<u>OTC MARKETS GROUP</u>
COREwafer Industries, Inc.
(*Formerly Action Products International, Inc.)*
(A Nevada Company)

QUARTERLY REPORT
As of March 31, 2014

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: May 14, 2014

COREWAFER INDUSTRIES, INC.

By: <u>/s/ Mr. Cyril Moreau</u>

Name: Mr. Cyril Moreau
Position: CEO / President
Phone: (866) 793-1110
E-mail: cyril.moreau@corewaferindustries.com
Web-Page: www.corewaferindustries.com

1. The name of the issuer and its predecessors (if any):

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

2. Address of the issuer's principal executive offices:

The principal executive offices are located at:

Company Headquarters

1801 Polk Street, #2677
Hollywood, FL 33022
Phone: (866) 793-1110
Fax: (954) 206-0487

IR Contact

Mr. Cyril Moreau
P. O. Box 2677
Hollywood, FL
33022 Phone:
(866) 793-1110

3. Security Information:

Transfer Agent
Registrar and Transfer Company
10 Commerce
Cranford, NJ 07016
Phone: (908) 497-2300

The transfer agent is registered under the Exchange Act.

Trading Symbol: WAFR

CUSIP: 21871B107

Par Value: $.00001

Title and class of securities outstanding:	03/13/2013	03/31/2014
Number of Shares Authorized – Common	150,000,000	9,000,000,000
Number of Preferred Shares Authorized –	50,000,000	35,675,010
Number of Shares Outstanding – Common	78,033,112	7,219,170,011[1]
Number of Shares Outstanding – Pref. Ser. A	175,000	175,000
Number of Shares Outstanding – Pref. Ser. B	14,355,522	40,372,202
Number of Shares Outstanding – Pref. Ser. C	-0-	-0-
Number of Shares Outstanding – Pref. Ser. D	-0-	-0-
Number of Shares Outstanding – Pref. Ser. F	-0-	2
Number of Shares Outstanding – Pref. Ser. G	-0-	-0-
Freely Tradable Shares – Common	17,628,341	892,593,299
Total Number of Beneficial Shareholders	1	1
Total Number of Shareholders of Record	179	210

Certain common shares have been issued with restrictive legend.

During the past 12 months the Issuer has not been issued any trading suspension orders by the SEC.

4. Issuance History:

[1] This total number of common shares outstanding includes the shares outstanding per the Transfer Agent of 7,211,895,365 and 7,274,646 shares of common stock held in reserve for the CWS Acquisition.

On August 20, 2013, the issuer filed a Form D Notice of Exempt Offering of Securities for the sales of its common stock under Rule 504 (b)(1)(ii) and Rule 504 (b)(1)(iii) under the jurisdiction of the State of New York.

On December 31, 2013, the issuer filed a Form D Notice of Exempt Offering of Securities for the sales of its common stock under Rule 504 (b)(1)(ii) and Rule 504 (b)(1)(iii) under the jurisdiction of the State of New York.

On January 7, 2014, the issuer filed a Form D Notice of Exempt Offering of Securities for the sales of its common stock under Rule 504 (b)(1)(ii) and Rule 504 (b)(1)(iii) under the jurisdiction of the State of Delaware.

On January 16, 2014, the issuer filed a Form D Notice of Exempt Offering of Securities for the sales of its common stock under Rule 504 (b)(1)(ii) and Rule 504 (b)(1)(iii) under the jurisdiction of the State of Delaware.

On January 29, 2014, the issuer filed a Form D Notice of Exempt Offering of Securities for the sales of its common stock under Rule 504 (b)(1)(ii) and Rule 504 (b)(1)(iii) under the jurisdiction of the State of Delaware.

On February 14, 2014, the issuer filed a Form D Notice of Exempt Offering of Securities for the sales of its common stock under Rule 504 (b)(1)(ii) and Rule 504 (b)(1)(iii) under the jurisdiction of the State of Delaware.

On March 4, 2014, the issuer filed a Form D Notice of Exempt Offering of Securities for the sales of its common stock under Rule 504 (b)(1)(ii) and Rule 504 (b)(1)(iii) under the jurisdiction of the State of Delaware.

The total number of shares sold was 204,522,549. The shares were offed at a discount off market and the total proceeds paid to the issuer/company was $496,100. These shares were all issued as freely tradable without restrictive legend stating that the shares have not been registered under the Securities Act and setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

Table 1.

Number of Shares sold/issued under Rule 504	**Class**	**Date of Sale**	**Description of Consideration**	**Relationship to the Company**	**Price Per Share**
150,000	Common	01/05/12	$10,500.00	Investor	0.0700
357,000	Common	01/05/12	$20,000.00	Investor	0.0560
500,000	Common	01/12/12	$65,000.00	Investor	0.1300
1,000,000	Common	01/25/12	$50,000.00	Investor	0.0500
56,000	Common	02/09/12	$5,000.00	Investor	0.0893
62,500	Common	02/15/12	$5,000.00	Investor	0.0800
300,000	Common	02/17/12	$20,000.00	Investor	0.0670
1,000,000	Common	03/19/12	$60,000.00	Investor	0.0600
400,000	Common	04/02/12	$30,000.00	Investor	0.0750
300,000	Common	04/10/12	$30,000.00	Investor	0.1500
1,500,000	Common	09/07/12	$1,500.00	Investor	0.0010
663,716	Common	10/14/12	$15,000.00	Investor	0.0226
2,333,333	Common	06/30/13	$35,000.00	Investor	0.0150
5,000,000	Common	07/16/13	$25,000.00	Investor	0.0050
10,000,000	Common	12/24/13	$10,000.00	Investor	0.0010
12,400,000	Common	01/09/14	$10,000.00	Investor	0.0008
14,500,000	Common	01/17/14	$12,000.00	Investor	0.0008
38,000,000	Common	01/30/14	$22,000.00	Investor	0.0006
55,000,000	Common	02/20/14	$30,000.00	Investor	0.0005
61,000,000	Common	03/04/14	$25,000.00	Investor	0.0004

