OTC MARKETS GROUP
COREWafer Industries, Inc.
(*Formerly Action Products International, Inc.)*
(A Nevada Company)

ANNUAL REPORT
As of December 31, 2012

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

No dealer, salesmen or any other person has been authorized to give any information, or to make any representations, not contained herein in connection with the issuer. Such information or representations, if made, must not be relied upon as having been authorized by the issuer, and:

Delivery of this information file does not any time imply that the information contained herein is correct as of any time subsequent to the date first written above.

The undersigned hereby certifies that the information herein is true and correct to the best of their knowledge and belief.

Date: February 15, 2013

COREWAFER INDUSTRIES, INC.
By: /s/ Mr. Gary Polistena

Name: Mr. Gary Polistena
Position: CEO
Phone: (866) 793-1110
E-mail: garypolistena.apii@yahoo.com
Web-Page: www.wafr.co

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

The exact name of the Issuer is COREWafer Industries, Inc. (formerly Action Products International, Inc.)

The principal executive offices are located at:

419 Lafayette Street
Second Floor
New York, NY 10003
Phone: (866) 793-1110
Fax: (646) 861-6572

Item 2. Shares Outstanding

	12/31/2010	12/31/2011	12/31/2012
Number of Shares Authorized – Common	25,000,000	150,000,000	150,000,000
Number of Preferred Shares Authorized –	10,000,000	50,000,000	50,000,000
Number of Shares Outstanding – Common	9,130,756	22,629,312	76,696,390
Number of Shares Outstanding – Pref. Ser. A	175,000	175,000	175,000
Number of Shares Outstanding – Pref. Ser. B	-	-	14,355,520
Freely Tradable Shares – Common	4,022,370	9,066,558	17,628,341
Total Number of Beneficial Shareholders	1	1	2
Total Number of Shareholders of Record	144	168	179

Item 3. Interim Financial Statements

The Company's interim financial statements are attached at the end of this quarterly filing as Exhibit A.

CONSOLIDATED FINANCIAL INFORMATION

Item 4. Management's discussion and analysis or plan of operation

Originally incorporated in New York in 1977, the Company relocated its operations and state of incorporation to Florida in 1980. In 1984 the Company went public on the NASDAQ stock market. The Company began as a distributor of education-oriented toys, children's books, stationery and souvenirs, supplying to museum gift shops exclusively.

In 1997, the Company shifted focus from being a distributor of other manufacturers' toys, gifts, souvenirs, promotional premiums and published products towards the development, establishment and distribution of our own proprietary brands and products. In 2001, the Company shifted to a manufacturer model and licensed products to other entities as a principal source of income. Historically, the principal source of revenues had been the sale of products to retailers.

In 2008, the Company began restructuring and in 2009 exited the toy business.

In 2010, the Company relocated the corporate office to New York and changed focus. In 2011, the Company completed its acquisition of Northeast Expedite Logistics, LLC. In 2012, the Company relocated its state of incorporation to Nevada and on October 25, 2012, completed its acquisition of Core Wafer Systems, Inc.

<u>Products and Services:</u>

Logistics & Transportation: Northeast Expedite Logistics, LLC ("NEEL") is a provider of global logistics services, which includes a domestic service center and exclusive and non-exclusive agents. The Company's customers include retail and wholesale, electronics, and manufacturing companies around the world. With industrial production increasing year-over-year, the shortage of qualified drivers and trusted shipping partners is apparent in mid-markets for local deliveries. As the economy improves, orders for delivery and logistics increase. We provide foundational shipping and coordination services between suppliers and destination businesses and warehouses, and we operate efficiently through cloud based tracking.

Software & Technology: High-Tech industry continues to grow at exponential rates, consumer and high-Tech parts continue to shrink and production increases in complexity. With complex production comes the need to aggressively test components to ensure long-life and low failure percentage. Natural Disasters and other similar events also reduce quality. Recent disasters have opened up a market for a significant uptick in needs in this space. Our Company has a particular focus within technology on quality semiconductor testing.

To enable success of our software and technology vertical, the Company acquired Core Wafer Systems, Inc. Core Wafer Systems, Inc., a Nevada corporation, creates proprietary software, software algorithms, and hardware that are used in the testing and data mining of the most commonly used semiconductor components. Core Wafer was the sole supplier of technology for Agilent semiconductor test equipment as an OEM partner until Agilent exited the OEM Market. Now, Core Wafer continues to create software that can be used by Agilent hardware through 2015. Core Wafer ensures these components, created by leading semiconductor manufacturers, leave the factory in a working state after having been tested and proven. Core Wafer helps ensure that products are manufactured within specification and won't suddenly fail for the end consumer. We announced the execution of the merger agreement with Core Wafer Systems, Inc. on April 19, 2012. The Company is working to integrate the operations and financial records of Core Wafer with those of the Company.

Results of Operations
For the year ended December 31, 2012 and December 31, 2011:

Sales

Total sales for the years ended December 31, 2012 and 2011 were $659,360 and $712,231 respectively

Selling, general and administrative expenses
For the year ended December 31, 2012, selling, general and administrative expenses were $2,566,438 compared to $964,242 for the year ended December 31, 2011.

Liquidity and Capital Resources
We have financed our operations primarily through cash generated from the sale of our stock and loans to the Company. The accompanying financial statements have been prepared assuming that the Company financial resources will continue as a going concern.

During the year ended December 31, 2012, the Company suffered net losses of $2,329,715. As of December 31, 2012, the Company had a working capital and stockholders' deficiency of $339,671. Historically, the Company has sustained its operations primarily through equity and debt financing. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The increase in net loss is directly attributable to the increase in stock based compensation as payment for services rendered to the company.

