Harvey Westbury Corp.

QUARTERLY UPDATE – For the period ended September 30, 2012
PURSUANT TO
RULE 15c2-11(a)(5)

Part A. General Company Information

Item 1. Exact name of the issuer and the address of its principal executive officers:

Harvey Westbury Corp.
2001 Route 46, Suite 310
Parsippany, New Jersey 07054
investors@harveywestbury.com
www.harveywestbury.com
201-468-7779
Fax: 973-257-5010

Person responsible for issuer's investor relations:

Harvey Westbury Corp.
2001 Route 46, Suite 310
Parsippany, New Jersey 07054
investors@harveywestbury.com
201-468-7779
Fax: 973- 257-5010
Mr. Eugene Chiaramonte, Jr., President

Item 2. The number of shares or total amount of the securities outstanding as of the end of the issuer's most recent fiscal quarter (September 30, 2012).

Authorized shares of Common Stock: 975,000,000*
Shares issued and outstanding; 64,889,761
Shares in the public float: Approximately 13,806,427
Number of shareholders: Approximately 449
Authorized shares of Preferred Stock: 10,000,000

Series A Preferred Stock: 4 million shares designated; 4 million shares issued and outstanding
Shares in the public float: 0
Number of shareholders: 2

Series B Preferred Stock: 4 million shares designated; 4 million shares issued and outstanding
Shares in the public float: 0
Number of shareholders: 2

*On October 1, 2012, the issuer filed amended and restated articles of incorporation with the Nevada Secretary of State increasing its authorized common stock to 975,000,000 shares.

Item 3. Interim Financial Statements:

The unaudited financial statements for the quarter ended September 30, 2012 are attached at the end of this report and are incorporated herein by reference. Such financial statements are certified by the signing officer of the Company that they present fairly, in all material respects, the financial position, results of operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States, consistently applied.

The financial statements for the quarter ended September 30, 2012 contained immediately following this quarterly report as described above will contain the following financial statements:

1. Consolidated Balance Sheets as of September 30, 2012 and December 31, 2011;

2. Consolidated Statement of Operations for the three and nine months ended September 30, 2012 and 2011;

3. Consolidated Statement of Changes in Stockholders' Equity for the period from January 1, 2011 to September 30, 2012;

4. Consolidated Statements of Cash Flows for the nine months ended September 30, 2012 and 2011;

5. Notes to Financial Statements.

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

The following discussion and analysis should be read in conjunction with Harvey's financial statements and related notes included in this report. This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The statements contained in this report that are not historic in nature, particularly those that utilize terminology such as "may," "will," "should," "expects," "anticipates," "estimates," "believes," or "plans" or comparable terminology are forward-looking statements based on current expectations and assumptions. Various risks and uncertainties could cause actual results to differ materially from those expressed in forward-looking statements.

All forward-looking statements in this document are based on information currently available to Harvey Westbury as of the date of this report, and we assume no obligation to update any forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements.

General

We are a Nevada corporation incorporated on June 8, 2004 that was originally formed as a New York corporation.

On October 25, 1996, we were acquired by The Auxer Group, Inc. and we operated as their subsidiary until January 9, 2003. On January 9, 2003, we were spun off from Auxer by means of a stock dividend to Auxer shareholders.

On November 8, 2004, we changed our domicile from New York to Nevada by means of a merger of Harvey Westbury Corp., a New York corporation with Harvey Westbury Corp., a Nevada corporation. In connection with the change in domicile, the 1,000 shares of the New York corporation were exchanged for 10,000,000 shares of the Nevada corporation.

We are a wholesaler of aftermarket automotive and marine products.

Our executive offices are located at 2001 Route 46, Suite 310, Parsippany, New Jersey 07054. Our website is www.harveywestbury.com

Critical Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, the Company evaluates its estimates, including, but not limited to, those related to bad debts, income taxes and contingencies. The Company bases its 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 value of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments and other short-term investments with an initial maturity of three months or less to be cash equivalents. Any amounts of cash in financial institutions over FDIC insured limits, exposes the Company to cash concentration risk.

Fair Value of Financial Instruments (other than Derivative Financial Instruments)

The carrying amounts reported in the consolidated balance sheet for cash and cash equivalents, and accounts payable approximate fair value because of the immediate or short-term maturity of these financial instruments. For the notes payable, the carrying amount reported is based upon the incremental borrowing rates otherwise available to the Company for similar borrowings.

Revenue Recognition

The Company recognizes revenue for the sales of its products, when persuasive evidence of an arrangement exists and delivery has occurred, provided the fee is fixed or determinable and collection is probable. The Company assesses whether the fee is fixed and determinable based on the payment terms associated with the transaction. If a fee is based upon a variable such as acceptance by the customer, the Company accounts for the fee as not being fixed and determinable. In these cases, the Company defers revenue and recognizes it when it becomes due and payable. The Company assesses the probability of collection based on a number of factors, including past transaction history with the customer and the current financial condition of the customer. If the Company determines that collection of a fee is not reasonably assured, revenue is deferred until the time collection becomes reasonably assured.

Accounts Receivable

The Company intends to conduct business with companies' based on an evaluation of each customer's financial condition, generally without requiring collateral. Exposure to losses on receivables is expected to vary from customer to customer due to the financial condition of each customer. The Company monitors exposure to credit losses and maintains allowances for anticipated losses considered necessary under the circumstances. Management has determined that there is no allowance for doubtful accounts at September 30, 2012. Accounts receivable will generally be due within 30 days and collateral is not required.

The Company has established a reserve for an uncollectible subscription receivable in the amount of $28,197 (See Note 8 to Financial Statements).

The Company has established a reserve for a reclassified deposit receivable in the amount of $26,000, which is currently in dispute pursuant to a breach of agreement on the part of the collateral holder. On July 7, 2010, the company filed a complaint with the Common Wealth of Kentucky, Floyd Circuit court, on behalf of its wholly owned subsidiary, HW Energy, Ltd., for the return of a performance bond deposit pursuant to a lease agreement that resulted in a breach of contract by the leaseholder. Depositions have been served and the case is still in progress. On August 29, 2011, a summary judgment was awarded to the leaseholder. The company has since filed a Notice of Appeal and is waiting to receive a court date.

Income Taxes

Under ASC 740 the liability method is used in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities, and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Uncertainty in Income Taxes

Under ASC 740-10-25 recognition and measurement of uncertain income tax positions is required using a "more-likely-than-not" approach. Management evaluates their tax positions on an annual basis and has determined that as of September 30, 2012 no additional accrual for income taxes is necessary.

Fixed Assets

Fixed assets are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets; equipment - 5 years, and furniture and fixtures - 5 years. When assets are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized. Deduction is made for retirements resulting from renewals or betterments.

As of September 30, 2012, the Company has no fixed assets.

Impairment of Long-Lived Assets

Long-lived assets, primarily fixed assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. The Company does perform a periodic assessment of assets for impairment. For long-lived assets to be held and used, the Company recognizes an impairment loss only if its carrying amount is not recoverable through its undiscounted cash flows and measures the impairment loss based on the difference between the carrying amount and estimated fair value.

Stock-Based Compensation

In 2006, the Company adopted the provisions of ASC 718-10 *"Share Based Payments"*. The adoption of this principle had no effect on the Company's operations.

ASC 718-10 requires recognition of stock-based compensation expense for all share-based payments based on fair value. Prior to January 1, 2006, the Company measured compensation expense for all of its share-based compensation using the intrinsic value method.

The Company has elected to use the modified-prospective approach method. Under that transition method, the calculated expense in 2006 is equivalent to compensation expense for all awards granted prior to, but not yet vested as of January 1, 2006, based on the grant-date fair values. Stock-based compensation expense for all awards granted after January 1, 2006 is based on the grant-date fair values. The Company recognizes these compensation costs, net of an estimated forfeiture rate, on a pro rata basis over the requisite service period of each vesting tranche of each award. The Company considers voluntary termination behavior as well as trends of actual option forfeitures when estimating the forfeiture rate.