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Restricted common stock issued to Directors, Officers, and consultants and in the acquisition of subsidiary companies:

Table 2.						
Number of Shares issued	**Class**	**Date of Issuance**	**Description of Consideration**	**Relationship to the Company**	**Price Per Share**	**value**
100,000	Common	01/05/12	Provided Consulting Services	Consultant	0.14000	$ 14,000
100,000	Common	01/05/12	Provided Consulting Services	Consultant	0.14000	$ 14,000
150,000	Common	01/05/12	$10,500.00	Investor	0.07000	$ 10,500
357,000	Common	01/05/12	$20,000.00	Investor	0.05602	$ 20,000
500,000	Common	01/12/12	$65,000.00	Investor	0.13000	$ 65,000
200,000	Common	01/24/12	Provided Consulting Services	Consultant	0.14000	$ 28,000
1,000,000	Common	01/25/12	$50,000.00	Investor	0.05000	$ 50,000
333,333	Common	01/26/12	commitment Shares for Financing	Consultant	0.19000	$ 63,333
50,000	Common	01/30/12	Provided Consulting Services	Consultant	0.14000	$ 7,000
600,000	Common	01/30/12	Provided Consulting Services	Consultant	0.14000	$ 84,000
50,000	Common	02/12/12	Provided Consulting Services	Consultant	0.14000	$ 7,000
56,000	Common	02/09/12	$5,000.00	Investor	0.08929	$ 5,000
200,000	Common	03/05/12	Provided Consulting Services	Consultant	0.19000	$ 38,000
266,900	Common	02/12/12	Officer or Director Compensation	Director	0.14987	$ 40,000
500,000	Common	02/12/12	Officer or Director Compensation	Director	0.14000	$ 70,000
62,500	Common	02/15/12	$5,000.00	Investor	0.08000	$ 5,000
300,000	Common	02/17/12	$20,000.00	Investor	0.06700	$ 20,100
200,000	Common	03/16/12	Provided Consulting Services	Consultant	0.19000	$ 38,000
200,000	Common	04/02/12	Provided Consulting Services	Consultant	0.14000	$ 28,000
1,000,000	Common	03/19/12	$60,000.00	Investor	0.06000	$ 60,000
400,000	Common	04/02/12	$30,000.00	Investor	0.07500	$ 30,000
1,886,792	Common	04/30/12	commitment Shares for Financing	Consultant	0.11000	$ 207,547
300,000	Common	06/11/12	$20,000.00	Investor	0.06667	$ 20,000
1,500,000	Common	09/07/12	$1,500.00	Investor	0.00100	$ 1,500
25,000	Common	09/24/12	Provided Consulting Services	Consultant	0.14000	$ 3,500
200,000	Common	09/24/12	Provided Consulting Services	Consultant	0.06000	$ 12,000
150,000	Common	09/24/12	Provided Consulting Services	Consultant	0.12000	$ 18,000
300,000	Common	09/24/12	Provided Consulting Services	Consultant	0.05000	$ 15,000
250,000	Common	09/24/12	Officer or Director Compensation	Officer	0.14000	$ 35,000
71,429	Common	09/24/12	Officer or Director Compensation	Director	0.14000	$ 10,000
171,674	Common	09/24/12	Officer or Director Compensation	Director	0.11650	$ 20,000
400,000	Common	09/24/12	Officer or Director Compensation	Director	0.05000	$ 20,000
1,000,000	Common	10/10/12	$20,000 - Reduction of Debt	Investor	0.02100	$ 20,000
663,716	Common	10/14/12	$15,000.00	Investor	0.02260	$ 15,000
38,948,345	Common	10/24/12	Acquisition of CWS	Acquisition	0.05000	$ 1,947,417
1,444,444	Common	10/26/12	commitment Shares for Financing	Consultant	0.05000	$ 72,222
200,000	Common	11/27/12	Provided Consulting Services	Consultant	0.03000	$ 6,000
200,000	Common	12/31/12	Provided Consulting Services	Consultant	0.03000	$ 6,000
666,667	Common	12/31/12	Officer or Director Compensation	Director	0.03000	$ 20,000
3,485,045	Common	05/13/13	Dividend	Dividend	0.01700	$ 59,246
916,031	Common	06/21/13	Officer or Director Compensation	Director	0.02183	$ 20,000
1,156,627	Common	06/21/13	Officer or Director Compensation	Director	0.01729	$ 20,000
2,333,333	Common	06/30/13	$35,000.00	Investor	0.01500	$ 35,000
148,268	Common	06/30/13	Officer or Director Compensation	Director	0.01500	$ 2,224
148,268	Common	06/30/13	Officer or Director Compensation	Director	0.01500	$ 2,224
148,268	Common	06/30/13	Officer or Director Compensation	Director	0.01500	$ 2,224
122,482	Common	06/30/13	Officer or Director Compensation	Director	0.01500	$ 1,837
1,000,000	Common	06/30/13	Provided Consulting Services	Consultant	0.01500	$ 15,000
1,148,268	Common	06/30/13	Officer or Director Compensation	Officer	0.01500	$ 17,224