In view of these matters, the Company will need to improve its working capital position. The Company plans to overcome the circumstances that impact our ability to remain a going concern through a combination of achieving profitability, raising additional debt and equity financing, and renegotiating existing obligations. There can be no assurance, however, that we will be able to complete any additional debt or equity financing on favorable terms or at all, or that any such financings, if completed, will be adequate to meet our capital requirements. Any additional equity or debt financings could result in dilution to our stockholders. If adequate funds are not available, we will be required to delay, reduce or eliminate some or all of our planned activities. Our inability to fund our capital requirements would have a material adverse effect on the Company. Management believes that the actions presently being taken to revise the Company's operating and financial requirements may provide the opportunity for the Company to continue as a going concern.

Item 5. Legal Proceedings

During 2009, Ronald Kaplan, a former officer and employee of the company filed a complaint in the Circuit Court for the 9th Judicial Circuit in and for Orange County, Florida against the Company claiming damages exclusive of attorneys' fees and costs, for unpaid wages and personal expenses aggregating $75,479.63. On November 9, 2009 the court granted a default judgment on behalf of Ronald Kaplan. The company believes this claim is without merit and has retained legal counsel to move to have the default judgment vacated.

On September 28, 2009, Baker, Govern & Baker PA filed a complaint in the Circuit Court for the 9th Judicial Circuit in and for Orange County, Florida against the Company claiming damages, exclusive of attorneys' fees and costs, for breach of contract aggregating $28,562.70. On September 17, 2010 the court granted a default judgment on behalf of Baker, Govern & Baker PA. The company believes this claim is without merit and has retained legal counsel to move to have the default judgment vacated.

In April 2009, we received a demand letter from our former CFO, Robert Burrows, alleging cash and stock compensation due in the amount of approximately $250,000. On July 27, 2010, the court granted a default judgment in the amount of $431,530.39 on behalf of Robert Burrows. The company believes this claim is without merit and has retained legal counsel to move to have the default judgment vacated.

On December 11, 2008, the Company entered into a Settlement Agreement with Magsamen Consulting, LLC a consultant of the Company. Upon execution of the Settlement Agreement the Development Agreement terminated. Pursuant to the Settlement Agreement, the Company agreed to pay $100,000 to Magsamen and upon full payment; the Company and Magsamen will executive general releases. All amounts owed under the Settlement Agreement have been recorded as liabilities and charged to expense as of December 31, 2008. In a bench trial on April, 19, 2010, a judgment was ordered in the Circuit Court for Baltimore County in and for the State of Maryland against the Company for non-payment of the cash payment and certain expenses as provided for in the Settlement Agreement of December 11, 2008 in the amount of $194,903.31. The Company retained legal counsel to resolve the matter and on November 30, 2011 entered in to an Installment Promissory Note and Confession of Judgment (Note) with Magsamen. As of March 31, 2012 the Company is current with the required payments under the terms of the Note.

In June 2008, Debra Rutledge, Eric Rutledge & Jeanne Moore v. Action Products International, Inc., Action Toys, Inc., Action Healthcare Products, Inc., Curiosity Kits, Inc., Warren Kaplan and Judith Kaplan, Case No. 6:09-cv-1245-Orl-35GJK in the United States Middles District Court, District of Florida, Orlando Division. This is a default judgment in the amount of approximately $1,000,000. Plaintiffs allege a breach by the company of an oral contract and claim damages for failure to pay minimum wages, breach of contract, back pay with benefits and penalties for COBRA and ARRA violations. On June 28, 2008, the Company obtained legal counsel and filed its answer to the complaint however counsel for the Company was later allowed to withdraw and a default judgment was entered on October 7, 2010. In 2011 under the direction of the newly hired CEO, Gary Polistena, the Company retained legal counsel to defend the Company against the claim and to have the judgment vacated. On August 18, 2011 the Plaintiffs were awarded a summary judgment in the amount of $27,167.95 plus attorney's fees of approximately $36,000. The Company disputes the amount awarded in attorney fees and is preparing to file an appeal.

On November 15, 2012, the Issuer received a letter from the attorneys representing Sandia Technologies, et. al., with regard to the Settlement Agreement entered into with CWS on July 25, 2012.In the original Settlement Agreement, Management of CWS agreed to pay to Sandia Technologies the sum of $500,000 for all rights and licenses of IP, copyrights, trademarks, etc. for the PDQ Suite purchased from ST in December, 2005. Payment was to be made by CWS within 90 days of the settlement date. CWS failed to make the payment as agreed and as a result, Sandia

Technologies has requested payment be made in full by 5:00 p.m. on Tuesday, November 20, 2012 or, in the alternative, that the terms of the settlement be modified. The Issuer is contemplating a proposed settlement offer whereby WAFR will pay $20,000.00 per month for twenty-five months. Under this modification the present action will be dismissed with prejudice as to CWS's claims and without prejudice as to Sandia Technologies' and Donald G. Pierce's claims. The issuer has yet to make a counter offer. The Settlement Agreement stems from a lawsuit that was filed in the State of New Mexico, County of Bernalillo, Second Judicial District Court, No. CV 2010-10561 by CWS against ST for their release of IP, copyrights, trademarks, etc. for the PDQ Suite purchased from ST in December, 2005. Sandia claims the agreement was verbally modified in 2006 to increase the payment another $400,000. Although verbal changes are prohibited in the agreement, CWS believed it was necessary to litigate and seek a pre-emptive judgment for total and absolute ownership as well as damages due to ST using this IP for their enrichment. Additionally, Mr. Pierce asserted a 15.8% ownership in CWS.

Item 6. Defaults on Senior Securities

Not applicable

Item 7. Other Information

On March 27, 2012 the Company submitted notification to FINRA regarding its intent to change its name and related trading symbol. On May 25, 2012 the Company received notification from FINRA of the completion of its name change from Action Products International, Inc. to COREWafer Industries, Inc.

The Company is now trading under its new symbol, WAFR.