The Company measures compensation expense for its non-employee stock-based compensation under ASC 505-50, *"Accounting for Equity Instruments that are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services"*. The fair value of the option issued is used to measure the transaction, as this is more reliable than the fair value of the services received. The fair value is measured at the value of the Company's common stock on the date that the commitment for performance by the counterparty has been reached or the counterparty's performance is complete. The fair value of the equity instrument is charged directly to compensation expense and additional paid-in capital. For common stock issuances to non-employees that are fully vested and are for future periods, the Company classifies these issuances as prepaid expenses and expenses the prepaid expenses over the service period. At no time has the Company issued common stock for a period that exceeds one year.

<u>Inventory</u>

Inventory is valued at the lower of cost (on a first-in, first-out (FIFO) basis) or market. Inventory of $19,198 as of September 30, 2012, consists of predominantly finished goods available for sale.

<u>Beneficial Conversion Features</u>

ASC 470-20 applies to convertible securities with beneficial conversion features that must be settled in stock and to those that give the issuer a choice in settling the obligation in either stock or cash. ASC 470-20 requires that the beneficial conversion feature should be valued at the commitment date as the difference between the conversion price and the fair market value of the common stock into which the security is convertible, multiplied by the number of shares into which the security is convertible. ASC 470-20 further limits this amount to the proceeds allocated to the convertible instrument.

In September 2006, ASC issued 820, *Fair Value Measurements*. ASC 820 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosure about fair value measurements. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007. Early adoption is encouraged. The adoption of ASC 820 is not expected to have a material impact on the financial statements.

In February 2007, ASC issued 825-10, *The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of ASC 320-10*, ("ASC 825-10") which permits entities to choose to measure many financial instruments and certain other items at fair value at specified election dates. A business entity is required to report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. This statement is expected to expand the use of fair value measurement. ASC 825-10 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years.

In December 2007, the ASC issued ASC 810-10-65, *Noncontrolling Interests in Consolidated Financial Statements*. ASC 810-10-65 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, changes in a parent's ownership of a noncontrolling interest, calculation and disclosure of the consolidated net income attributable to the parent and the noncontrolling interest, changes in a parent's ownership interest while the parent retains its controlling financial interest and fair value measurement of any retained noncontrolling equity investment.

ASC 810-10-65 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited. Management is determining the impact that the adoption of ASC 810-10-65 will have on the Company's financial position, results of operations or cash flows.

In December 2007, the Company adopted ASC 805, *Business Combinations* ("ASC 805"). ASC 805 retains the fundamental requirements that the acquisition method of accounting be used for all business combinations and for an acquirer to be identified for each business combination. ASC 805 defines the acquirer as the entity that obtains control of one or more businesses in the business combination and establishes the acquisition date as the date that the acquirer achieves control. ASC 805 will require an entity to record separately from the business combination the direct costs, where previously these costs were included in the total allocated cost of the acquisition. ASC 805 will require an entity to recognize the assets acquired, liabilities assumed, and any non-controlling interest in the acquired at the acquisition date, at their fair values as of that date.

ASC 805 will require an entity to recognize as an asset or liability at fair value for certain contingencies, either contractual or non-contractual, if certain criteria are met. Finally, ASC 805 will require an entity to recognize contingent consideration at the date of acquisition, based on the fair value at that date. This will be effective for business combinations completed on or after the first annual reporting period beginning on or after December 15, 2008. Early adoption is not permitted and the ASC is to be applied prospectively only. Upon adoption of this ASC, there would be no impact to the Company's results of operations and financial condition for acquisitions previously completed. The adoption of ASC 805 is not expected to have a material effect on the Company's financial position, results of operations or cash flows.

In March 2008, ASC issued ASC 815, *Disclosures about Derivative Instruments and Hedging Activities*", ("ASC 815"). ASC 815 requires enhanced disclosures about an entity's derivative and hedging activities. These enhanced disclosures will discuss: how and why an entity uses derivative instruments; how derivative instruments and related hedged items are accounted for and its related interpretations; and how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. ASC 815 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. The Company does not believe that ASC 815 will have an impact on their results of operations or financial position.

In April 2008, ASC issued ASC 350, "Determination of the Useful Life of Intangible Assets". This amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under ASC 350. The guidance is used for determining the useful life of a recognized intangible asset shall be applied prospectively to intangible assets acquired after adoption, and the disclosure requirements shall be applied prospectively to all intangible assets recognized as of, and subsequent to, adoption. The Company does not believe ASC 350 will materially impact their financial position, results of operations or cash flows.

ASC 470-20, "Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)" ("ASC 470-20") requires the issuer of certain convertible debt instruments that may be settled in cash (or other assets) on conversion to separately account for the liability (debt) and equity (conversion option) components of the instrument in a manner that reflects the issuer's non-convertible debt borrowing rate. ASC 470-20 is effective for fiscal years beginning after December 15, 2008 on a retroactive basis. The Company does not believe that the adoption of ASC 470-20 will have a material effect on its financial position, results of operations or cash flows.

ASC 815-40, "Determining Whether an Instrument (or Embedded Feature) Is Indexed to an Entity's Own Stock" ("ASC 815-40"), provides guidance for determining whether an equity-linked financial instrument (or embedded feature) is indexed to an entity's own stock and it applies to any freestanding financial instrument or embedded feature that has all the characteristics of a derivative., ASC 815-40 also applies to any freestanding financial instrument that is potentially settled in an entity's own stock. The Company is determining what impact, if any, ASC 815-40 will have on its financial position, results of operations and cash flows.

ASC 470-20-65, "Transition Guidance for Conforming Changes to, Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios" ("ASC 470-20-65"). ASC 470-20-65 is effective for years ending after December 15, 2008. The overall objective of ASC 470-20-65 is to provide for consistency in application of the standard. The Company has computed and recorded a beneficial conversion feature in connection with certain of their prior financing arrangements and does not believe that ASC 470-20-65 will have a material effect on that accounting.

In May 2009, the FASB published ASC 855, "Subsequent Events" ("ASC 855"). ASC 855 requires the Company to disclose the date through which subsequent events have been evaluated and whether that date is the date the financial statements were issued or the date the financial statements were available to be issued. ASC 855 is effective for financial periods ending after June 15, 2009. Management has evaluated subsequent events through April of 2011, the date the financial statements were issued.

Effective July 1, 2009, the Company adopted FASB ASU No. 2009-05, *Fair Value Measurement and Disclosures (Topic 820)* ("ASU 2009-05"). ASU 2009-05 provided amendments to ASC 820-10, *Fair Value Measurements and Disclosures – Overall*, for the fair value measurement of liabilities. ASU 2009-05 provides clarification that in circumstances in which a quoted market price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using certain techniques. ASU 2009-05 also clarifies that when estimating the fair value of a liability, a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of a liability. ASU 2009-05 also clarifies that both a quoted price in an active market for the identical liability at the measurement date and the quoted price for the identical liability when traded as an asset in an active market when no adjustments to the quoted price of the asset are required for Level 1 fair value measurements. Adoption of ASU 2009-05 did not have a material impact on the Company's results of operations or financial condition.

In January 2010, the Company adopted FASB ASU No. 2010-06, *Fair Value Measurement and Disclosures (Topic 820)- Improving Disclosures about Fair Value Measurements* ("ASU 2010-06"). These standards require new disclosures on the amount and reason for transfers in and out of Level 1 and 2 fair value measurements. The standards also require new disclosures of activities, including purchases, sales, issuances, and settlements within the Level 3 fair value measurements. The standard also clarifies existing disclosure requirements on levels of disaggregation and disclosures about inputs and valuation techniques. These new disclosures are effective beginning with the first interim filing in 2010. The disclosures about the rollforward of information in Level 3 are required for the Company with its first interim filing in 2011. The Company does not believe this standard will impact their financial statements.

