

Quarterly Report for Period Ending September 30, 2012



Quasar Aerospace Industries, Inc.

QASP

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

Quasar Aerospace Industries, Inc.  
9300 Normandy Blvd., Suite 502  
Jacksonville, FL 32221  
(904) 207-6503 Phone  
(904) 378-3259 Fax  
[ir@quasaraerospaceindustries.com](mailto:ir@quasaraerospaceindustries.com)  
[shareholdersgroup@quasaraerospaceindustries.com](mailto:shareholdersgroup@quasaraerospaceindustries.com)  
[www.quasaraerospaceindustries.com](http://www.quasaraerospaceindustries.com)  
[www.quasaraero.com](http://www.quasaraero.com)

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

	# of Shares Authorized	# of Shares Outstanding	Public Float	Total # of Shareholders	Total # of Beneficial Shareholders
Common Stock	475,000,000	30,960,352	4,864,511	301	Unknown
Preferred Stock	50,000,000	2,890 Class A	0	6 Class A	0
		129,508 Class B		12 Class B	

Item 3 Interim Financial Statements

Financial Statements for quarter ending September 30, 2012 are attached.

Item 4

Management's discussion and analysis or plan of operations.

- Due to management changes the company is focusing on Atlantic Aviation, Inc. (AAI), A-Cent Aviation, Inc. (ACA), Corporate Air Repair, LLC (CAR) and Quasar Aircraft Corporation (QAC).
- QAI has closed and finalizes the acquisition of A-Cent Aviation, Inc. (A-Cent) located in Colorado Springs, Colorado, as a wholly owned FAA Part 141 Flight School of QAI.
- QAI and its subsidiaries are proud to announce the delivery of a 2012 Cessna 162 Skycatcher which will be utilized for the implementation of a sport pilot training program in Jacksonville, Florida.
- QAI and its subsidiaries will have the only sport pilot training program with the sought after Cessna 162 Skycatcher in the North Florida and South Georgia area.
- A-Cent's Jacksonville and Colorado locations have passed their SEVIS inspection which will allow A-Cent to sponsor and accept foreign students once final approval is received.
- A-Cent is in the final review stage with SEVIS and anticipates receiving its SEVIS certification shortly.
- QAI has entering into two (2) binding Memorandums of Understanding (MOUs) with international recruiters in India and China. QAI looks forward to capturing this market.
- A-Cent has been approved and continues to operate Cessna Pilot Centers out of Herlong Airport in Jacksonville, Florida and Colorado Springs, Colorado.
- A-Cent is working with various institutions for higher learning to allow QAI to capture students pursuing aviation degrees and receive funds from student loans.
- A-Cent as a qualified VA flight school can accept VA benefit funds to apply to private pilots continued aviation training.
- A-Cent will be focusing on driving in Veterans and active duty military to enroll in the flight school programs.
- A-Cent finalized the building of its CATS testing facility in Jacksonville, Florida and is approved in both Colorado and Florida to provide testing which will drive addition capital to the Company and offer a one stop location for training and testing.
- A-Cent was approved as a 2<sup>nd</sup> Tier CATS testing facility which will allow it to provide examinations for not only FAA written examinations but Comira professional and medical certification examinations as well.
- The Company's marketing and advertising programs for 2012 will continue to expand and grow the business according to the business plan.
- AAI and A-Cent will continue to recruit locally and internationally in the near future.
- Corporate Air Repair is examining becoming a Cessna Authorized Service Facility.
- Management anticipates that flight operations in 2012 will surpass previous years. We plan to provide flight training services to the rapidly growing international market sector, with emphasis on the far East. After two (2) years of delay, the acquisition of A-Cent Aviation now provides the Air

Agency Certificate needed to fulfill our business plan. The delivery of the 2012 Cessna 162 Skycatcher will further expand our flight training programs and increase our revenue.

- QAI and its subsidiaries are on the way to becoming an industry leader in flight training.
- To continue the expansion of Atlantic Aviation's and A-Cent Aviation's flight training programs.

Item 5      Legal proceedings - any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer which could have a material effect on the issuer's business, financial condition, or operations, and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved.

**Quasar Aerospace Industries, Inc., v. Jeffrey DiGenova and NHS Health Solutions, Inc.**

The Company is currently in litigation in the Fourth Judicial Circuit Court, Duval County, Florida against a former CEO, Jeffrey DiGenova who claims that he was not properly removed. The Company does not believe it is or would be of material effect unless the Court orders a different direction for the Company. At which time, the Company cannot determine the material effect it could have on business.

The Company amended its original Complaint to add NHS Health Solutions, Inc. as a Defendant and to include tortuous interference with a contract and business relationship against Jeffrey DiGenova and NHS Health Solutions, Inc.

Jeffrey DiGenova was appointed as CEO and Director of Quasar by majority vote of the shareholders on September 22, 2010. On January 27, 2011, Jeffrey DiGenova was removed as an Officer and Director of Quasar and its subsidiaries by majority vote of the shareholders.

Jeffrey DiGenova alleged he was not properly removed and continued to act as an Officer and Director of Quasar. Subsequent to his removal, Mr. DiGenova attempted to merge Quasar with another company without the approval of Quasar or its Board of Directors.

On March 8, 2011, Quasar filed a Complaint in the Circuit Court, Fourth Judicial Circuit, In and For Duval County, Florida against Mr. Jeffrey DiGenova, a former CEO and Director of Quasar seeking an injunction.