Item 8. Exhibits

Exhibit A

SUPPLEMENTAL INFORMATION

CONSOLIDATED FINANCIAL INFORMATION

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Item 9. Certifications

I, Gary Polistena, certify that:

1. I have reviewed this quarterly disclosure statement of COREWafer Industries, Inc., formerly known as Action Products International, 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.

The undersigned hereby certifies that the information herein is true and correct to the best of their knowledge and belief.

Dated this 15 day of February, 2013.

COREWAFER INDUSTRIES, INC.
By: /s/ Mr. Gary Polistena

Name: Mr. Gary Polistena
Position: CEO
Phone: (866) 793-1110
E-mail: garypolistena.apii@yahoo.com
Web-Page: www.wafr.co

Exhibit A

SUPPLEMENTAL INFORMATION

CONSOLIDATED FINANCIAL INFORMATION

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COREWAFER INDUSTRIES, INC.

CONDENSED CONSOLIDATED BALANCE SHEET
(unaudited)

	For the year ended December 31, 2012 (Unaudited)	For the year ended December 31, 2011 (Unaudited)
Current Assets		
Cash	$733	$16,984
Short-term loans and notes receivable	185,571	13,171
Prepaid expenses and other current assets	526,957	316,712
Total current assets	713,261	346,867
Other Assets	13,438,278	138,536
Fixed Assets, net	62,382	454,078
Total assets	$ 14,213,921	$ 939,481
Current Liabilities		
Accounts payable and accrued expenses	$ 715,313	$ 196,605
Short-term loans and notes payable	-0-	14,500
Total current liabilities	437,741	211,105
Long Term Notes Payable	4,982,443	740,842
Commitments and Contingencies	1,074,741	547,741
Total Liabilities	6,772,556	1,526,688
Shareholders' Deficit		
Preferred stock, $.001 par value; 50,000,000 and 10,000,000 shares authorized; 175,000 shares Series A preferred stock issued and outstanding at December 31, 2012 and 2011, respectively and,	175	175
14,356,000 and -0- shares Series B preferred stock issued and outstanding at December 31, 2012 and 2011, respectively	14,356	-0-
Common stock, $.001 par value; 150,000,000 and 50,000,000 shares authorized; 76,969,000 and 22,629,000 issued and outstanding December 31, 2012 and 2011, respectively	76,969	22,629
Treasury stock, $.001 par value; 241,000 shares authorized at December 31, 2012 and 2011, respectively	(241)	(241)
Additional paid-in-capital	23,108,383	12,323,078
Stock Dividend	(92,685)	(92,685)
Accumulated deficit	(15,665,592)	(12,791,117)
Total shareholders' equity/(deficit)	7,441,364	(587,207)
Total liabilities and shareholders' equity	$ 14,213,921	$ 939,481

See accompanying notes to condensed consolidated financial statements

COREWAFER INDUSTRIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	For the year ended December 31,	
	2012	**2011**
Gross Sales	$ 659,360	$ 712,231
Cost of Sales	226,780	399,315
Net Sales	$ 432,580	$ 312,916
Operating expenses		
Marketing and advertising	34,379	48,400
General and administrative	2,532,059	915,842
Total operating expenses	2,566,438	964,242
Loss from operations	(2,133,858)	(651,326)
Loss from disposal of assets	(195,857)	-0-
Net Loss	$ (2,329,715)	$ (651,326)

See accompanying notes to condensed consolidated financial statements

COREWAFER INDUSTRIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	December 31,	
	2012	**2011**
Cash flow from operating activities:		
Net income (loss)	(2,329,715)	$ (651,326)
Adjustments to reconcile net loss to net cash from		
operating activities:		
Depreciation and amortization	225,807	150,245
Stock based compensation	421,567	(278,000)
Changes in operating assets and liabilities:		
Accounts receivable	24,746	(13,172)
Prepaid expenses and other assets	153,550	(281,572)
Accounts payable, accrued expenses and other	213,823	575,216
Net cash provided by (used in) operating activities	(1,290,223)	(498,609)
Cash flows from investing activities:		
Security Deposits	(4,500)	-
Purchase of property and equipment	-	(42,500)
Disposal of assets	334,337	-
Net cash used in investing activities	329,837	(42,500)
Cash flows from financing activities:		
Increase in notes payable	719,777	316,424
Decrease in promissory notes payable	(27,500)	-
Proceeds from issuance of common stock	251,860	207,500
Net cash provided by financing activities	944,137	523,924
Net increase (decrease) in cash	(16,249)	(17,185)
Cash and cash equivalents at beginning of period	16,984	34,170
Cash and cash equivalents at end of period	$ 733	$ 16,985
Supplemental disclosure:		
Cash paid for interest	$ 5,172	$ -
Non-cash financing activities:		
Common stock issued in acquisition	$ 2,500,000	$ 125,000.00
Stock-based compensation	$ 421,567	$ 322,462
Deferred Salaries	$ 240,000	$ 190,000

See accompanying notes to condensed consolidated financial statements

CoreWafer Industries, Inc.