Other ASU's that have been issued or proposed by the FASB ASC that do not require adoption until a future date and are not expected to have a material impact on the financial statements upon adoption.

Results of Operations

Comparison of the three months ended September 30, 2012 and 2011

Sales. Our sales decreased to $14,650 for the three months ended September 30, 2012, or approximately 33.9% as compared to $22,167 for the three months ended September 30, 2011. Our decrease in sales was due to decreased demand for our products in the three months ended September 30, 2012.

Costs of Goods Sold. Costs of goods sold decreased to $12,287, or approximately 20.2% for the three months ended September 30, 2012 from $15,403 for the three months ended September 30, 2011. Our decrease in costs of goods sold is due to our decreased level of sales in the three months ended September 30, 2012 versus the comparable period in 2011.

Salaries. Salaries decreased to $30,000 for the three months ended September 30, 2012 from $34,500 for the three months ended September 30, 2011. The reduction results from the decrease in part-time employees in the three months ended September 30, 2012

General, and administrative. General and administrative expenses increased to $27,699, or approximately 13.7% for the three months ended September 30, 2012, from $24,355 for the three months ended September 30, 2011. The decrease was primarily due to decreased professional fees.

Net loss. We incurred a net loss of $69,618 for the three months ended September 30, 2012, compared to a net loss of $68,547 for the three months ended September 30, 2011. The decrease in net loss is primarily attributable to our decrease in sales and increase in interest expense in the three months ended September 30, 2012 as well as the gain on debt settlement in 2011 for which there was no corresponding gain in the comparable period in 2012.

Comparison of the nine months ended September 30, 2012 and 2011

Sales. Our sales decreased to $95,938 for the nine months ended September 30, 2012, or approximately 3.9% as compared to $99,802 for the nine months ended September 30, 2011. Our decrease in sales was due to decreased demand for our products in the nine months ended September 30, 2012.

Costs of Goods Sold. Costs of goods sold increased to $66,829, or approximately 2.2% for the nine months ended September 30, 2012 from $65,362 for the nine months ended September 30, 2011.

Salaries. Salaries decreased to $90,000 for the nine months ended September 30, 2012 from $103,500 for the nine months ended September 30, 2011. The reduction results from the decrease in part-time employees in the nine months ended September 30, 2012

General, and administrative. General and administrative expenses increased to $112,949, or approximately 42.7% for the nine months ended September 30, 2012, from $79,128 for the nine months ended September 30, 2011. The increase was primarily due to increased professional fees.

Net loss. We incurred a net loss of $241,122 for the nine months ended September 30, 2012, compared to a net loss of $200,217 for the nine months ended September 30, 2011. The increase in net loss is primarily attributable to our increases of $108,725 and $33,821 in interest expense and general and administrative expenses, respectively, which amounts were offset by the net gain on debt settlement of $66,832 in the nine months ended 2012.

Liquidity and Capital Resources

We financed our operations, through cash flows generated from operations and through issuance of debt and equity securities. We had cash of $1,458 and our working capital deficit was $1,806,239 at September 30, 2012 as compared to cash of $12,973 and a working capital deficit of $1,852,424 at December 31, 2011.

Net cash provided by operating activities for the nine months ended September 30, 2012 was $83,625 resulting mainly from our net loss $241,122, and increases of $2,202, and $546 other current assets and inventory, respectively. These amounts were offset by $65,733 on discount from debt issuances, $50,000 in discounts applied issuance of securities, $50,387 in amortization of debt discounts, $76,574 of stock issued for debt, and $45,000 of stock issued for services, $2,761 of decrease in accounts receivable and $37,040 in increase of accounts payable. By comparison, net cash used in operating activities for the nine months ended September 30, 2011 was $16,534 primarily from our net loss of $200,217, and an increase of $5,987 and $569 in accounts receivable and inventory, respectively, which was offset by $15,000 on discount from debt issuance, $4,597 of amortization lf debt discounts, $15,000 of stock issued for debt, decreases of $22,526 in other current assets and $133,116 of increase in accounts payable and accrued expenses.

Net cash flows used in financing activities was $95,140 for the nine months ended September 30, 2012 as compared to net cash flows provided by financing activities of 19,683 for the nine months ended September 30, 2012. Our cash used in financing activities for the nine months ended September 30, 2012 consisted of $50,000 in proceeds from the sale of securities, which amounts were offset by accrual of $145,140 in interest and principal of notes payable.

Capital Requirements

Our ability to achieve profitability is dependent on several factors, including but not limited to, our ability to: generate liquidity from operations and satisfy our ongoing operating costs on a timely basis. We still need additional investments in order to continue operations to cash flow break even. Additional investments are being sought, but we cannot guarantee that we will be able to obtain such investments. Financing transactions may include the issuance of equity or debt securities, obtaining credit facilities, or other financing mechanisms. However, the trading price of our common stock and conditions in the U.S. stock and debt markets make it more difficult to obtain financing through the issuance of equity or debt securities. Even if we are able to raise the funds required, it is possible that we could incur unexpected costs and expenses, fail to collect significant amounts owed to us, or experience unexpected cash requirements that would force us to seek alternative financing. Further, if we issue additional equity or debt securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our common stock. If we are unable to raise capital as needed to fund our operating expenses and pay our obligations as they become due, our ability to continue as a going concern is in jeopardy. In that event, our growth plans would be scaled back and we could be forced to cease some or all of our existing operations. If we were forced to cease operations, you would lose your entire investment in our company.

Item 5. Legal Proceedings.

On February 12, 2010, the issuer's President received a Complaint and Summons filed in the Superior Court of New Jersey, Bergen County. The issuer's President was sued for breach of a guaranty related to a line of credit issued to us. On May 21, 2010, the issuer's President filed his Answer to the Complaint and Summons with the Superior Court of New Jersey, Bergen County. On October 1, 2010, a judgment was ruled in favor of the plaintiff. The issuer is seeking to negotiate a settlement on his behalf and will indemnify any personal losses incurred. It is management's position that this debt should remain a corporate liability and will assume all responsibility until the matter is complete.

On July 7, 2010, the issuer's wholly-owned subsidiary, HW Energy, Ltd., filed a complaint against Charles Gary McCoy et al, with the Common Wealth of Kentucky, Floyd Circuit court, for the return of a $28,000 performance bond originally deposited by plaintiff pursuant to a lease agreement between H.W. Energy Ltd. and Charles McCoy et al. On August 29, 2011, a summary judgment was awarded to the leaseholder/defendant allowing them to retain the $28,000 performance bond under the terms of the original lease and also awarded leaseholder/defendant attorneys fees, court costs and expenses. On October 7, 2011, HW Energy Ltd. appealed the summary judgment ruling in favor of the leaseholder/defendant.

Item 6. Defaults Upon Senior Securities.

The issuer is currently in default under the terms of a 10% convertible promissory note issued on September 16, 2005 in the aggregate principal amount of $80,000. The note was due and payable on September 16, 2006. The accrued interest as of September 30, 2012 was $52,607. In addition, the issuer was obligated to register the underlying shares of common stock. The shares were never registered and the issuer has recorded an accrual for the penalties associated with the failure to file timely, which accrual was $128,800 as of September 30, 2012.

The issuer is currently in default on a line of credit with an inventory financing company as of September 30 2012. On October 1, 2010, a judgment in the amount of $23,304 was awarded against the President of the issuer pursuant to a complaint and summons filed in Superior Court of New Jersey, Bergen County on February 12, 2010, for non-payment of a loan with Harvey Westbury Corp., in which he had provided a personal guaranty upon origination of said liability. The issuer is seeking to negotiate a settlement on his behalf and will indemnify any personal losses incurred. It is management's position that this debt should remain a corporate liability and will assume all responsibility until the matter is complete.