On April 21, 2011, the Court restricted Quasar or its subsidiaries from entering into any acquisition, merger, selling any assets or incurring any major debt without Court approval.

On May 19, 2011, the Court entered an order allowing Quasar to sell stock with Joseph Canouse acting on behalf of Quasar.

On June 20, 2011, the Court entered an order that provided a temporary injunction against Jeffrey DiGenova and permitted the current Officers and Directors to continue to conduct business.

On September 12, 2011, the Court ordered that Atlantic Aviation, Inc., a wholly owned subsidiary of Quasar, be allowed to acquire a FAA Part 141 Flight School. The Court also granted the motion to withdraw as counsel filed by Jeffrey DiGenova's attorney. Jeffrey DiGenova filed a Motion for Summary Judgment.

On November 30, 2011, the Court issued an Order clarifying the officers and directors of the Company and permitted said officers and directors to conduct all corporation actions. The Court clarified that Dean Bradley is not an officer or director of the Company. In addition, the Court granted the Company's Motion to Amend its Complaint to add NHS Health Solutions, Inc. as a Defendant and to include tortious interference with a contract and business relationship against Jeffrey DiGenova and NHS Health Solutions, Inc.

On December 14, 2011, the Court denied Jeffrey DiGenova's Motion for Summary Judgment.

On December 20, 2011, the Court entered an Order requiring a shareholder's meeting to be solely funded in advance by a former CEO, Dean Bradley and provided court directive to Jeffrey DiGenova and Dean Bradley to comply with prior to the initiation of said shareholder's meeting. To date Jeffrey DiGenova or Dean Bradley have failed to comply with said Order.

On February 29, 2012, the Court heard a Motion to Vacate the Order dated December 20, 2011 filed by Dean Bradley. The Court denied the Motion to Vacate said Order.

On or about March 21, 2012, Quasar issued a Notice of Production from Non-Party to Murphy & Anderson, PA which is a law firm retained by Jeffrey DiGenova while CEO and on behalf of Quasar in late 2010. Jeffrey DiGenova filed an objection to the issuance of Subpoena to Murphy & Anderson, PA.

On April 9, 2012, Quasar filed a Motion for Summary Judgment against Jeffrey DiGenova regarding all counts of DiGenova's counterclaim.

On or about June 5, 2012, Quasar filed a Motion to Dismiss the counterclaim filed by NHS Health Solutions, Inc.

On June 14, 2012, Quasar filed a Motion to Compel both Dean Bradley and Jeffrey DiGenova to comply with the Order dated December 20, 2011.

On July 2, 2012, NHS Health Solution, Inc. filed a Motion to Abate against Quasar.

On July 18, 2012, Quasar's Motion for Summary Judgment against Jeffrey DiGenova was heard and the Court granted Summary Judgment in favor of Quasar against Jeffrey DiGenova on all counterclaim counts. The Court also ruled on the Notice of Production from Non-Party to Murphy & Anderson, PA which is a law firm retained on behalf of Quasar and the Court ruled in favor of Quasar and required the law firm to comply with Quasar's Subpoena.

On August 7, 2012, the Court heard NHS Health Solution, Inc.'s Motion to Abate and entered an Order Denying the Motion to Abate in favor of Quasar.

On September 28, 2012, counsel for NHS Health Solutions, Inc., Quintairos, Prieto, Wood & Boyer, PA filed a Motion to Withdraw as Counsel.

*The case remains active and Quasar will continue to pursue damages against these parties.*

**NHS Health Solutions, Inc. v. Centacom Holding Corporation, et. al.**

NHS Health Solutions, Inc. is currently in litigation in the Fourth Judicial Circuit Court, Duval County, Florida against Centacom Holding Corporation regarding the control block of shares of NHS Health Solutions, Inc. which was filed on August 8, 2012 seeking a Temporary Injunction against Centacom.

On August 20, 2012, the Court denied NHS Health Solutions, Inc.'s Motion for Temporary Injunction.

On August 20, 2012, Quasar filed a Motion to Intervene in this pending litigation as it is Quasar's contention that Quasar owns the control block to NHS Health Solutions, Inc. and wanted to ensure its beneficial ownership was protected.

On September 28, 2012, counsel for NHS Health Solutions, Inc., Quintairos, Prieto, Wood & Boyer, PA filed a Motion to Withdraw as Counsel.

*The case remains active and Quasar will continue to pursue its beneficial ownership of NHS Health Solutions, Inc. and any damages against opposing parties.*

Item 6 Defaults upon senior securities

None

Item 7 Other information

None

Item 8 Exhibits

None

Item 9            Certifications

November 14, 2012

I, Joseph Canouse, certify that:

1. I have reviewed this Quarterly Report of Quasar Aerospace Industries, Inc. for period ending September 30, 2012;
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 operation and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

/s/ Joseph Canouse

Joseph Canouse

CEO

**\*\*\*DISCLAIMER\*\*\***

*This statement contains "forward-looking statements" regarding future events and the future financial performance of Quasar Aerospace Industries, Inc. and its subsidiaries which are made under the Safe Harbor provision of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934 as amended and such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. You are cautioned that forward-looking statements are subject to risks and uncertainties that may cause actual results, future circumstances and events to differ materially from those projected in our current expectations as a result of various factors and other risks. You should consider these factors in evaluating the forward-looking statements included herein, and not place undue reliance on such statements. These statements are made as of the date hereof and Quasar Aerospace Industries, Inc. disclaims any obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.*