Condensed Consolidated Statements of Equity

For the year ended December 31, 2012

(unaudited)

	Preferred Stock $.001 Par Value Shares	Preferred Stock $.001 Par Value Amount	Common Stock $.001 Par Value Shares	Common Stock $.001 Par Value Amount	Treasury Stock $.001 Par Value Shares	Treasury Stock $.001 Par Value Amount	Unearned Comp Cost	Stock Dividend	Additional Paid-In Capital	Retained Earnings	Total Shareholders' Equity/(Deficit)
Balance @ December 31, 2011	175,000	$ 175	22,629,312	$ 22,629	(240,541)	$ (241)	$ (49,246)	$ (92,685)	$ 12,324,278	$ (12,780,473)	$ (575,563)
Issuance of common stock to consultants for compensation			1,800,000	$ 1,800					$ 255,200		$ 257,000
Issuance of common stock to officers and directors			766,900	$ 767					$ 106,599		$ 107,366
Issuance of common stock in private placement			3,658,833	$ 3,659					$ 226,841		$ 230,500
Issuance of common stock to consultants for financing costs			1,886,792	$ 1,887					$ 205,660		$ 207,547
Issuance of common stock in private placement			700,000	$ 700					$ 25,700		$ 26,400
Issuance of preferred Series B to officers, directors and consultants	3,469,430	$ 3,469							$ 485,151		$ 488,620
Issuance of common stock to consultants for compensation			675,000	$ 675					$ 47,825		$ 48,500
Issuance of common stock to employees, officers and directors			893,103	$ 893					$ 84,107		$ 85,000
Issuance of common stock in private placement			1,500,000	$ 1,500					$ 13,500		$ 15,000
Issuance of preferred Series B to officers, directors and consultants	200,000	$ 200							$ 18,800		$ 19,000
Issuance of common stock to consultants for compensation			400,000	$ 400					$ 11,600		$ 12,000
Issuance of common stock in private placement			666,667	$ 667					$ 14,333		$ 15,000
Issuance of common stock for financing commitment			1,444,444	$ 1,444							$ 1,444
Issuance of common stock for reduction of debt	-		1,000,000	$ 1,000					$ 19,000		$ 20,000
Issuance of common stock to for Core Wafer Systems acquisition			38,948,345	$ 38,948					$ 7,817,337		$ 7,856,285
Issuance of preferred Series B for Core Wafer Systems acquisition	10486093	$ 10,486							$ 1,495,898		$ 1,506,384
Issuance of preferred Series B to officers, directors and consultants	200,000	$ 200							$ 5,800		$ 6,000
Retained earnings adjustment due to acquisition of Core Wafer Systems										$ (2,885,119)	$ (2,885,119)
Net Loss	-	$ -	-	$ -	-	$ -	$ -	$ -	$ -		$ -
Balance @ December 31, 2012	14,530,523	$ 14,530	76,969,396	$ 76,969	-	$ (241)	$ (49,246)	$ (92,685)	$ 23,108,383	$ (15,665,592)	$ 7,392,118

See accompanying notes to condensed consolidated financial statements

NOTE 1 – GENERAL ORGANIZATION AND BUSINESS

Originally incorporated in New York in 1977, the Company relocated its operations and state of incorporation to Florida in 1980. In 1984, the Company went public on the NASDAQ stock market. The Company began as a distributor of education-oriented toys, children’s books, stationery and souvenirs, supplying to museum gift shops exclusively.

In 1997, the Company shifted focus from being a distributor of other manufacturers’ toys, gifts, souvenirs, promotional premiums and published products towards the development, establishment and distribution of our own proprietary brands and products. In 2001, the Company shifted to a manufacturer model and licensed products to other entities as a principal source of income. Historically, the principal source of revenues had been the sale of products to retailers.

In 2008, the Company began restructuring and in 2009 exited the toy business.

In 2010, the Company temporarily relocated the corporate office to New York and changed focus. In 2011 the Company completed its acquisition of Northeast Expedite Logistics, LLC. In 2012, the Company relocated its state of incorporation to Nevada and completed its acquisition of Core Wafer Systems, Inc.

The Company’s focal areas are as follows:

Logistics & Transportation: Northeast Expedite Logistics, LLC (“NEEL”) is a provider of global logistics services operating which includes a domestic service center and exclusive and non-exclusive agents. The Company’s customers include retail and wholesale, electronics, and manufacturing companies around the world. With industrial production increasing year-over-year, the shortage of qualified drivers and trusted shipping partners is apparent in mid-markets for local deliveries. As the economy improves, orders for delivery and logistics increase. We provide foundational shipping and coordination services between suppliers and destination businesses and warehouses, and we operate efficiently through cloud based tracking and E-logistics.

Software & Technology: High-Tech industry continues to grow at exponential rates, consumer and high-Tech parts continue to shrink and production increases in complexity. With complex production comes the need to aggressively test components to ensure long-life and low failure percentage. Natural Disasters and other similar events also reduce quality. Recent disasters have opened up a market for a significant uptick in needs in this space. Our Company has a particular focus within technology on quality semiconductor testing.

To enable success of our software and technology vertical, the Company acquired Core Wafer Systems, Inc. Core Wafer Systems, Inc., a Nevada corporation, creates proprietary software, software algorithms, and hardware that is used in the testing and data mining of the most commonly used semiconductor components. Core Wafer was the sole supplier of technology for Agilent semiconductor test equipment as an OEM partner until Agilent exited the OEM Market. Now, Core Wafer continues to create software that can be used by Agilent hardware through 2015. Core Wafer ensures these components, created by leading semiconductor manufacturers, leave the factory in a working state after having been tested and proven. Core Wafer helps ensure that products are manufactured within specification and won't suddenly fail for the end consumer. We announced the execution of the merger agreement with Core Wafer Systems, Inc. on April 19, 2012. The Company is working to integrate the operations and financial records of Core Wafer with those of the Company.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

Basis of Presentation

Our condensed consolidated financial information included in this report has been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the condensed consolidated financial statements and accompanying notes. Actual amounts may differ from these estimated amounts. Certain information and disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. The principles for interim financial information do not require the inclusion of all the information and footnotes required by GAAP for complete financial statements. Therefore, these financial statements should be read in conjunction with our Annual Report for the year ended December 31, 2011.