The issuer is currently in default on a $10,000 convertible promissory note bearing interest at an annual interest rate of eight percent (8%). The note is convertible into shares of the Company's common stock at a conversion price of forty percent (40%) of the average of the three (3) lowest per share market value during the ten (10) trading days immediately preceding a conversion date. The note was due and payable on March 22, 2012. The company is currently negotiating with the lender to satisfy the obligation.

Item 7. Other Information.

See our Supplemental Information Report filed with the OTC Markets on October 15, 2012.

On October 15, 2012, we entered into agreements with three third party investors where the existing principal of $70,000 under three separate promissory notes were exchanged for seventy million shares of the Company's common stock. The issuance was exempt pursuant to Section 3(a)(9) of the Securities Act as well as Section 4(2) of the Securities Act.

On October 15, 2012, we entered into an agreement with a third party investor where the existing principal of $178,363 and accrued interest under a promissory note were exchanged for a new demand note with an aggregate principal amount of $171,363 and seven million shares of the Company's common stock. The note bears interest at an annual rate of two and one-quarter percent (2.25%). The issuance was exempt pursuant to Section 3(a)(9) of the Securities Act as well as Section 4(2) of the Securities Act.

Item 8. Exhibits.

All exhibits required under Items 18 and XIX of Section One have already been attached in prior disclosure statements filed with the OTC Disclosure and News Service.

Item 9. Certifications.

I, Eugene Chiaramonte, Jr., certify that:

1. I have reviewed this Quarterly Update for the period ended September 30, 2012 for Harvey Westbury Corp.;

2. To the best of 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 statement made, in light of the circumstances under which such statement 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.

November 14, 2012

/s/ Eugene Chiaramonte, Jr.
Eugene Chiaramonte, Jr., President

HARVEY WESTBURY CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	September 30, 2012	December 31, 2011
ASSETS		
CURRENT ASSETS		
Cash	$ 1,458	$ 12,973
Accounts receivable	1,181	3,942
Inventory	19,168	18,622
Other current assets	3,090	888
Total current assets	24,897	36,425
TOTAL ASSETS	$ 24,897	$ 36,425
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 1,204,712	$ 1,167,672
Convertible debenture, net	137,745	87,358
Notes payable - other	321,667	462,053
Loan payable - related party	167,012	171,766
Total current liabilities	1,831,136	1,888,849
TOTAL LIABILITIES	1,831,136	1,888,849
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred stock, $0.001 par value, 2,000,000 shares authorized, 0 shares issued and outstanding	-	-
Preferred stock, Series A, no par value, 4,000,000 shares authorized, 4.0 million shares issued and outstanding	-	-
Preferred stock, Series B, no par value, 4,000,000 shares authorized, 4.0 million shares issued and outstanding	-	-
Common stock, $0.0001 par value, 975,000,000 shares authorized, 64,889,761 shares issued and outstanding	6,489	5,369
Additional paid in capital	2,015,481	1,729,294
Accumulated deficit	(3,828,209)	(3,587,087)
Total stockholders' equity (deficit)	(1,806,239)	(1,852,424)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 24,897	$ 36,425

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

HARVEY WESTBURY CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the three months ended September 30, 2012	For the three months ended September 30, 2011	For the nine months ended September 30, 2012	For the nine months ended September 30, 2011
SALES	$ 14,650	$ 22,167	$ 95,938	$ 99,802
COST OF GOODS SOLD	12,287	15,403	66,829	65,362
GROSS PROFIT	2,363	6,764	29,109	34,440
OPERATING EXPENSES				
Salaries	30,000	34,500	90,000	103,500
General and administrative	27,699	24,355	112,949	79,128
Total operating expenses	57,699	58,855	202,949	182,628
NON-OPERATING EXPENSES				
Loss on debt issuance	-	-	-	15,000
Gain on debt settlement	-	5,820	(72,652)	5,820
Interest expense, net of interest income	14,282	10,636	139,934	31,209
Total non-operating expenses	14,282	16,456	67,282	52,029
NET (LOSS)	$ (69,618)	$ (68,547)	$ (241,122)	$ (200,217)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	64,889,761	45,189,761	63,073,761	44,478,082
NET (LOSS) PER SHARE	$ (0.0011)	$ (0.0015)	$ (0.0038)	$ (0.0045)

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

HARVEY WESTBURY CORP.
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2012 AND THE YEAR ENDED DECEMBER 31, 2011
(Unaudited)

	Preferred Stock		Common Stock		Additional	Accumulated	
	Shares	Amount	Shares	Amount	Paid-In Capital	Deficit	Total
Balance - January 1, 2011	8,000,000	$ -	30,189,761	$ 3,019	$ 1,617,644	$ (3,249,652)	$ (1,628,989)
Common shares issued for wages payable	-	-	7,500,000	750	14,250	-	15,000
Common shares issued for notes payable	-	-	7,500,000	750	14,250	-	15,000
Common shares sold under Reg. D	-	-	7,000,000	700	55,300	-	56,000
Common shares for services	-	-	1,500,000	150	17,850	-	18,000
Beneficial conversion disount features	-	-	-	-	10,000	-	10,000
Net loss for the year ending December 31, 2011	-	-	-	-	-	(337,435)	(337,435)
Balance - January 1, 2012	8,000,000	$ -	53,689,761	$ 5,369	$ 1,729,294	$ (3,587,087)	$ (1,852,424)
Common shares issued for notes payable	-	-	3,200,000	320	91,254	-	91,574
Common shares sold under Reg. D	-	-	5,000,000	500	99,500	-	100,000
Common shares for services	-	-	3,000,000	300	44,700	-	45,000
Beneficial conversion disount features	-	-	-	-	50,733	-	50,733
Net loss for the period ending September 30, 2012	-	-	-	-	-	(241,122)	(241,122)
Balance - September 30, 2012	8,000,000	$ -	64,889,761	$ 6,489	$ 2,015,481	$ (3,828,209)	$ (1,806,239)

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

HARVEY WESTBURY CORP.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012 AND 2011

(Unaudited)

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss)	$ (241,122)	$ (200,217)
Adjustments to reconcile net (loss)		
to net cash used in operating activities:		
Initial discounts applied from debt issuance	65,733	15,000
Discounts applied on sale of securities	50,000	
Amortization of debt discounts, net	50,387	4,597
Stock issued for services	45,000	
Stock issued for debt	76,574	15,000
Change in assets and liabilities		
(Increase) decrease in accounts receivable	2,761	(5,987)
(Increase) decrease in inventory	(546)	(569)
(Increase) decrease in other current assets	(2,202)	22,526
Increase (decrease) in accounts payable and accrued expenses	37,040	133,116
Total adjustments	324,747	183,683
Net cash (used in) operating activities	83,625	(16,534)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from sale of securities	50,000	
Net proceeds and accrued interest (payments) from note payable - related party	(4,754)	(3,683)
Net Proceeds received from convertible debenture	-	10,000
Net Proceeds received from note payable - other	(140,386)	13,366
Net cash provided by financing activities	(95,140)	19,683
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,515)	3,149
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	12,973	894
CASH AND CASH EQUIVALENTS - END OF PERIOD	$ 1,458	$ 4,043
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 1,269	$ 9,094
NON-CASH SUPPLEMENTAL INFORMATION:		
Stock issued for accrued expenses and accrued wages	$ 24,162	$ 15,000

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

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION

Nature of Operations

Harvey Westbury Corp., (the "Company") is a Nevada Corporation with offices in Parsippany, New Jersey, that distributes various automotive, marine and aviation products.