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Table 2. (continued)						
Number of Shares issued	**Class**	**Date of Issuance**	**Description of Consideration**	**Relationship to the Company**	**Price Per Share**	**value**
7,000,000	Common	07/10/13	Provided Consulting Services	Consultant	0.01000	$ 70,000
5,000,000	Common	07/15/13	Provided Consulting Services	Consultant	0.01000	$ 50,000
5,000,000	Common	07/16/13	$25,000.00	Investor	0.00500	$ 25,000
(31,158,676)	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ (1,557,934)
(7,789,670)	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ (389,484)
7,789,670	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 389,484
231,761	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 11,588
321,890	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 16,095
1,609,450	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 80,473
1,609,450	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 80,473
3,218,900	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 160,945
1,609,450	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 80,473
3,218,900	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 160,945
83,691	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 4,185
1,609,450	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 80,473
643,780	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 32,189
231,761	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 11,588
3,218,900	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 160,945
4,828,350	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 241,418
1,287,560	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 64,378
1,287,560	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 64,378
1,448,505	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 72,425
231,761	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 11,588
3,218,900	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 160,945
128,756	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 6,438
321,890	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 16,095
798,011	Common	08/15/13	Acquisition of CWS	Acquisition	0.05000	$ 39,901
2,000,000	Common	08/20/13	$10,000 - Settlement of Debt	Acquisition	0.00500	$ 10,000
2,000,000	Common	08/20/13	$10,000 - Settlement of Debt	Acquisition	0.00500	$ 10,000
515,024	Common	08/20/13	Acquisition of CWS	Acquisition	0.05000	$ 25,751
9,000,000	Common	08/29/13	$50,400 - Settlement of Debt	Acquisition	0.00560	$ 50,400
(515,024)	Common	08/29/13	Acquisition of CWS	Acquisition	0.05000	$ (25,751)
406,504	Common	11/27/13	Officer or Director Compensation	Director	0.01230	$ 5,000
406,504	Common	11/27/13	Officer or Director Compensation	Director	0.01230	$ 5,000
406,504	Common	11/27/13	Officer or Director Compensation	Director	0.01230	$ 5,000
406,504	Common	11/27/13	Officer or Director Compensation	Director	0.01230	$ 5,000
813,808	Common	11/27/13	Officer or Director Compensation	Director	0.01225	$ 10,000
813,808	Common	11/27/13	Officer or Director Compensation	Director	0.01230	$ 10,000
1,626,016	Common	11/27/13	Officer or Director Compensation	Director	0.01230	$ 20,000
(7,000,000)	Common	12/02/13	Provided Consulting Services	Consultant	0.01000	$ (70,000)
5,000,000	Common	12/02/13	Provided Consulting Services	Consultant	0.00700	$ 35,000
5,800,000	Common	12/11/13	$6,090 - Settlement of Debt	Investor	0.00105	$ 6,090
6,000,000	Common	12/23/13	$6,000 - Settlement of Debt	Investor	0.00100	$ 6,000
10,000,000	Common	12/24/13	$10,000.00	Investor	0.00100	$ 10,000
12,400,000	Common	01/09/14	$10,000.00	Investor	0.00081	$ 10,000
14,500,000	Common	01/17/14	$12,000.00	Investor	0.00083	$ 12,000
12,900,000	Common	01/17/14	Settlement of Debt	Investor	0.00045	$ 5,418
207,500,000	Common	01/21/14	Settlement of Debt	Investor	0.00100	$ 207,500
45,000,000	Common	01/23/14	Settlement of Debt	Investor	0.00100	$ 45,000
22,500,000	Common	01/23/14	Settlement of Debt	Investor	0.00100	$ 22,500
15,000,000	Common	01/24/14	Settlement of Debt	Investor	0.00070	$ 10,500
45,000,000	Common	01/27/14	Settlement of Debt	Investor	0.00100	$ 45,000
38,000,000	Common	01/30/14	$22,000.00	Investor	0.00058	$ 22,000
8,976,660	Common	01/31/14	Officer or Director Compensation	Director	0.00557	$ 50,000

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Table 2. (continued)						
Number of Shares issued	**Class**	**Date of Issuance**	**Description of Consideration**	**Relationship to the Company**	**Price Per Share**	**value**
15,240,000	Common	02/04/14	Settlement of Debt	Investor	0.00028	$ 4,267
16,934,000	Common	02/14/14	Settlement of Debt	Investor	0.00028	$ 4,742
55,000,000	Common	02/20/14	$30,000.00	Investor	0.00055	$ 30,000
61,000,000	Common	03/04/14	$25,000.00	Investor	0.00041	$ 25,000
9,126,000	Common	03/04/14	Settlement of Debt	Investor	0.00021	$ 1,916
9,674,000	Common	03/04/14	Settlement of Debt	Investor	0.00021	$ 2,032
15,000,000	Common	03/05/14	Provided Consulting Services	Consultant	0.00100	$ 15,000
135,000,000	Common	03/05/14	Provided Consulting Services	Consultant	0.00100	$ 135,000
75,000,000	Common	03/10/14	Settlement of Debt	Investor	0.00100	$ 75,000
75,000,000	Common	03/11/14	Settlement of Debt	Investor	0.00100	$ 75,000
6,000,000,000	Common	03/20/14	Settlement of Debt	Investor	0.00001	$ 60,000
75,000,000	Common	03/25/14	Settlement of Debt	Investor	0.00100	$ 75,000
62,500,000	Common	03/27/14	$25,000.00	Investor	0.00040	$ 25,000
50,000,000	Common	03/31/14	Officer or Director Compensation	Director	0.00100	$ 50,000

Preferred Series B shares issued to Officers, Directors, Consultants, and in the acquisition of subsidiary companies:

Table 3.						
Number of Shares issued	**Class**	**Date of Issuance**	**Description of Consideration**	**Relationship to the Company**	**Price Per Share**	**value**
15,000	B Preferred	05/30/12	Provided Consulting Services	Consultant	0.1700	$ 2,550
40,000	B Preferred	05/30/12	Acquisition of NEEL	Acquisition	0.1700	$ 6,800
60,000	B Preferred	05/30/12	Acquisition of NEEL	Acquisition	0.1700	$ 10,200
60,000	B Preferred	05/30/12	Acquisition of NEEL	Acquisition	0.1700	$ 10,200
100,000	B Preferred	05/30/12	Acquisition of NEEL	Acquisition	0.1700	$ 17,000
240,000	B Preferred	05/30/12	Acquisition of NEEL	Acquisition	0.1700	$ 40,800
250,000	B Preferred	05/30/12	Provided Consulting Services	Consultant	0.1700	$ 42,500
350,000	B Preferred	05/30/12	Provided Consulting Services	Consultant	0.1700	$ 59,500
121,429	B Preferred	05/30/12	Officer or Director Compensation	Director	0.0824	$ 10,000
533,000	B Preferred	05/30/12	Officer or Director Compensation	Director	0.1200	$ 63,960
500,000	B Preferred	05/30/12	Officer or Director Compensation	Officer	0.1700	$ 85,000
1,000,000	B Preferred	05/30/12	Officer or Director Compensation	Officer	0.1700	$ 170,000
100,000	B Preferred	06/30/12	Provided Consulting Services	Consultant	0.0600	$ 6,000
100,000	B Preferred	06/30/12	Officer or Director Compensation	Director	0.1200	$ 12,000
100,000	B Preferred	09/30/12	Provided Consulting Services	Consultant	0.0500	$ 5,000
100,000	B Preferred	09/30/12	Officer or Director Compensation	Director	0.0500	$ 5,000
10,486,093	B Preferred	10/26/12	Acquisition of CWS	Acquisition	0.0500	$ 524,305
100,000	B Preferred	12/31/12	Provided Consulting Services	Consultant	0.0300	$ 3,000
100,000	B Preferred	12/31/12	Officer or Director Compensation	Director	0.0300	$ 3,000
500,000	B Preferred	06/30/13	Officer or Director Compensation	Officer	0.0150	$ 7,500
406,504	B Preferred	11/27/13	Officer or Director Compensation	Director	0.0123	$ 5,000
406,504	B Preferred	11/27/13	Officer or Director Compensation	Director	0.0123	$ 5,000
406,504	B Preferred	11/27/13	Officer or Director Compensation	Director	0.0123	$ 5,000
406,504	B Preferred	11/27/13	Officer or Director Compensation	Director	0.0123	$ 5,000
300,000	B Preferred	11/27/13	Provided Consulting Services	Consultant	0.0110	$ 3,285
3,590,664	B Preferred	01/31/14	Officer or Director Compensation	Officers & Dir	0.0056	$ 20,000
20,000,000	B Preferred	03/31/14	Officer or Director Compensation	Officers & Dir	0.0010	$ 20,000

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Authorized

The Company is authorized to issue 8,964,324,990 shares of $0.00001 par value common stock and 35,675,010 shares of $0.00001 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 March 19, 2014 the Nevada Secretary of State accepted for filing a Certificate of Amendment increasing the Company's authorized common stock from 1,964,324,990 to 8,964,324,990 with a par value of $0.00001. The amendment was approved by the shareholders and directors on January 30, 2014.

On February 27, 2014 the Nevada Secretary of State accepted for filing a Certificate of Amendment increasing the Company's authorized common stock from 700,000,000 with a par value of $0.001 to 1,964,324,990 with a par value of $0.00001, and to decrease the Company's authorized preferred stock from 75,000,000 to 35,675,010 with a par value of $0.00001. The amendment was approved by the shareholders and directors on January 30, 2014.

On August 21, 2008, 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 A Convertible Preferred Stock of the Company. Five hundred thousand (500,000) shares of the authorized shares of preferred stock were thereby designated "Series A Convertible Preferred Stock" (Series A Stock) at a par value of $0.001 per share.

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.

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 C Convertible Preferred Stock of the Company. Three million (3,000,000) shares of the authorized shares of preferred stock were thereby designated "Series C Convertible Preferred Stock" (Series C Stock) at a par value of $0.001 per share.

On October 9, 2013 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 D Convertible Preferred Stock of the Company. Two million five hundred thousand (2,500,000) shares of the authorized shares of preferred stock were thereby designated "Series D Convertible Preferred Stock" (Series D Stock) at a par value of $0.001 per share.

On January 30, 2014 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 F Convertible Preferred Stock of the Company. Ten (10) shares of the authorized shares of preferred stock were thereby designated "Series F Convertible Preferred Stock" (Series F Stock) at a par value of $0.00001 per share.

On January 30, 2014 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 G Convertible Preferred Stock of the Company. Ten million (10,000,000) shares of the authorized shares of preferred stock were thereby designated "Series G Convertible Preferred Stock" (Series G Stock) at a par value of $0.00001 per share.

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3. Financial Statements

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

A. CONDENSED CONSOLIDATED FINANCIAL INFORMATION

6. Description of Issuer's Business, Products and Services

Originally incorporated in New York in 1977, the Company relocated its operations and state of incorporation to Florida in 1981. In 1984 the Company went public on the NASDAQ market place. 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 2007, more than 20 million children's toys imported from China were recalled which had a devastating effect on the Company's sales from which it did not recover. As a result, the Company decided that it would restructure rather than file bankruptcy and on December 4, 2009, announced plans to exit the failing toy business and seek a new venture.