The accompanying unaudited condensed consolidated interim financial statements reflect all adjustments, consisting of only normal recurring items which, in the opinion of management, are necessary for a fair statement of the results of operations for the periods shown. The results of operations for such periods are not necessarily indicative of the results expected for the full year or for any future periods. The accompanying consolidated financial statements include the accounts of COREwafer Industries, Inc. All inter-company transactions have been eliminated.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and cash in time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

Property and Equipment

Fixed assets are comprised of furniture and fixtures, computer equipment, purchased software and major categories of property and equipment and are stated at cost and depreciated using the straight-line method, over the estimated useful lives of the various classes of assets, as follows:

Furniture, fixtures and equipment	3 – 10 years
Computers and purchased software	3 – 5 years

Useful lives for major categories of property and equipment are as follows:

Buildings	40 years
Trucks, trailers and major equipment	10 years

Intangible Assets

The Company adopted Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144" or "ASC 360"), which addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," and the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations for a Disposal of a Segment of a Business." The Company periodically evaluates the carrying value of long-lived assets to be held and used in accordance with SFAS 144. SFAS 144 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair market value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair market values are reduced for the cost of disposal.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES (CONTINUED)

Fair Value of Financial Instruments

The Company's financial instrument consists of prepaid expenses, deposits, investments, customer deposits, accounts payable and accrued expenses, accrued interest, loans payable and loans payable to a related party. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its other financial instruments and that their fair values approximate their carrying values except where separately disclosed.

Revenue Recognition

We recognize revenue in accordance with generally accepted accounting principles as outlined in the Securities and Exchange Commission's Staff Accounting Bulletin No. 104, *Revenue Recognition* (SAB 104 or ASC 605-10), which requires that four basic criteria be met before revenue can be recognized: (i) persuasive evidence of an arrangement exists; (ii) the price is fixed or determinable; (iii) collectability is reasonably assured; and (iv) product delivery has occurred or services have been rendered. Revenue from the sale of products is generally recognized after both the goods are shipped to the customer and acceptance has been received, if required. Our products are custom made for our customers, who primarily consist of original engineer manufacturers (OEMs), and we do not accept returns. Our products are shipped complete and ready to be incorporated into higher level assemblies by our customers. The terms of the customer arrangements generally pass title and risk of ownership to the customer at the time of shipment.

Stock-Based Compensation

In December 2004, the FASB issued SFAS No. 123R, "Share Based Payment" (ASC 718). SFAS No. 123R establishes the accounting for grants of stock options and other transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments. SFAS No. 123R (1) revises SFAS No. 123, "Accounting for Stock-Based Compensation," (2) supersedes Accounting Principles Bulletin ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," and (3) establishes fair value as the measurement objective for share-based payment transactions. The Company is following the provisions of SFAS No. 123R and has recorded compensation expenses related to the granting of stock options to employees.

Income Taxes

The Company provides for income taxes using an asset and liability approach. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect currently. Deferred tax assets are reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. No provision for income taxes is included in the statement due to its immaterial amount, net of the allowance account, based on the likelihood of the Company to utilize the loss carry-forward.

Basic and Diluted Earnings (Loss) Per Share

Earnings/(Loss) per share is calculated in accordance with the Statement of financial accounting standards No. 128 (SFAS No. 128 or ASC 260), "Earnings per share". SFAS No. 128 superseded Accounting Principles Board Opinion No.15 (APB 15). Net income (loss) per share for all periods presented has been restated to reflect the adoption of SFAS No. 128. Basic net loss per share is based upon the weighted average number of common shares outstanding. Diluted net loss per share is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. Basic and diluted loss per share was \$0.00 and \$0.00 for the year ended December 31, 2012 and December 31, 2011 respectively.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk are cash, accounts receivable and other receivables arising from its normal business activities. The Company places its cash in what it believes to be credit-worthy financial institutions. The Company has a diversified customer base. The Company controls credit risk related to accounts receivable through credit approvals, credit limits and monitoring procedures. The Company routinely assesses the financial strength of its customers and, based upon factors surrounding the credit risk, establishes an allowance, if required, for uncollectible accounts and, as a consequence, believes that its accounts receivable credit risk exposure beyond such allowance is limited.

Recent Accounting Pronouncements

In December 2011, the Financial Accounting Standards Board ("FASB") issued updated guidance related to the presentation of offsetting (netting) assets and liabilities in the financial statements. The guidance requires the disclosure of both gross information and net information on instruments and transactions eligible for offset in the statement of financial position and instruments and transactions subject to an agreement similar to a master netting arrangement. This scope would include derivatives, sale and repurchase agreements and reverse sale and repurchase agreements, and securities borrowing and securities lending arrangements. The updated guidance is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. Management does not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In September 2011, the FASB issued updated guidance related to the testing of goodwill for impairment. The guidance provides that an entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, an entity determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test is unnecessary. The updated guidance is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. The adoption of this guidance did not have a material impact on our consolidated financial statements.

In June 2011, the FASB issued updated guidance related to the presentation of comprehensive income. The guidance provides that an entity has the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The updated guidance is effective for annual financial reporting periods beginning after December 15, 2011 and for interim periods within the fiscal year. The adoption of this guidance did not have a material impact on our consolidated financial statements.

In May 2011, the FASB issued updated guidance related to fair value measurements and disclosures. The update provides amendments to achieve common fair value measurements and disclosure requirements in GAAP and International Financial Reporting Standards. The amendments in this update explain how to measure fair value. They do not require additional fair value measurements and are not intended to establish valuation standards or affect valuation practices outside of financial reporting. The updated guidance is effective during interim and annual financial reporting periods beginning after December 15, 2011. The adoption of this guidance did not have a material impact on our consolidated financial statements.