Company Reorganization

On October 25, 1996, the Company was acquired by the Auxer Group, Inc. (formerly known as Auxer Industries, Inc.) as a subsidiary until January 9, 2003 when the Company was spun-off in exchange for 1,000 shares of the Company's common stock and the transfer of certain liabilities to the Company.

On October 5, 2004, the Company was reorganized into a Nevada Corporation and recapitalized the Company through an exchange of 1,000 shares of common stock of the Company for 10,000,000 shares of common stock of the Nevada Corporation. The shares outstanding and all other references to shares of common stock reported have been restated to give effect to the reorganization.

Effective July 1, 2009, the Company adopted the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 105-10, Generally Accepted Accounting Principles – Overall ("ASC 105-10"). ASC 105-10 establishes the FASB Accounting Standards Codification (the "Codification") as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. GAAP. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of authoritative U.S. GAAP for SEC registrants. All guidance contained in the Codification carries an equal level of authority. The Codification superseded all existing non-SEC accounting and reporting standards. All other non-grandfathered, non-SEC accounting literature not included in the Codification is non-authoritative. The FASB will not issue new standards in the form of Statements, FASB Positions or Emerging Issue Task Force Abstracts. Instead, it will issue Accounting Standards Updates ("ASUs").

The FASB will not consider ASUs as authoritative in their own right. ASUs will serve only to update the Codification, provide background information about the guidance and provide the bases for conclusions on the change(s) in the Codification. References made to FASB guidance throughout this document have been updated for the Codification.

Going Concern

As shown in the accompanying consolidated financial statements the Company has incurred recurring losses of $241,122 and $337,435 for the nine months ended September 30, 2012 and the twelve months ended December 31, 2011 respectively. In addition, the Company has a working capital deficit in the amount of $1,806,239 as of September 30, 2012. The Company has continued to incur losses and has significant current liabilities and is considered to be in default of certain debt obligations.

NOTE 1 - <u>ORGANIZATION AND BASIS OF PRESENTATION</u> (CONTINUED)

There is no guarantee that the Company will be able to raise enough capital or generate increased revenues to sustain its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period. Management believes that the Company's capital requirements will depend on many factors.

In the near term, the Company plans to seek quotation of its common stock on the OTC Bulletin Board to gain liquidity and notice. The Company will continue to pursue traditional forms of financing. The Company's ability to continue as a going concern for a reasonable period is dependent upon management's ability to raise additional interim capital and, ultimately, achieve profitable operations. There can be no assurance that management will be able to raise sufficient capital, under terms satisfactory to the Company, if at all.

The consolidated financial statements do not include any adjustments relating to the carrying amounts of recorded assets or the carrying amounts and classification of recorded liabilities that may be required should the Company be unable to continue as a going concern.

NOTE 2 - <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u>

<u>Principles of Consolidation</u>

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

<u>Use of Estimates</u>

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, the Company evaluates its estimates, including, but not limited to, those related to bad debts, income taxes and contingencies. The Company bases its 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 value of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

<u>Cash and Cash Equivalents</u>

The Company considers all highly liquid debt instruments and other short-term investments with an initial maturity of three months or less to be cash equivalents. Any amounts of cash in financial institutions over FDIC insured limits, exposes the Company to cash concentration risk.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (other than Derivative Financial Instruments)

The carrying amounts reported in the consolidated balance sheet for cash and cash equivalents, and accounts payable approximate fair value because of the immediate or short-term maturity of these financial instruments. For the notes payable, the carrying amount reported is based upon the incremental borrowing rates otherwise available to the Company for similar borrowings.

Revenue Recognition

The Company recognizes revenue for the sales of its products, when persuasive evidence of an arrangement exists and delivery has occurred, provided the fee is fixed or determinable and collection is probable. The Company assesses whether the fee is fixed and determinable based on the payment terms associated with the transaction. If a fee is based upon a variable such as acceptance by the customer, the Company accounts for the fee as not being fixed and determinable. In these cases, the Company defers revenue and recognizes it when it becomes due and payable. The Company assesses the probability of collection based on a number of factors, including past transaction history with the customer and the current financial condition of the customer. If the Company determines that collection of a fee is not reasonably assured, revenue is deferred until the time collection becomes reasonably assured.

Accounts Receivable

The Company intends to conduct business with companies' based on an evaluation of each customer's financial condition, generally without requiring collateral. Exposure to losses on receivables is expected to vary from customer to customer due to the financial condition of each customer. The Company monitors exposure to credit losses and maintains allowances for anticipated losses considered necessary under the circumstances. Management has determined that there is no allowance for doubtful accounts at September 30, 2012.

Accounts receivable will generally be due within 30 days and collateral is not required.

The Company has established a reserve for an uncollectible subscription receivable in the amount of $28,197, which is included in the Company's equity section.

The Company has established a reserve for a reclassified deposit receivable in the amount of $26,000, which is currently in dispute pursuant to a breach of agreement on the part of the collateral holder. On July 7, 2010, the company filed a complaint with the Common Wealth of Kentucky, Floyd Circuit court, on behalf of its wholly owned subsidiary, HW Energy, Ltd., for the return of a performance bond deposit pursuant to a lease agreement that resulted in a breach of contract by the leaseholder. Depositions have been served and the case is still in progress. On August 29, 2011, a summary judgment was awarded to the leaseholder. The company has since filed a Notice of Appeal and is waiting to receive a court date.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Under ASC 740 the liability method is used in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities, and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Uncertainty in Income Taxes

Under ASC 740-10-25 recognition and measurement of uncertain income tax positions is required using a "more-likely-than-not" approach. Management evaluates their tax positions on an annual basis and has determined that as of September 30, 2012 no additional accrual for income taxes is necessary.

Fixed Assets

Fixed assets are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets; equipment - 5 years, and furniture and fixtures - 5 years. When assets are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized. Deduction is made for retirements resulting from renewals or betterments.

As of September 30, 2012, the Company has no fixed assets.

Impairment of Long-Lived Assets

Long-lived assets, primarily fixed assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. The Company does perform a periodic assessment of assets for impairment. For long-lived assets to be held and used, the Company recognizes an impairment loss only if its carrying amount is not recoverable through its undiscounted cash flows and measures the impairment loss based on the difference between the carrying amount and estimated fair value.

Stock-Based Compensation

In 2006, the Company adopted the provisions of ASC 718-10 *"Share Based Payments"*. The adoption of this principle had no effect on the Company's operations.

ASC 718-10 requires recognition of stock-based compensation expense for all share-based payments based on fair value. Prior to January 1, 2006, the Company measured compensation expense for all of its share-based compensation using the intrinsic value method.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company has elected to use the modified-prospective approach method. Under that transition method, the calculated expense in 2006 is equivalent to compensation expense for all awards granted prior to, but not yet vested as of January 1, 2006, based on the grant-date fair values. Stock-based compensation expense for all awards granted after January 1, 2006 is based on the grant-date fair values. The Company recognizes these compensation costs, net of an estimated forfeiture rate, on a pro rata basis over the requisite service period of each vesting tranche of each award. The Company considers voluntary termination behavior as well as trends of actual option forfeitures when estimating the forfeiture rate.

The Company measures compensation expense for its non-employee stock-based compensation under ASC 505-50, *"Accounting for Equity Instruments that are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services".* The fair value of the option issued is used to measure the transaction, as this is more reliable than the fair value of the services received. The fair value is measured at the value of the Company's common stock on the date that the commitment for performance by the counterparty has been reached or the counterparty's performance is complete. The fair value of the equity instrument is charged directly to compensation expense and additional paid-in capital. For common stock issuances to non-employees that are fully vested and are for future periods, the Company classifies these issuances as prepaid expenses and expenses the prepaid expenses over the service period. At no time has the Company issued common stock for a period that exceeds one year.

