

# **UNDERSEA RECOVERY CORPORATION**

**QUARTERLY REPORT**

**FOR**

**THREE MONTHS ENDED MARCH 31, 2012**

**Item 1. The exact name of the issuer and address of its principal executive offices.**

The name of the issuer is UnderSea Recovery Corporation (“UNDR” or the “Company”). The Company’s name was changed from Legal Access Technologies, Inc. to UnderSea Recovery Corporation on August 31, 2009. From June 12, 2001 until August 31, 2009, the name of the Company was Legal Access Technologies, Inc.

The address, telephone and fax numbers, and website are as follows:

2409 Chastain Drive  
Atlanta, GA 30342

Telephone No. 404-826-1164

Fax No. 212-898-1166

Website: [www.undersearecovery.com](http://www.undersearecovery.com)

**Item 2. The number of shares or total amount of the securities outstanding for each class of securities authorized.**

For the Quarterly Period Ended March 31, 2012

|  |             |
|--|-------------|
| Common shares authorized:                | 600,000,000 |
| Common shares outstanding:               | 555,904,177 |
| Freely tradable shares (public float):   | 450,996.952 |
| Total number of beneficial shareholders: | 167         |
| Total number of shareholders of record:  | 210         |
| Preferred shares authorized              | 50,000,000  |
| Preferred shares outstanding             | 10,000,000  |

**Item 3. Interim Financial Statements.**

The following financial statements are uploaded as separate documents incorporated herein by reference for the fiscal quarter ending March 31, 2012. They can be found through the OTC Disclosure and News Service published as the Company’s Quarterly Report – Financial Statements for period ended March 31, 2012 at <http://www.otcmarkets.com/stock/SYAI/financials>:

1. Balance Sheet as of March 31, 2012.

2. Statement of Income for the three months ending March 31, 2012.
3. Statement of Cash Flows for the three months ending March 31, 2012.
4. Statement of Changes in Stockholder's Equity for the three months ending March 31, 2012.
5. Financial Notes for the three months ending March 31, 2012.

**Item 4. Management's Discussion and Analysis or Plan of Operation.**

A. Plan of Operation.

Overview

The Company plans to engage in the business of recovery of shipwrecks and other cultural resources from the world's oceans and large lakes by applying licensed and "in-house" proprietary and advanced conventional technologies in an archaeologically and environmentally sensitive manner. The Company continues to operate in a development stage and has yet to generate any revenues. The Company is in immediate need of further working capital and is seeking options, with respect to financing, in the form of debt, equity or a combination thereof. Since inception, the Company has funded its operations through common stock issuances and loans in order to meet its strategic objectives; however, there can be no assurance that the Company will be able to obtain further funds to continue with its efforts to implement its business strategies and continue as a going concern.

Over the past several years, the Company has been working diligently on new shipwreck detection technologies and to enhance the licensed ATLAS<sup>®</sup> technology, conducting historical shipwreck research and working to obtain permits for shipwreck search and recovery permits in the Caribbean. As of yet, no such permits have been issued. In general, our success, if any, will be dependent upon management's ability to achieve the Company's development plan of operation, which is discussed above in Item 9 of Part C.

Plan for the Next Twelve Months

The Company has meager cash reserves at present and will have to raise substantial funds over the next twelve months to implement its plan of operation. Management believes it will be able to raise additional funds through offerings of common and/or preferred stock over the next twelve months, but there can be no assurance that the Company will be

successful in raising additional capital and there may be other risks and circumstances that management may be unable to predict.

The Company's ability to obtain additional financing will be subject to a variety of uncertainties. An inability to raise additional funds on terms favorable to the Company, or at all, could have a material adverse effect on the Company's business, prospects, financial condition and operations. If the Company is unable to obtain additional capital, it will be forced to scale back planned expenditures, which would in turn adversely affect its business prospects and financial condition. If the Company is unable to obtain additional financing, the Company could be forced to cease operations, in which event, in all likelihood, all capital invested in or loaned to the Company would be lost.

If we are able to raise sufficient additional capital over the next twelve months, we would use such capital to retire any outstanding debt, finish at least two ATLAS<sup>®</sup> field units for project deployment, continue development of new detection technologies for use in operations, lease space for corporate offices and our scientific research and development activities, and hire up to eight full-time employees.

We are currently in negotiations with a private equity fund based in Mexico City, Mexico for an investment of up to \$6,000,000 (US) to fund project operations in Jamaica to be conducted by a Special Purpose Entity which would be majority-owned by the Company.

**B. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

Not applicable since we have not had revenues from operations over the past two fiscal years or in the first quarter of 2012.

**C. Off-Balance Sheet Arrangements.**

None.

