. The acquisition eliminated lead-time and start-up costs of expanding into a new market, and provided a platform that can grow significantly without the need for additional general and administrative expenses.

The assets and liabilities acquired through the purchase of R.I.G. were as follows (unaudited):

Property and equipment	\$ 86,000
Inventory	25,000
Intangibles	1,922,000
Receivables	79,000
Unbilled receivables	17,000
Investment in affiliate	108,000
Accounts payable	(1,167,000)
Accrued expenses	(39,000)
Related party payables	(93,000)
Warranty liability	(150,000)
Billings in excess of revenue	(145,000)
Warranty liability	(150,000)
Notes payable	(490,000)
Value of shares issued for acquisition	\$ 183,000

Since acquisition, R.I.G. contributed \$1.4 million in revenue and \$0.00 million in net (loss) income which is included in the consolidated statement of operations for the period from April 19, 2013 to June 30, 2013.

For the period from April 20, 2013 through June 30, 2013, period from October 1, 2012 through April 19, 2012, and the year ended September 30, 2012, the below unaudited pro forma information has been prepared to give effect to the R.I.G. acquisition as if it occurred on October 1, 2011.

(unaudited)

	Successor	Predecessor	
	Period from April 20 through June 30, 2013	Period from October 1, 2012 through April 19, 2013	Year Ended September 30, 2012
Revenue	\$ 1,475,000	\$ 2,497,000	\$ 4,955,000
Net (loss) income available to common stockholders	\$ (564)	\$ (180,000)	\$ (439,000)
(Loss) income per common share, basic and diluted	\$ 0.00	\$ 0.00	\$ (0.01)
Weighted average common shares outstanding, basic and diluted	78,581,173	67,058,951	64,024,923

The pro forma results are not necessarily indicative of the operating results that would have been obtained had the acquisitions occurred at the beginning of the periods presented, nor are they necessarily indicative of future operating results.

NOTE 13 - Subsequent Events

Funding Agreement

On July 26, 2013 the Company entered into a \$1.0 million funding agreement with Exelerate Group, Inc whereby the Company can draw funds in tranches of determined by the price and trading volume of the stock, as frequently as every 20 days during a three year period in exchange for common stock. The amount of discount to market will be determined on each tranche based on daily trading volume and the availability of the exemption on trading restrictions. Management may set a floor on each tranche below which the Company will not be responsible to sell and shares to Exelerate Group, Inc. These funds may be used for any business purpose including; operating expenses, salaries, acquisitions, audit fees and other public company expenses et al. On August 5, 2013, the Company executed its first tranche request to receive \$45,000 in funds to be used in part to audit the company's books and records for the past two years and establish the Company as a fully reporting company.

Stock Activity

On July 25, 2013, the board of directors increased the authorized shares to 350,000,000 and increased the voting Rights of the Series C non-convertible preferred stock from 800 votes per share to 1,600 votes per share.

Director of Sales

On July 30, 2013, the Company hired Nick Palumbo as Director of Sales and Marketing for WindPower Solutions (WPS), WindPower Innovations' wholly-owned subsidiary. Mr. Palumbo comes to WindPower with extensive experience in alternative energy consulting, lead generation, and deal management. Mr. Palumbo's experience in tax credits, solar energy projects, and energy reduction efforts will be harnessed to develop WPS sales channels.

Letter of Intent to Acquire Gearstar

On August 06, 2013, the Company and Gearstar Performance Transmissions, Inc. of Akron, Ohio, have signed a letter of intent which provides the framework for the acquisition of Gearstar by WindPower Innovations in a share exchange. The exact details of the exchange and the amount of shares to be exchanged will be determined after completion of final due diligence of Gearstar.

Gearstar is a well-known rebuilder of high performance, high quality gearboxes and vehicle transmissions, with annual revenue of approximately \$1.2 million per year. Gearstar has excess capacity in its facilities where it can rebuild the gearboxes that are at the heart of WindPower Innovations' wind turbines. By being acquired by WindPower, Gear Star will gain access to additional capital, liquidity for its shareholders by being public and additional markets in the wind energy sector exclusively with and through WindPower.

Debt Settlement Agreement

On August 13, 2013, the Sellers who sold R.I.G. construction to the Company agreed to modify the existing Share Exchange Agreement effective as of the date of the acquisition of R.I.G., April 19, 2013 to eliminate and/or remove the contingencies in the Share Exchange Agreement as follows: 1) The 36 month \$.60 stock price guarantee was deleted in its entirety and 2) in exchange for the Company's commitment to assume up to \$ 1million dollars of R.I.G.'s debt and satisfy that debt with newly issued stock the Sellers agreed that the Company had meet its obligation to provide up to \$250,000 in capital to R.I.G. and they removed that contingency as well.

On August 5, 2013, Thomas Meola and Tailor Made Business Solutions, Inc. verbally agreed to settle its outstanding compensation under its terminated contract of \$45,833 for shares of common stock.