Inventory

Inventory is valued at the lower of cost (on a first-in, first-out (FIFO) basis) or market. Inventory of $19,168 as of September 30, 2012, consists of predominantly finished goods available for sale.

Beneficial Conversion Features

ASC 470-20 applies to convertible securities with beneficial conversion features that must be settled in stock and to those that give the issuer a choice in settling the obligation in either stock or cash. ASC 470-20 requires that the beneficial conversion feature should be valued at the commitment date as the difference between the conversion price and the fair market value of the common stock into which the security is convertible, multiplied by the number of shares into which the security is convertible. ASC 470-20 further limits this amount to the proceeds allocated to the convertible instrument.

Recent Accounting Pronouncements

In September 2006, ASC issued 820, *Fair Value Measurements*. ASC 820 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosure about fair value measurements. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007. Early adoption is encouraged. The adoption of ASC 820 is not expected to have a material impact on the financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In February 2007, ASC issued 825-10, *The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of ASC 320-10*, ("ASC 825-10") which permits entities to choose to measure many financial instruments and certain other items at fair value at specified election dates. A business entity is required to report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. This statement is expected to expand the use of fair value measurement. ASC 825-10 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years.

In December 2007, the ASC issued ASC 810-10-65, *Noncontrolling Interests in Consolidated Financial Statements*. ASC 810-10-65 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, changes in a parent's ownership of a noncontrolling interest, calculation and disclosure of the consolidated net income attributable to the parent and the noncontrolling interest, changes in a parent's ownership interest while the parent retains its controlling financial interest and fair value measurement of any retained noncontrolling equity investment.

ASC 810-10-65 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited. Management is determining the impact that the adoption of ASC 810-10-65 will have on the Company's financial position, results of operations or cash flows.

In December 2007, the Company adopted ASC 805, *Business Combinations* ("ASC 805"). ASC 805 retains the fundamental requirements that the acquisition method of accounting be used for all business combinations and for an acquirer to be identified for each business combination. ASC 805 defines the acquirer as the entity that obtains control of one or more businesses in the business combination and establishes the acquisition date as the date that the acquirer achieves control. ASC 805 will require an entity to record separately from the business combination the direct costs, where previously these costs were included in the total allocated cost of the acquisition. ASC 805 will require an entity to recognize the assets acquired, liabilities assumed, and any non-controlling interest in the acquired at the acquisition date, at their fair values as of that date.

ASC 805 will require an entity to recognize as an asset or liability at fair value for certain contingencies, either contractual or non-contractual, if certain criteria are met. Finally, ASC 805 will require an entity to recognize contingent consideration at the date of acquisition, based on the fair value at that date. This will be effective for business combinations completed on or after the first annual reporting period beginning on or after December 15, 2008. Early adoption is not permitted and the ASC is to be applied prospectively only. Upon adoption of this ASC, there would be no impact to the Company's results of operations and financial condition for acquisitions previously completed. The adoption of ASC 805 is not expected to have a material effect on the Company's financial position, results of operations or cash flows.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

In March 2008, ASC issued ASC 815, *Disclosures about Derivative Instruments and Hedging Activities*", ("ASC 815"). ASC 815 requires enhanced disclosures about an entity's derivative and hedging activities. These enhanced disclosures will discuss: how and why an entity uses derivative instruments; how derivative instruments and related hedged items are accounted for and its related interpretations; and how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. ASC 815 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. The Company does not believe that ASC 815 will have an impact on their results of operations or financial position.

In April 2008, ASC issued ASC 350, "Determination of the Useful Life of Intangible Assets". This amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under ASC 350. The guidance is used for determining the useful life of a recognized intangible asset shall be applied prospectively to intangible assets acquired after adoption, and the disclosure requirements shall be applied prospectively to all intangible assets recognized as of, and subsequent to, adoption. The Company does not believe ASC 350 will materially impact their financial position, results of operations or cash flows.

ASC 470-20, "Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)" ("ASC 470-20") requires the issuer of certain convertible debt instruments that may be settled in cash (or other assets) on conversion to separately account for the liability (debt) and equity (conversion option) components of the instrument in a manner that reflects the issuer's non-convertible debt borrowing rate. ASC 470-20 is effective for fiscal years beginning after December 15, 2008 on a retroactive basis. The Company does not believe that the adoption of ASC 470-20 will have a material effect on its financial position, results of operations or cash flows.

ASC 815-40, "Determining Whether an Instrument (or Embedded Feature) Is Indexed to an Entity's Own Stock" ("ASC 815-40"), provides guidance for determining whether an equity-linked financial instrument (or embedded feature) is indexed to an entity's own stock and it applies to any freestanding financial instrument or embedded feature that has all the characteristics of a derivative., ASC 815-40 also applies to any freestanding financial instrument that is potentially settled in an entity's own stock. The Company is determining what impact, if any, ASC 815-40 will have on its financial position, results of operations and cash flows.

ASC 470-20-65, "Transition Guidance for Conforming Changes to, Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios" ("ASC 470-20-65"). ASC 470-20-65 is effective for years ending after December 15, 2008. The overall objective of ASC 470-20-65 is to provide for consistency in application of the standard. The Company has computed and recorded a beneficial conversion feature in connection with certain of their prior financing arrangements and does not believe that ASC 470-20-65 will have a material effect on that accounting.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

In May 2009, the FASB published ASC 855, “Subsequent Events” (“ASC 855”). ASC 855 requires the Company to disclose the date through which subsequent events have been evaluated and whether that date is the date the financial statements were issued or the date the financial statements were available to be issued. ASC 855 is effective for financial periods ending after June 15, 2009. Management has evaluated subsequent events through August of 2012, the date the financial statements were issued.

Effective July 1, 2009, the Company adopted FASB ASU No. 2009-05, *Fair Value Measurement and Disclosures (Topic 820)* (“ASU 2009-05”). ASU 2009-05 provided amendments to ASC 820-10, *Fair Value Measurements and Disclosures – Overall*, for the fair value measurement of liabilities. ASU 2009-05 provides clarification that in circumstances in which a quoted market price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using certain techniques. ASU 2009-05 also clarifies that when estimating the fair value of a liability, a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of a liability. ASU 2009-05 also clarifies that both a quoted price in an active market for the identical liability at the measurement date and the quoted price for the identical liability when traded as an asset in an active market when no adjustments to the quoted price of the asset are required for Level 1 fair value measurements. Adoption of ASU 2009-05 did not have a material impact on the Company’s results of operations or financial condition.

In January 2010, the Company adopted FASB ASU No. 2010-06, *Fair Value Measurement and Disclosures (Topic 820)- Improving Disclosures about Fair Value Measurements* (“ASU 2010-06”). These standards require new disclosures on the amount and reason for transfers in and out of Level 1 and 2 fair value measurements. The standards also require new disclosures of activities, including purchases, sales, issuances, and settlements within the Level 3 fair value measurements. The standard also clarifies existing disclosure requirements on levels of disaggregation and disclosures about inputs and valuation techniques. These new disclosures are effective beginning with the first interim filing in 2010. The disclosures about the rollforward of information in Level 3 are required for the Company with its first interim filing in 2011. The Company does not believe this standard will impact their financial statements.

Other ASU’s that have been issued or proposed by the FASB ASC that do not require adoption until a future date and are not expected to have a material impact on the financial statements upon adoption.

NOTE 3 - FIXED ASSETS

The company’s fixed assets consist of nominal desktop items since most of the office fixtures and equipment are provided by their leaseholder.

The company also retains a limited amount of packaging equipment in order to fulfill certain products from their Easy-Test brand line.

As of September 30, 2012, all office and warehouse items have since been depreciated in value and are no longer listed as assets on the company's balance sheet.