In 2010, the company temporarily relocated the corporate office to New York and changed its focus from toy manufacturer/distributor to a holding company whose focus is to acquire and manage business with strong growth potential across various industries.

In 2011 the company completed its first acquisition. Northeast Expedite Logistics, LLC, acquisition was completed December 29, 2011.

In 2012, the Company changed its name from Action Products International, Inc.to COREwafer Industries, Inc., relocated its state of incorporation to Nevada, and on October 25, 2012, completed its acquisition of Core Wafer Systems, Inc.

On or about July 22, 2013, the Company consolidated its corporate headquarters, operations and subsidiary operations to its South Florida office.

The Company's primary and secondary SIC Codes are:

551114 – Holding companies that manage
541511 – Software development and sales
484120 - Trucking

Products and Services:

Software Development and Sales: 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 increase in needs in this environment. Our Company has a specific focus on quality semiconductor testing.

To enable the success of this software and technology vertical, the Company acquired Core Wafer Systems, Inc., (CWS) a Nevada corporation, that creates proprietary software, software algorithms, and hardware that are used in the testing and data mining of the most commonly used semiconductor components. CWS was the sole supplier of technology for Agilent semiconductor test equipment as an OEM partner until Agilent exited the OEM Market. Now, CWS continues to create software that can be used by Agilent hardware through 2015. CWS ensures these components, created by leading semiconductor manufacturers, leave the factory in a working state after having been tested and proven. CWS helps ensure that products are manufactured within specification and won't suddenly fail for the end consumer. Core Wafer Systems has three main product lines:

PDQ-WLR – Wafer Level Reliability

Over the last several years, Wafer Level Reliability (WLR) has become the method of choice to reduce the high costs and lengthy test times of traditional reliability testing. WLR can give quick and accurate feedback on any reliability degradation created through process modifications, equipment changes, or production variations. Thus, WLR reduces reliance on traditional burn-in and life test. WLR achieves this by applying stresses greater than normal operating conditions to special structures on the wafer (as The Reliability Challenge opposed to packaged parts). WLR has the advantage of providing reliability information in minutes (or even seconds) that previously took months to obtain. W LR provides a solution to reduce integrated circuit development, qualification, and production cycles without sacrificing quality and reliability. This package consists of a complete set of Joint Electron Device Engineering Council (JEDEC) and American Society for Testing Methods (ASTM) compliant test algorithms PDQ-WLR is a sophisticated wafer level reliability test software package. When used in conjunction with our fast and accurate 40 structure FAB test structures, it yields the most repeatable and interpretable wafer-level reliability data anywhere. PDQ-WLR software contains more than 30 algorithms and tests for complete reliability failure mechanisms coverage including electromigration (including contacts, vias & stress voids), oxide breakdown, hot carrier degradation, plasma damage, self-heating mobile ions as well as characterization of interface states and trapped charge. These techniques are being used for fast Cu/low-k characterization at Applied Materials, for low-k modeling at IBM and have been purchased by the top semiconductor companies worldwide. Support is provided for the Agilent 4070 series and 4062UX testers under Agilent SPECS or a standalone RMB environment.

ASUR SDR – Single Device Reliability

This product provides a PC and instruments-based solution for single device-at-a-time reliability testing with modest equipment investment using proven reliability test algorithms. SDR is a high-performance, low-cost, accelerated reliability and parametric solution for single-site testing that incorporates the proven accelerated techniques of Core Wafer Systems PDQ-WLR using instruments-based solutions. This software was previously packaged as part of an offering from Agilent Technologies sold under the name ASUR SDR, which is part of the ASUR scalable set of solutions: one hardware, one software, from instruments to system testers. The solution is now sourced solely from Core Wafer Systems.

The ASUR SDR Software Suite provides an environment in which users can test semiconductor wafers by using the JEDEC compliant PDQ-WLR algorithm library. PDQ-WLR, now in its sixth generation, is a Predictive, Demonstrated and Quantitative methodology used in Production, Development and Qualification testing of semiconductor manufacturing processes. The easy-to-use ASUR SDR software suite comes equipped with PDQ- WLR and added features necessary for the reliability assessment of advanced technological nodes.

Trucking (Logistics & Transportation): Northeast Expedite Logistics, LLC ("NEEL") has been a provider of global logistics services, which included a domestic service center and exclusive and non-exclusive agents. The Company's customers have included retail and wholesale, electronics, and manufacturing companies around the world. With industrial production increasing year-after-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. Our goal is to provide foundational shipping and coordination services between suppliers and destination businesses and warehouses, operating efficiently through cloud based tracking. As a result of Hurricane Sandy in October 2012, and the loss of its two major contracts for deliveries in the New York Tri-State area, operations have been de minimus. The Company is therefore awaiting a decision from the Board of Directors on whether or not to officially discontinue operations.

7. Facilities

The Company does not presently have a brick and mortar presence. We have entered into month to month rental agreements for office space and do not currently have any operating leases.