In May 2009, the FASB issued SFAS 165 (ASC 855-10) entitled "Subsequent Events". Companies are now required to disclose the date through which subsequent events have been evaluated by management. Public entities (as defined) must conduct the evaluation as of the date the financial statements are issued, and provide disclosure that such date was used for this evaluation. SFAS 165 (ASC 855-10) provides that financial statements are considered "issued" when they are widely distributed for general use and reliance in a form and format that complies with GAAP. SFAS 165 (ASC 855-10) is effective for interim and annual periods ending after June 15, 2009 and must be applied prospectively. The adoption of SFAS 165 (ASC 855-10) during the year ended November 30, 2009 did not have a significant effect on the Company's financial statements as of that date. In connection with the preparation of the accompanying financial statements as of December 31, 2012, management evaluated subsequent events through the date that such financial statements were issued.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES (CONTINUED)

In May 2005, the FASB issued SFAS 154 that establishes new standards on accounting for changes in accounting principles. Pursuant to the new rules, all such changes must be accounted for by retrospective application to the financial statements of prior periods unless it is impracticable to do so. SFAS No. 154 completely replaces Accounting Principles Bulletin (APB) Opinion 20 and SFAS 3, though it carries forward the guidance in those pronouncements with respect to accounting for changes in estimates, changes in the reporting entity, and the correction of errors made in fiscal years beginning after December 15, 2005. The Company does not expect that the adoption of this pronouncement will have a material effect on the Company's financial position or results of operations.

NOTE 3 – PROPERTY AND EQUIPMENT

Fixed assets and accumulated depreciation consist of the following at December 31, 2012 and December 31, 2011:

	2012	2011
Land	$ -	$ 67,382
Buildings and improvements	-	1,058,052
Transportation Equipment	-	342,066
Furniture, Fixtures, Computer equipment and purchased software	62,382	2,591,242
Less: accumulated depreciation		(3,608,253)
	$ 62,382	$ 450,490

Depreciation expense was $225,807 and $148,355 during the year ended December 31, 2012 and 2011, respectively.

NOTE 4 – NOTES PAYABLE

On November 30, 2011 the Company entered into an Installment Promissory Note (Note 1) with Magsamen Consulting, LLC in the principal sum of $195,000 without interest, as settlement of a default judgment. The initial payment of $20,000 was also paid on November 30, 2011, with an additional payment of $25,000 due on or before March 3, 2012 then quarterly payments of $18,750 thereafter, beginning June 15, 2012. On March 5, 2012 the company made a partial payment in the amount of $12,500 toward the first installment.

On March 20, 2011 the Company entered into a Convertible Debenture (Note 2) as settlement of an old accounts payable amount incurred prior to 2008. The principal amount of Note 2 is $487,773 with interest at 8% per annum. This Debenture is issuable or assignable to a Holder in denominations of One Hundred Thousand Dollars (US $100,000) and integral multiples thereof. This Debenture is exchangeable for an equal aggregate principal amount of Debentures of different authorized denominations, as requested by the Holders surrendering the same, but not less than U.S. $100,000. The Holder of this Debenture is entitled, at its option, at any time following delivery of this Debenture, to convert all or any amount over $100,000 of the principal face amount of this Debenture then outstanding into restricted shares of the Company's common stock (the "Common Stock") at a conversion price ("Conversion Price") for each share of Common Stock equal to 70% of the lowest closing bid price of the Common Stock as reported on the National Quotations Bureau Pink Sheets on which the Company's shares are traded or any exchange upon which the Common Stock may be traded in the future ("Exchange") for any of the thirty trading days prior to the day upon which a Notice of Conversion is received by the Company. As of December 31, 2012 the Company had not made any payments toward principal or interest and had not received any conversion notices.

On March 26, 2010 the Company's wholly owned subsidiary, Northeast Expedite Logistics, LLC (NEEL) entered into a Promissory Note (Note 3) for various cash advances received from a related party totaling $114,200 with interest at the rate of 20%. The Company disputes the validity of the amounts claimed and therefore; as of December 31, 2012 the Company had not made any payments.

NOTE 5 – GOING CONCERN

These financial statements have been prepared assuming that the Company will continue as a going concern. The Company has operating and liquidity concerns, current liabilities exceeded current assets by $1,076,852 at December 31, 2012, has reported a net loss of $2,329,715 and used net cash of $1,290,223 in operations during the period ending December 31, 2012. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of these uncertainties.

NOTE 6 – STOCKHOLDERS' EQUITY

Authorized

The Company is authorized to issue 150,000,000 shares of $0.001 par value common stock and 50,000,000 shares of $0.001 par value preferred stock. All common stock shares have equal voting rights, are non-assessable and have one vote per share. Voting rights are not cumulative and, therefore, the holders of more than 50% of the common stock could, if they choose to do so, elect all of the directors of the Company. The preferred shares may be issued in series, with the powers, rights and limitations of the preferred shares to be determined by the Board.

On January 3, 2012 the Florida Secretary of State accepted for filing a Certificate of Amendment increasing the Company's authorized common stock from 25,000,000 with a par value of $0.001 to 150,000,000 with a par value of $0.001, and to increase the Company's authorized preferred stock from 10,000,000 to 50,000,000 with a par value of $0.001. The amendment was approved by the shareholders and directors on December 28, 2011.

On April 19, 2012, the Board of Directors adopted and approved a resolution to amend the Articles of Incorporation of the Company to establish the designations, powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions of the shares of Series B Convertible Preferred Stock of the Company. Twenty Million (20,000,000) shares of the authorized shares of preferred stock were thereby designated "Series B Convertible Preferred Stock" (Series B Stock) at a par value of $0.001 per share.

Issued and Outstanding – Common

On January 5, 2012, the Company issued 150,000 shares of common stock at $0.07 per share for total proceeds of $10,500.

On January 5, 2012, the Company issued 357,000 shares of common stock at $0.06 per share for total proceeds of $20,000.

On January 24, 2012, the Company issued 1,000,000 shares of common stock at $0.05 per share for total proceeds of $50,000.

On February 9, 2012, the Company issued 56,000 shares of common stock at $0.089 per share for total proceeds of $5,000.

On February 15, 2012, the Company issued 62,500 shares of common stock at $0.08 per share for total proceeds of $5,000.