NOTE 4 - CONVERTIBLE DEBT

The Company on September 16, 2005, entered into a convertible debenture for $80,000. The debenture was due and payable in twelve months at 10% interest per annum. The debenture is convertible at the option of the holder at any time, at a fixed conversion price of common stock equal to 70% of the volume weighted average price for the prior ten days. The Company has accrued interest for this debenture, which as of September 30, 2012 amounts to $56,772. In addition, the Company was obligated to fully register the underlying shares of this debenture with at the time an SB-2 filing. The shares were never registered and thus the Company has recorded an accrual for the penalties associated with the failure to timely file and registers the shares. As of September 30, 2012, this accrual amounted to $128,800. The Company has not been notified by the holder of the debenture of a default, and has tried unsuccessfully to locate the holder. The Company has included this liability in their consolidated balance sheets and will closely monitor this situation.

On March 22, 2011, the Company entered into a purchase agreement with an unrelated third party where the Company issued a $10,000 convertible promissory note for a purchase price of $10,000. The note is due March 22, 2012 and bears interest at an annual interest rate of eight percent (8%). The note is convertible into shares of the Company's common stock at a conversion price of forty percent (40%) of the average of the three (3) lowest per share market value during the ten (10) trading days immediately preceding a conversion date. As of September 30, 2012, the company is currently in default of this obligation while the creditor exercises periodic conversion notices pursuant to the terms stated above to reduce the debt.

In accordance with ASC 470-20, the Company recognized an imbedded beneficial conversion feature present in this note. The Company allocated a portion of the proceeds equal to the intrinsic value of that feature to additional paid in capital. The Company recognized and measured $10,000 of the proceeds, which is equal to the intrinsic value of the imbedded beneficial conversion feature, to additional paid in capital and a discount against the note. The debt discount attributed to the beneficial conversion feature will be amortized over the note's maturity period as interest expense.

On January 30, 2012, the Company entered into a purchase agreement with an unrelated third party where the Company issued a $50,733 convertible promissory note to compensate for unpaid services. The note is due October 31, 2012 and bears interest at an annual interest rate of ten percent (10%). The note is convertible into shares of the Company's common stock at a fixed price of $.01 per share.

In accordance with ASC 470-20, the Company recognized an imbedded beneficial conversion feature present in this note. The Company allocated a portion of the proceeds equal to the intrinsic value of that feature to additional paid in capital. The Company recognized and measured $50,733 of the proceeds, which is equal to the intrinsic value of the imbedded beneficial conversion feature, to additional paid in capital and a discount against the note. The debt discount attributed to the beneficial conversion feature will be amortized over the note's maturity period as interest expense.

NOTE 5 - NOTES PAYABLE – OTHER

On January 13, 2012, the Company entered into an Exchange Agreement where a prior 2.25% demand promissory note purchased on August 15, 2008 for an aggregate amount of $300,000; with accrued and unpaid interest of $23,363 was exchanged for 3.0 million shares of common stock and a new promissory note in the aggregate amount of $248,363. The company expensed a discount amount of $15,000, which was the difference in market value of the shares issued pursuant to the transaction. As of September 30, 2012, accrued interest on the new note amounts to $4,051.

The Company also has entered into several lines of credit with banks and other financing companies for working capital and inventory financing purposes. The line of credit with a bank was at the maximum level of $110,000 at December 31, 2009, and in February 2010 was renegotiated into a term loan. The Company has a fixed monthly payment of $1,528 plus interest that accrues at a rate of 9.75%. On June 7, 2012, the company entered into a settlement agreement with the bank to satisfy this obligation for $15,000. As a result, the company posted a $72,652 credit towards expenses.

The Company is currently in default on a line of credit with an inventory financing company as of September 30, 2012. On October 1, 2010, a judgment in the amount of $23,304 was awarded against the President of the company pursuant to a complaint and summons filed in Superior Court of New Jersey, Bergen County on February 12, 2010, for non-payment of a loan with Harvey Westbury Corp., in which he had provided a personal guaranty upon origination of said liability. The company is seeking to negotiate a settlement on his behalf and will indemnify any personal losses incurred. It is management’s position that this debt should remain a corporate liability and will assume all responsibility until the matter is complete.

On March 29, 2011, the Company entered into a purchase agreement with an unrelated third party where the Company issued a $25,000 promissory note for a purchase price of $10,000. The note is due on demand and bears interest at an annual interest rate of five percent (5%). The discounted purchase price was expensed to the company.

On October 18, 2011, the Company entered into a purchase agreement with an unrelated third party where the Company issued a $25,000 promissory note for a purchase price of $25,000; along with 4.0 million shares of restricted common stock. The note is due October 18, 2012 and bears interest at an annual interest rate of four percent (4%). The company expensed the discounted value of the common stock at $32,000.

NOTE 6 - RELATED PARTY LOAN

The Company has unsecured loans with its officers in the amount of $162,012 as of September 30, 2012, which includes accrued interest of $122,990. The loans are on demand and the proceeds were used for working capital purposes. All loans and advances are due on demand and are included in current liabilities. Interest is calculated at 8% per annum.

NOTE 7 - COMMITMENTS

Lease Agreement

Effective September 1, 2011, the company relocated their office and warehouse facilities as part of a corporate restructuring project to reduce overhead expenditures. As a result, the company entered into a new one-year agreement with a third party organization that specializes in sub-leasing "turn-key" office space. The company was offered a four (4) month promotional discount incentive upon commitment. On June 1, 2012, the company renewed early to acquire larger space within the facility. Future rates are expected to increase between 8% and 10% annually. Additionally, all inventories were transferred to an independent fulfillment center where the company pays a nominal monthly storage fee managed through incremental pallet control. With the assumption that future sales growth will require added inventory storage, below is an outlook on rent expense obligations over the next five years:

	Office	Warehouse	Combined Commitment
Year 2012	$5,630	$6,648	$12,278
Year 2013	$8,660	$7,428	$16,088
Year 2014	$9,525	$8,208	$17,733
Year 2015	$10,474	$8,976	$19,450
Year 2016	$11,528	$9,756	$21,284

Employment Agreements

The Company maintains employment contracts with its current officers, in which a $5,000 monthly salary is accrued for each of the two officers. Due to existing cash flow constraints, wages are paid from time to time as funds become available.

NOTE 8 - STOCKHOLDERS' EQUITY (DEFICIT)

Preferred Stock

As of September 30, 2012, the Company has 10,000,000 shares of preferred stock authorized with a par value of $.001; of which, 8,000,000 have been classified and issued.

The Company has 2,000,000 shares of non-designated preferred stock remaining.

NOTE 8 - STOCKHOLDERS' EQUITY (DEFICIT) (CONTINUED)

Series A Preferred Stock

On November 10th, 2006, the Company authorized 4,000,000, no par, Series A preferred stock. The shares, with respect to dividend rights and liquidation, winding up and dissolution, shall have a rank equivalent to the Common Stock. Each share shall have voting rights equal to five (5) shares of Common Stock and are convertible, at the sole discretion of the stockholder, into five (5) shares of Common Stock.

On November 15, 2010, the Company issued 4.0 million shares of Preferred Series A stock to the executive officers of the Company in order to reduce accrued wages and to reduce debt owed from personal cash advances to the company for working capital. The shares have voting rights equal to five (5) shares of common stock and are each convertible into five (5) shares of common stock. The shares were valued at $44,000 at the time of issuance. As of September 30, 2012, 4 million shares have been issued and outstanding.

Series B Preferred Stock

On November 10th, 2006, the Company authorized 4,000,000, no par, Series B preferred stock. The shares, with respect to dividend rights and liquidation, winding up and dissolution, shall have a rank equivalent to the Common Stock. The total issued and outstanding shares of Series B Preferred Stock shall have voting rights as though it were the greater of (i) 20,000,000 shares of the Corporation's Common Stock or (ii) a number of post-conversion shares equal to sixty percent (60%) of the Corporation's then total issued and outstanding shares of Common Stock. Each share shall be convertible, at the sole discretion of the stockholder, into five (5) shares of Common Stock.