8. Officers and Directors

Name	Position with Company
Cyril Moreau	President and Chief Executive Officer
Teresa McWilliams	Chief Financial Officer
Jerald Wrightsil	Director
Gary Polistena	Director
Yonghun Kim	Director
Dale Churchill	Director
Donald Bennett	Board Advisor

Control persons: beneficial owners of more than 10% of any class of the issuer's securities:

Name of beneficial owner	Title	Amount of beneficial ownership
Cyril Moreau	President/CEO, Director	3,006,452,438 Common
Teresa McWilliams	CFO/Secretary/Treasurer, Director	3,008,515,563 Common

Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

   NONE

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

   NONE

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

   NONE

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

   NONE

9. Third Party Providers

Legal Counsel
Matthew McMurdo, Esq.
140 W 57th Street, Suite D
New York, NY 10019
Phone: (917) 318-2865
Email: matt@nannaronelaw.com

Auditor

Richard R. Hawkins, CPA
R.R. Hawkins & Assoc. International, P.A.
11301 W Olympic Blvd., Suite 714
Los Angeles, CA 90064
Phone: (310) 553-5707
Email: info@rrhawkins.com

Investor Relations
Not Applicable

9. Issuer Certification - CEO

The issuer shall include certifications by the Chief Executive Officer and Chief Financial Officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, CYRIL MOREAU certify that:

1. I have reviewed this Quarterly Disclosure Statement of COREWAFER INDUSTRIES, 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.

May 14, 2014

/s/ Cyril Moreau, Chief Executive Officer
[Signature]

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9a) Issuer Certification - CFO

The issuer shall include certifications by the Chief Executive Officer and Chief Financial Officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, TERESA McWILLIAMS certify that:

1. I have reviewed this Quarterly Disclosure Statement of COREWAFER INDUSTRIES, 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.

May 14, 2014

/s/ Teresa McWilliams, Chief Financial Officer
[Signature]

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Exhibit A

SUPPLEMENTAL INFORMATION

CONSOLIDATED FINANCIAL INFORMATION

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COREWAFER INDUSTRIES, INC.

CONDENSED CONSOLIDATED BALANCE SHEET

(unaudited)

	March 31, 2014 (Unaudited)	March 31, 2013 Restated (Unaudited)
Current Assets		
Cash	12,795	2,197
Accounts receivable	514,053	90,450
Prepaid expenses and other current assets	1,251,059	1,456,655
Total current assets	1,777,908	1,549,302
Other Assets	4,197,097	4,240,344
Fixed Assets, net	-	-
Total assets	5,975,005	5,789,646
Current Liabilities		
Accounts payable and accrued expenses	2,781,007	1,353,159
Convertible Promissory Notes - short term	-	2,178,072
Total current liabilities	2,781,007	3,531,231
Long Term Notes Payable	3,950,240	3,599,733
Commitments and Contingencies	505,900	574,741
Total Liabilities	7,237,148	7,705,705
Shareholders' Deficit		
Preferred stock, $.001 par value; 50,000,000 shares authorized:		
Series A: 175,000 shares issued and outstanding at March 31, 2014 and 2013, respectively	175	175
Series B: 40,372,000 and 14,356,000 shares issued and outstanding at March 31, 2014 and 2013, respectively	40,372	14,356
Common stock, $.00001 par value; 8,964,324,990 shares authorized March 31, 2014 and$.001 par value; 700,000,000 shares authorized March 31, 2013; 803,316,000 and 78,033,000 issued and outstanding March 31, 2014 and 2013, respectively	803,316	78,033
Treasury stock, $.001 par value; 141,000 shares authorized at March 31, 2014 and 2013 , respectively	(141)	(141)
Additional paid-in-capital	15,367,961	14,179,883
Unearned compensation costs	(49,246)	(49,246)
Stock Dividend	(151,931)	(92,685)
Accumulated deficit	(17,272,649)	(16,046,434)
Total shareholders' equity/deficit	(1,262,143)	(1,916,059)
Total liabilities and shareholders' equity	5,975,005	5,789,646

See accompanying notes to condensed consolidated financial statements

COREWAFER INDUSTRIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	For the Three Months Ended March 31,	
	2014	**2013**
	(unaudited)	**Restated (unaudited)**
Gross Sales	43,333	135,450
Cost of Sales	-	46,895
Net Sales	43,333	88,555
Operating expenses		
Marketing and advertising	75,000	-
General and administrative	348,619	123,608
Total operating expenses	423,619	123,608
Net loss before income taxes	(380,285)	(35,053)
Interest expense	49,504	45,896
Other income (expense)	(103,774)	-
Total other income (expense)	(103,774)	-
Net profit (loss)	$ (533,563)	$ (80,949)
Weighted average number of shares outstanding	1,200,600,588	-
Basic and diluted net loss per share	$ (0.00)	$ (0.00)

See accompanying notes to condensed consolidated financial statements

COREWAFER INDUSTRIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	For the period ended March 31, 2014	For the period ended March 31, 2013 (Restated)
Cash flow from operating activities:		
Net income (loss)	$ (533,563)	$ (80,949)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization	-	-
Changes in operating assets and liabilities:		
Decrease in accounts receivable	-	(90,450)
Increase in prepaid expenses and other assets	174,443	(179,352)
Increase in accounts payable, accrued expenses	874,739	469,210
Net cash provided by (used in) operating activities	515,619	118,459
Cash flows from investing activities:		
Security Deposits	-	-
Net cash provided by investing activities	-	-
Cash flows from financing activities:		
Proceeds from the issuance of stock	124,000	-
Increase in loans and notes payable	-	-
Decrease in loans and notes payable	(643,047)	(121,218)
Net cash provided by financing activities	(609,875)	(121,218)
Net increase (decrease) in cash	10,598	(2,759)
Cash and cash equivalents at beginning of period	2,197	4,956
Cash and cash equivalents at end of period	12,795	2,197
Non-cash financing activities:		
Common stock issued in settlement of debt	$ 6,623,874	$ -
Stock-based compensation	$ 318,310	$ 67,662
Deferred / Accrued Salaries	$ 28,000	$ 60,000