**Forward Looking Statements**

***The information contained in this Item 4 and elsewhere herein at times represents management's best estimates of the Company's future financial, business and technological performance, based upon assumptions believed to be reasonable. Management makes no representation or warranty, however, as to the accuracy or completeness of any of these assumptions, and nothing contained in this document should be relied upon as a promise or representation***

***as to any future performance or events. The Company's ability to accomplish these objectives and whether or not it will be financially successful is dependent upon numerous factors, each of which could have a material effect on the results obtained. Some of these factors are within the discretion and control of management, and others are beyond management's control. Management considers the assumptions and hypothesis used in preparing any forward looking assessments of performance contained in this document to be reasonable; however, the Company cannot assure investors that any forward-looking statements contained in this document, or otherwise made by management, will be realized or achieved at any level.***

**Item 5. Legal Proceedings.**

In the fall of 2010, UNDR was named as a Defendant in a lawsuit filed in the Supreme Court of the State of New York in New York County. The action is Civil Action File No. 110349/10. The Plaintiffs are AJW Partners, LLC, AJW Offshore, Ltd., AJW Qualified Partners, LLC, AJW Master Fund, LTD., AJW Partners II, LLC, AJW Offshore II, LTD, AJW Qualified Partners II, LLC, New Millennium Capital Partners III, LLC and AJW Master Fund II, LTD., entities managed and directed by N.I.R. Group, LLC ("NIR"), which in turn was managed and directed by Mr. Corey Ribotsky ("Ribotsky"). The other Defendants in the action are Admiralty Holding Company ("Admiralty"), along with its subsidiaries, Admiralty Corporation and Admiralty Marine Operations, LTD. (collectively, the "Admiralty Defendants") and Herbert C. Leeming individually.

The principal claim in Plaintiffs' Complaint is one for damages for an alleged default under certain convertible promissory notes (the "Notes") and ancillary loan instruments entered into between Plaintiffs and The Admiralty Defendants. The action also seeks to set aside a License Agreement between Admiralty and the Company for use by the Company of the ATLIS<sup>®</sup> technology (the "License Agreement") and to "repossess" the ATLIS<sup>®</sup> technology under security agreements allegedly entered into between Plaintiffs and the Admiralty Defendants to secure repayment of the Notes.

The Company and Mr. Leeming timely filed Answers to the Complaint which denied all of the claims of Plaintiffs against them and any liability whatsoever to Plaintiffs and also asserted fourteen separate affirmative

defenses. The Company and Mr. Leeming have also filed Motions to Dismiss the Complaint. The Company and Mr. Leeming believe all claims asserted against them by Plaintiffs are totally without merit and they intend to vigorously defend the action.

The Admiralty Defendants also timely filed an Answer which denied Plaintiffs' claims against them and, in addition, filed a Counterclaim against Plaintiffs and a Third-Party Complaint against NIR and Ribotsky, alleging, among other things, securities fraud, common law fraud, insider trading, breach of fiduciary duty, breach of contract, negligence, and conversion. The Admiralty Defendants have indicated to the Company that they believe they will prevail in the litigation.

The litigation has been stayed and the Plaintiffs have been placed in liquidation in the Cayman Islands under the auspices of PriceWaterhouseCoopers Finance and Recovery (Cayman) Limited. Ribotsky and NIR are no longer involved with the management of Plaintiffs or their liquidation. It is believed the New York litigation against the Company and the other defendants will be dismissed since the liquidators are not seeking to pursue the action. However, the Company and Mr. Leeming intend to vigorously pursue their counterclaims against the Plaintiffs and to recover any resulting judgment from the liquidation proceeds and/or any recipients of such proceeds.

**Item 6. Defaults Upon Senior Securities.**

None.

**Item 7. Other Information.**

**List of securities offerings and shares given in exchange for services during the three-month period ended March 31, 2012.**

| <b>Date</b> | <b>Nature</b> | <b>Investor</b>  | <b># Shares Issued</b> | <b>Price Paid</b> | <b>Trading Status</b> | <b>Restrictive Legend</b> |
|-------------|---------------|--|------------------------|-------------------|-----------------------|---------------------------|
| 01/11/12    | Rule 504      | Fairhills Capital Offshore<br>1000 N West Street<br>Suite 1200<br>Wilmington, DE 19801 | 34,000,000             | \$7,000           | Unrestricted          | No                        |
| 02/21/12    | Rule 504      | Fairhills Capital Offshore<br>1000 N West Street<br>Suite 1200<br>Wilmington, DE 19801 | 35,000,000             | \$7,000           | Unrestricted          | No                        |

|          |          |  |           |         |              |    |
|----------|----------|--|-----------|---------|--------------|----|
| 03/08/12 | Rule 504 | Fairhills Capital Offshore<br>1000 N West Street<br>Suite 1200<br>Wilmington, DE 19801 | 7,200,000 | \$5,000 | Unrestricted | No |
|----------|----------|--|-----------|---------|--------------|----|

**Item 8. Exhibits.**

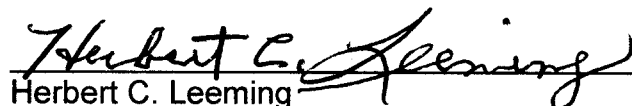
None.

**Item 21. Certification of Systems America, Inc.**

I, Herbert C. Leeming, President and Sole Director of UnderSea Recovery Corporation, a Nevada corporation, do hereby certify that:

1. I have reviewed this Quarterly Report of Systems America, Inc. for the period ending March 31, 2012;
2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report; and
3. Based on my knowledge, the financial statements and other financial information included or incorporated by reference in this Quarterly Report, fairly present in all material respects the financial condition, results of operation and cash flows of Systems America, Inc., as of, and for, the period presented in this Quarterly Report.

Date: June 17, 2012

  
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 Herbert C. Leeming  
 President, Secretary and Sole Director  
 UnderSea Recovery Corporation