On February 17, 2012, the Company issued 300,000 shares of common stock at $0.067 per share for total proceeds of $20,000.

On March 19, 2012, the Company issued 1,000,000 shares of common stock at $0.06 per share for total proceeds of $60,000.

On March 26, 2012, the Company issued 400,000 shares of common stock at $0.075 per share for total proceeds of $26,350.

On April 10, 2012, the Company issued 400,000 shares of common stock at $0.05 per share for total proceeds of $20,000.

NOTE 6 – STOCKHOLDERS' EQUITY, CONTINUED

On June 11, 2012, the Company issued 300,000 shares of common stock at $0.066 per share for total proceeds of $20,000.

On September 7, 2012, the Company issued 1,500,000 shares of common stock at $0.01 per share for total proceeds of $15,000.

On October 14, 2012, the Company issued 663,716 shares of common stock at $0.01 per share for total proceeds of $15,000.

Stock-Based Compensation – Common Stock

On January 5, 2012, the Company issued 200,000 shares of common stock valued at $28,000 to two consultants for management and marketing services. The stock is being expensed over the terms of the consulting agreements.

On January 12, 2012, the Company issued 500,000 shares of common stock valued at $65,000 to a consultant for management and marketing services. The stock is being expensed over the terms of the consulting agreements.

On January 24, 2012, the Company issued 200,000 shares of common stock valued at $28,000 to a consultant for management and marketing services. The stock is being expensed over the terms of the consulting agreements.

On January 26, 2012, the Company issued 333,333 shares of common stock valued at $30,000 to a consultant for financing services. The stock is being expensed over the terms of the consulting agreements.

On January 30, 2012, the Company issued 650,000 shares of common stock valued at $28,000 to a consultant for management and marketing services. The stock is being expensed over the terms of the consulting agreements.

On February 12, 2012, the Company issued 50,000 shares of common stock valued at $7,000 to a consultant for management and marketing services. The stock is being expensed over the terms of the consulting agreements.

On February 12, 2012, the Company issued 766,900 shares of common stock valued at $37,866 to two Board Members as Board Compensation. The stock is being expensed as incurred.

On March 15, 2012, the Company issued 200,000 shares of common stock valued at $38,000 to a consultant for management and marketing services. The stock is being expensed over the terms of the consulting agreements.

On April 30, 2012, the Company issued 1,886,792 shares of common stock valued at $207,547 to a company for financing fees in connection with a financing arrangement. The stock is being expensed over the terms of the agreement.

On September 24, 2012, the Company issued 643,100 shares of restricted common stock valued at $50,601 to three Board Members as Board Compensation. The stock is being expensed as incurred.

On September 24, 2012, the Company issued 250,000 shares of restricted common stock valued at $35,000 to an employee as compensation. The stock is being expensed over the term of the employment agreement.

On September 24, 2012, the Company issued 675,000 shares of common stock valued at $48,500 to consultants for management and marketing services. The stock is being expensed over the terms of the consulting agreements.

On October 10, 2012, the Company issued 1,000,000 shares of common stock at $0.021 per share for the reduction of debt.

On October 25, 2012, the Company issued 38,948,345 shares of common stock valued at $1,975,695 for the acquisition of Core Wafer Systems, Inc., a wholly owned subsidiary.

NOTE 6 – STOCKHOLDERS' EQUITY, CONTINUED

On October 26, 2012, the Company issued 1,444,444 shares of common stock valued at $250,000 to a company for financing fees in connection with a financing arrangement. The stock is being expensed over the terms of the agreement.

On November 27, 2012, the Company issued 200,000 shares of common stock valued at $6,000 to a consultant for management and marketing services. The stock is being expensed over the term of the consulting agreement.

On December 31, 2012, the Company issued 666,667 shares of restricted common stock valued at $20,000 to a Board Member as Board Compensation. The stock is being expensed as incurred.

On December 31, 2012, the Company issued 200,000 shares of common stock valued at $6,000 to a consultant for management and marketing services. The stock is being expensed over the term of the consulting agreement.

Stock-Based Compensation – Preferred Stock
On May 30, 2012, the Company issued 654,429 shares of Series B preferred stock valued at $91,620 to its board members as compensation for service to the Board of Directors.

On May 30, 2012, the Company issued 1,500,000 shares of Series B preferred stock valued at $210,000 to its employees as a part of their compensation package.

On May 30, 2012, the Company issued 518,889 shares of Series B preferred stock valued at $72,644 to consultants for legal, marketing and management services.

On May 30, 2012, the Company issued 515,000 shares of Series B preferred stock in connection with the acquisition of Northeast Expedite Logistics, LLC (NEEL).

On June 30, 2012, the Company issued 100,000 shares of Series B preferred stock to its board chairman as compensation for service to the Board of Directors.

On June 30, 2012, the Company issued 100,000 shares of Series B preferred stock valued at $12,000 to a consultant for marketing and management services.

On October 25, 2012, the Company issued 10,486,093 shares of Series B preferred stock valued at 524,305 for the acquisition of Core Wafer Systems, Inc., a wholly owned subsidiary.

On December 31, 2012, the Company issued 200,000 share of Series B preferred stock valued at $12,000 to consultants for marketing and management services.

On December 31, 2012, the Company issued 100,000 shares of Series B preferred stock to its board chairman as compensation for service to the Board of Directors.

On December 31, 2012, the Company issued 100,000 shares of Series B preferred stock valued at $14,000 to a consultant for marketing and management services.

NOTE 7 – RELATED PARTY TRANSACTIONS

On March 26, 2010 the Company's wholly owned subsidiary, Northeast Expedite Logistics, LLC (NEEL) entered into a Promissory Note (Note 3) for various cash advances received from a related party totaling $114,200 with interest at the rate of 20%. The Company is in dispute of the validity of the amounts claimed and therefore; as of December 31, 2012 the Company had not made any payments.