On November 15, 2010, the company issued 4 million shares of Preferred Series B stock to the executive officers of the company in order to reduce accrued wages and to reduce debt owed from personal cash advances to the company for working capital. The shares have voting rights as though they were the greater of (i) 20,000,000 shares of the Corporation's Common Stock or (ii) a number of post-conversion shares equal to sixty percent (60%) of the Corporation's then total issued and outstanding shares of Common Stock; and are each convertible into five (5) shares of common stock. The shares were valued at $44,000 at the time of issuance. As of September 30, 2012, 4 million shares have been issued and outstanding.

Common Stock

As of September 30, 2012, the Company has 240,000,000 shares of common stock authorized with a par value of $.001; with 64,889,761 shares issued and outstanding.

On October 1, 2012, the Company filed an amendment and restatement to their Articles of Incorporation, increasing the authorization to 975,000,000 shares of common stock; and changing the par value to $.0001 per share.

NOTE 8 - STOCKHOLDERS' EQUITY (CONTINUED)

Common Stock

The Company has no warrants or stock options outstanding. In addition, the Company had entered into an agreement in June 2006 to sell 2,000,000 shares of common stock at $0.0375 per share for an aggregate of $75,000. The Company was paid $57,000 of the $75,000 in 2006, and no payments have been made subsequent to then. The Company has been accruing interest on the unpaid balance of the subscription receivable at a rate of 8% per annum. The unpaid balance of $18,000 plus the accrued interest of $10,197 is fully reserved for as of September 30, 2012.

On January 13, 2011, the Company issued 15 million shares of common stock to the executive officers of the Company in order to reduce accrued wages and to reduce debt owed from personal cash advances to the company for working capital. The shares were restricted under Rule 144 and were valued at $30,000.

On October 18, 2011, the Company issued 4 million shares of common stock to an unrelated third party investor pursuant to a securities purchase agreement, in which the company received $25,000. Additionally, the issuance of a four percent (4%) promissory note due on October 18, 2012 in the amount of $25,000 was included. The Company expensed a discount of $32,000, which was the market value of the shares at the time of issuance.

On October 24, 2011, the Company issued 3 million shares of common stock to an unrelated third party investor pursuant to a securities purchase agreement, in which the company received $5,000. The Company expensed a discount of $24,000, which was the difference in market value of the shares at the time of issuance.

On November 30, 2011, the Company issued 1.5 million shares of common stock pursuant to a consulting agreement valued at $18,000.

On January 13, 2012, the Company entered into an Exchange Agreement where a prior 2.25% demand promissory note purchased on August 15, 2008 for an aggregate amount of $300,000; with accrued and unpaid interest of $23,363 was exchanged for 3.0 million shares of common stock and a new promissory note in the aggregate amount of $248,363. The company expensed a discount amount of $15,000, which was the difference in market value of the shares issued pursuant to the transaction.

On January 23, 2012, the Company issued 3 million shares of common stock pursuant to a consulting agreement valued at $45,000.

On March 15, 2012, the Company issued 5 million shares of common stock to an unrelated third party investor pursuant to a securities purchase agreement, in which the company received $50,000. The company expensed a discount of $50,000, which was the difference in market value of the shares at the time of issuance.

On March 22, 2012, the holders of an 8% convertible promissory note due March 22, 2012, effectuated a conversion notice and were issued an aggregate of 200,000 shares of common stock at $0.00787 per share. The issuance reduced the debt by $774 in principal and $800 in accrued interest.

NOTE 9 - <u>INCOME TAXES</u>

The Company recognized no income tax benefit for the loss generated for the period through September 30, 2012. However, the company remains deficient with penalties and interest charges on the statutory level involving one of the wholly owned subsidiaries.

ASC 740-10 requires that a valuation allowance be provided if it is more likely than not that some portion or all of a deferred tax asset will not be realized. The Company's ability to realize the benefit of its deferred tax asset will depend on the generation of future taxable income. Because the Company has yet to recognize significant revenue from the sale of its products, it believes that the full valuation allowance should be provided.

NOTE 10 - <u>FAIR VALUE MEASUREMENTS</u>

The Company adopted certain provisions of ASC Topic 820. ASC 820 defines fair value, provides a consistent framework for measuring fair value under generally accepted accounting principles and expands fair value financial statement disclosure requirements. ASC 820's valuation techniques are based on observable and unobservable inputs. Observable inputs reflect readily obtainable data from independent sources, while unobservable inputs reflect our market assumptions. ASC 820 classifies these inputs into the following hierarchy:

Level 1 inputs: Quoted prices for identical instruments in active markets.

Level 2 inputs: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 inputs: Instruments with primarily unobservable value drivers.

The following table represents the fair value hierarchy for those financial assets and liabilities measured at fair value on a recurring basis as of September 30, 2012:

	Level 1	Level 2	Level 3	Total
Cash	1,458	-	-	1,458
Total assets	1,458	-	-	1,458

NOTE 11 - SUBSEQUENT EVENTS

In accordance with FASB ASC 855 "Subsequent Events," the Company has evaluated subsequent events through November 14, 2012.

A. On October 1, 2012, the Company filed Amended and Restated Articles of Incorporation with the Nevada Secretary of State (the "Amendment"). The Amendment was approved by written consent of the holders of a majority of the Company's issued and outstanding common stock. The Amendment contained the amendments listed below from the Company's prior articles of incorporation:

1. The Company's authorized common stock was increased to 975 million shares from 250 million shares.

2. The Company decreased the par value for its capital stock to $0.0001 per share from $0.001 per share.

3. A new provision was included granting authority to the Company's board of directors to effectuate a stock split or reverse stock split without correspondingly increasing or decreasing the number of authorized shares of the same class or series without obtaining the approval of the stockholders or the approval of the holders of shares of the affected class or series.

4. A provision was included under which the Company elects not to be subject to, or governed by, any of the provisions in Sections 78.411 to 78.444, inclusive, of the Nevada Revised Statutes at such time, if any, that we become a "resident domestic corporation" as that term is defined in Section 78.427 of the Nevada Revised Statutes.

5. A new provision was included under which the Company elects not to be subject to, or governed by, any of the provisions in Sections 78.378 to 78.3793, inclusive, of the Nevada Revised Statutes at such time, if any, that we become an "issuing corporation" as that term is defined in Section 78.3788 of the Nevada Revised Statutes.

B. On October 5, 2012, the Company issued 158,000,00 million shares of common stock to the executive officers of the Company in consideration of forgiveness of $15,800 in accrued and unpaid salary. The shares were issued as restricted securities and contain a restrictive legend stating that the shares have not been registered under the Securities Act of 1933 and may not be sold or transferred in the absence of an effective registration statement or an opinion of counsel acceptable to the Company that such registration is not required under the Securities Act. The Company relied on the exemption from registration provided under Rule 506 and/or 4(2) of the Securities Act of 1933.

C. On October 15, 2012, the Company entered into agreements with three third party investors where the existing principal of $70,000 under three separate promissory notes were exchanged for seventy million shares of the Company's common stock.

The issuance was exempt pursuant to Section 3(a)(9) of the Securities Act as well as Section 4(2) of the Securities Act.

D. On October 15, 2012, the Company entered into an agreement with a third party investor where the existing principal of $178,363 and accrued interest under a promissory note were exchanged for a new demand note with an aggregate principal amount of $171,363 and seven million shares of the Company's common stock. The note bears interest at an annual rate of two and one-quarter percent (2.25%). The issuance was exempt pursuant to Section 3(a)(9) of the Securities Act as well as Section 4(2) of the Securities Act.