See accompanying notes to condensed consolidated financial statements

COREWAFER INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
As of March 31, 2014
(unaudited)

	Preferred Stock		Common Stock		Treasury Stock $.001 Par Value		Unearned Comp	Stock	Additional Paid-In	Retained	Total Shareholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Cost	Dividend	Capital	Earnings	Deficit
Balance @ December 31, 2013	17,156,538	$ 17,157	142,919,548	$ 142,920	(140,541)	$ (141)	$ (49,246)	$ (151,931)	$ 15,187,648	$ (16,739,086)	$ (1,592,681)
Issuance of common stock to officers and directors as compensation			58,976,660	$ 9,477					$ 90,523		$ 100,000
Issuance of preferred Series B to officers and directors for compensation	23,219,455	$ 23,219							$ 16,781		$ 40,000
Issuance of common stock to consultants for compensation			150,000,000	$ 150,000					$ -		$ 150,000
Issuance of common stock for reduction of debt			6,623,874,000	$ 380,409					$ 253,466		$ 634,047
Sale of common stock in a private placement			243,400,000	$ 120,510					$ 3,490		$ 124,000
									$ (183,946.00)		$ (183,946)
Net Loss										$ (533,563)	$ (533,563)
Balance @ March 31, 2014	40,375,993	$ 40,376	7,219,170,208	$ 803,316	(140,541)	$ (141)	$ (49,246)	$ (151,931)	$ 15,367,962	$ (17,272,649)	$ (1,262,143)

See accompanying notes to condensed consolidated financial statements

NOTE 1 – GENERAL ORGANIZATION AND BUSINESS

Organization. COREWAFER INDUSTRIES, INC. (WAFR) is a holding company headquartered in Hollywood, FL, that operates and manages subsidiary companies across various industries. The goal of WAFR is to strategically acquire businesses with strong growth potential and a solid business plan in various industries including, but not limited to, software and technology, and telecom.

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 2007, more than 20 million children's toys imported from China were recalled having a devastating effect on sales from which the company was not able to recover. As a result, the Company was forced to begin restructuring and on December 4, 2009, announced plans to exit the failing toy business and seek a new venture.

In 2010, the company temporarily relocated the corporate office to New York and changed its focus from toy manufacturer/distributor to a holding company whose focus is to acquire and manage business with strong growth potential across various industries.

In 2011 the company completed its first acquisition. Northeast Expedite Logistics, LLC, acquisition was completed December 29, 2011.

In 2012, the Company changed its name from Action Products International, Inc. to COREwafer Industries, Inc., relocated its state of incorporation to Nevada, and on October 25, 2012, completed its acquisition of Core Wafer Systems, Inc.

On or about July 22, 2013, the Company consolidated its corporate headquarters, operations and subsidiary operations to its South Florida office.

CORE WAFER SYSTEMS, INC. (CWS), the wholly owned subsidiary of COREwafer Industries, Inc. (WAFR), creates proprietary software, software algorithms, and hardware that is used in the testing and data mining of the most commonly used computer hard drives, memory, and magnetics; as well as other advanced magnetics, semiconductor and nanotechnology-based device components. Core Wafer technology is capable of performing in-parallel measurements allowing customers to test components many times faster than a non-parallel process. 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.

CWS is a technology leader in the semiconductor testing vertical with software that allows measurement and reporting of characteristics of the quality of how semiconductors have been manufactured. Advanced semiconductor testing is a critical part of the manufacturing lifecycle because manufacturers wish to ensure that they have a low failure rate of the components they create. CWS builds advanced test solutions for engineering and manufacturing to verify devices are being made correctly, reliability tests to predict when the device will fail during usage, and characterization tests to verify the manufacturing operation is building the device according to the engineered specification. We do these tests with our intellectual property called WLR – Wafer Level Reliability.

WLR is a form of testing beyond DC (electrical) parametric testing that allows semiconductor test engineers to determine process integrity and quality. WLR testing can, in many instances, replace packaged-component tests to predict semiconductor reliability. We have developed a unique WLR technology that is Predictive, Demonstrated, and Quantitative (PDQ). Our complete solution has been applied to PDQ tests with superior results and dramatic cost savings.

NOTE 1 – GENERAL ORGANIZATION AND BUSINESS (CONTINUED)

CWS has an install base of over 800 clients and 1,500 installed systems on HP, Keithley, and Agilent Test hardware. With new versions of critical software near completion in our PDQ product line, customers are expected to need to upgrade over the next 12 months due to End-Of-Life support and desire to utilized advanced features. CWS expects revenue growth matching our customer upgrade cycle and will be funding additional R&D efforts to deliver semiconductor testing features requested by some of our large manufacturing clients. Our goal is to supply the industry leading semiconductor testing software solutions to the semiconductor fabrication facilities across the world.

The targeted industry is the traditional semiconductor manufacturers of computer chip and circuits. Historically, these manufacturers test their post-manufactured components with either Hewlett Packard or Agilent high volume manufacturing testers, mixed-instrumentation, or custom hardware. Our software solution utilizes the hardware created by HP or Agilent, and we deliver test harnesses and characterization tests not supplied by the hardware vendors.