NOTE 7 – RELATED PARTY TRANSACTIONS, CONTINUED

On October 31, 2011, the Company's wholly owned subsidiary, Core Wafer Systems, Inc. (CWS) entered into a Promissory Note (Note 4) for various cash advances and the purchase of certain technologies from a related party totaling $2,866,981 with annual interest at the rate of four percent (4%). As of December 31, 2012, the Company had not made any payments.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Acquisitions

On December 17, 2011, the Company began the acquisition of Core Wafer Systems, Inc. This acquisition became effective October 25, 2012.

Employment agreements

Effective January 1, 2011, the Company entered into an employment agreement with our chief executive officer. This agreement continues until another chief executive officer is appointed by a majority of our Board of Directors, either party terminates in accordance with the provisions of the Agreement, or his death or permanent disability. The agreement calls for a minimum salary of $10,000 per month plus additional cash and stock compensation upon the achievement for various milestones. The Company has not made certain cash payments due under the agreement. As of December 31, $210,000 is owed to the chief executive officer and has been accrued as compensation payable. This agreement also called for the issuance of 2,000,000 fully-vested, restricted shares of the Company's common stock and 1,000,000 shares of the Company's Series B Preferred stock upon execution. To this date, the chief executive officer has not converted any vested shares to common stock, nor executed a sale of common stock as part of his ongoing compensation.

The agreement with our chief financial officer calls for a salary of $10,000 per month. The company has not made certain cash payments due under the agreement and as of December 31, $160,000 is owed to the chief financial officer and has been accrued as compensation payable. To this date, the chief financial officer has not converted any vested shares to common stock, nor executed a sale of common stock as part of ongoing compensation.

Legal Proceedings

During 2009, Ronald Kaplan, a former officer and employee of the company filed a complaint in the Circuit Court for the 9th Judicial Circuit in and for Orange County, Florida against the Company claiming damages exclusive of attorneys' fees and costs, for unpaid wages and personal expenses aggregating $75,479.63. The company believes this claim is without merit and has retained legal counsel to move to have the default judgment vacated.

On November 9, 2009 the court granted a default judgment on behalf of Ronald Kaplan. The company believes this claim is without merit and has retained legal counsel to move to have the default judgment vacated.

On September 28, 2009, Baker, Govern & Baker PA filed a complaint in the Circuit Court for the 9th Judicial Circuit in and for Orange County, Florida against the Company claiming damages, exclusive of attorneys' fees and costs, for breach of contract aggregating $28,562.70. On September 17, 2010 the court granted a default judgment on behalf of Baker, Govern & Baker PA. The company believes this claim is without merit and has retained legal counsel to move to have the default judgment vacated.

In April 2009, we received a demand letter from our former CFO, Robert Burrows, alleging cash and stock compensation due in the amount of approximately $250,000. On July 27, 2010, the court granted a default judgment in the amount of $431,530.39 on behalf of Robert Burrows. The company believes this claim is without merit and has retained legal counsel to move to have the default judgment vacated.

On December 11, 2008, the Company entered into a Settlement Agreement with Magsamen Consulting, LLC a consultant of the Company. Upon execution of the Settlement Agreement the Development Agreement terminated. Pursuant to the Settlement Agreement, the Company agreed to pay $100,000 to Magsamen and upon full payment; the

NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Company and Magsamen will executive general releases. All amounts owed under the Settlement Agreement have been recorded as liabilities and charged to expense as of December 31, 2008. In a bench trial on April, 19, 2010, a Judgment was ordered in the Circuit Court for Baltimore County in and for the State of Maryland against the Company for non-payment of the cash payment and certain expenses as provided for in the Settlement Agreement of December 11, 2008 in the amount of $194,903.31. The Company retained legal counsel to resolve the matter and on November 30, 2011 entered in to an Installment Promissory Note and Confession of Judgment (Note) with Magsamen. As of December 31, 2012, the Company is current with the required payments under the terms of the Note.

In June 2008, Debra Rutledge, Eric Rutledge & Jeanne Moore v. Action Products International, Inc., Action Toys, Inc., Action Healthcare Products, Inc., Curiosity Kits, Inc., Warren Kaplan and Judith Kaplan, Case No. 6:09-cv-1245-Orl-35GJK in the United States Middles District Court, District of Florida, Orlando Division. This is a default judgment in the amount of approximately $1,000,000. Plaintiffs allege a breach by the company of an oral contract and claim damages for failure to pay minimum wages, breach of contract, back pay with benefits and penalties for COBRA and ARRA violations. On June 28, 2008, the Company obtained legal counsel and filed its answer to the complaint however counsel for the Company was later allowed to withdraw and a default judgment was entered on October 7, 2010. In 2011 under the direction of the newly appointed CEO, Gary Polistena, the Company retained legal counsel to defend against the claim and have the judgment vacated. On August 18, 2011, the Plaintiffs were awarded a summary judgment in the amount of $27,167.95 plus attorney's fees in the approximate amount of $366,000. The Company disputes the attorney fees which are believed to be excessive and is preparing to file an appeal.

Operating Leases
The Company entered into month to month rental agreements for office space and does not currently have any operating leases.

Obligation to issue common shares
At December 31, 2012 the Company had no obligations to issue shares of its common stock.

NOTE 9 – INCOME TAXES

The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of events that have been included in its financial statements or tax returns. Deferred income tax liabilities and assets are determined based on the difference between the financial statement and tax bases of liabilities and assets using enacted tax rates in effect for the year in which the differences are expected to reverse.

The Company applies the provisions of FASB, Interpretation No. 48, or FIN 48, "Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement 109." FIN 48 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. The amount recognized is measured as the largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. When applicable, the Company will include interest and penalties related to uncertain tax positions in income tax expense.

At December 31, 2012, the Company had federal net operating loss carry-forwards totaling approximately $15,665,000 which expire in various years through 2028.

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