Core Wafer Systems has three main product lines:

PDQ-WLR – Wafer Level Reliability
Over the last several years, Wafer Level Reliability (WLR) has become the method of choice to reduce the high costs and lengthy test times of traditional reliability testing. WLR can give quick and accurate feedback on any reliability degradation created through process modifications, equipment changes, or production variations. Thus, WLR reduces reliance on traditional burn-in and life test. WLR achieves this by applying stresses greater than normal operating conditions to special structures on the wafer (as The Reliability Challenge opposed to packaged parts). WLR has the advantage of providing reliability information in minutes (or even seconds) that previously took months to obtain. WLR provides a solution to reduce integrated circuit development, qualification, and production cycles without sacrificing quality and reliability. This package consists of a complete set of Joint Electron Device Engineering Council (JEDEC) and American Society for Testing Methods (ASTM) compliant test algorithms PDQ-WLR is a sophisticated wafer level reliability test software package. When used in conjunction with our fast and accurate 40 structure FAB test structures, it yields the most repeatable and interpretable wafer-level reliability data anywhere. PDQ-WLR software contains more than 30 algorithms and tests for complete reliability failure mechanisms coverage including electromigration (including contacts, vias & stress voids), oxide breakdown, hot carrier degradation, plasma damage, self-heating mobile ions as well as characterization of interface states and trapped charge. These techniques are being used for fast Cu/low-k characterization at Applied Materials, for low-k modeling at IBM and have been purchased by the top semiconductor companies worldwide. Support is provided for the Agilent 4070 series and 4062UX testers under Agilent SPECS or a standalone RMB environment.

ASUR SDR – Single Device Reliability
This product provides a PC and instruments-based solution for single device-at-a-time reliability testing with modest equipment investment using proven reliability test algorithms. SDR is a high-performance, low-cost, accelerated reliability and parametric solution for single-site testing that incorporates the proven accelerated techniques of Core Wafer Systems PDQ-WLR using instruments-based solutions. This software was previously packaged as part of an offering from Agilent Technologies sold under the name ASUR SDR, which is part of the ASUR scalable set of solutions: one hardware, one software, from instruments to system testers. The solution is now sourced solely from COREwafer Systems.

The ASUR SDR software suite provides an environment in which users can test semiconductor wafers by using the JEDEC compliant PDQ-WLR algorithm library. PDQ-WLR, now in its sixth generation, is a Predictive, Demonstrated and Quantitative methodology used in Production, Development and Qualification testing of semiconductor manufacturing processes. The easy-to-use ASUR SDR software suite comes equipped with PDQ-WLR and added features necessary for the reliability assessment of advanced technological nodes.

ASUR PDR -- Nanometer era Parallel Reliability
The development of state-of-the-art deep nanometer technologies demands sophisticated software and hardware test capabilities and expert knowledge of device technology in order to gather statistically significant volumes of data for reliability studies. ASUR PDR contributes to the proper testing and selection of suitable volumes of reliability data collection, accurately timestamp data, modeling, simulation and variability determination and control of known and new failure mechanisms in the statistical population to successfully achieve the integration of new processes, materials, devices and their performance in modern circuit applications.

NOTE 1 – GENERAL ORGANIZATION AND BUSINESS (CONTINUED)

Traditional single-device tests do not generate essential information, at multiple different conditions in appropriate periods of time, as is required for the study of degradation mechanisms present in advanced IC design. Furthermore, the accelerated models that are used may not be appropriate for those device studies. Therefore the rapid collection of statistically significant data at proper, multiple, acceleration stresses is indispensable for the understanding and development of modern nanometer technology. ASUR PDR provides an immediate view of stresses and device behaviors through the use of its real-time plotting tool.

Northeast Expedite Logistics, LLC ("NEEL") a provider of global logistics services utilizes the services of non-exclusive agents for the delivery of goods. 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. With industrial production increasing year-after-year, the shortage of qualified drivers and trusted shipping partners has affected the mid-markets for local deliveries. As the economy improves, orders for delivery and logistics will increase. However, as a result of Hurricane Sandy in October 2012, and the loss of its two major contracts for deliveries in the New York Tri-State area, operations have been diminimis. The Company is therefore awaiting a decision from the Board of Directors on whether or not to officially discontinue operations.

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 $1,003,100 at March 31, 2014, has reported a net loss of $533,563 and used net cash of $ in operations during the three months ending March 31, 2014. 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.

The Company's continued existence is dependent upon its ability to successfully execute its business plan. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of liabilities that may result from the outcome of this uncertainty.

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, 2012.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES (CONTINUED)

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.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES (CONTINUED)

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 for the three months ended March 31, 2014 and 2012 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 March 31, 2014, management evaluated subsequent events through the date that such financial statements were issued.

NOTE 4 – NOTES PAYABLE

On December 17, 2009, the Company's wholly owned subsidiary, Core Wafer Systems, Inc. (CWS) entered into a Promissory Note in the principal amount of $129,666 with interest at a rate of 8.75% per year for cash payments received by the company for working capital. All principal and interest accruing under the Notes is due on varying dates on or before November 30, 2010. As of March 31, 2014, the Company was in default with the terms of this note which has a remaining principal balance of approximately $57,000.

In 2010, the Company's wholly owned subsidiary, Core Wafer Systems, Inc. (CWS) entered into Promissory Notes with three individuals in the aggregate principal amount of $210,000 with varying interest rates for cash payments received by the company for working capital. All principal and interest accruing under these Notes was due on or before November 30, 2010. As of March 31, 2014, the Company had not made any principal payments and was in default with the terms of these notes.

In 2011, the Company's wholly owned subsidiary, Core Wafer Systems, Inc. (CWS) entered into Promissory Notes with seven individuals in the aggregate principal amount of $382,500 with varying interest rates for cash payments received by the company for working capital. All principal and interest accruing under these Notes was due on or before December 31, 2011. As of December 31, 2013, the Company issued common stock in settlement of $150,000 principal and accrued interest for one note and was in default with the terms of two of these notes.

On February 20, 2011, the Company entered into a Convertible Promissory Note as settlement of an old accounts payable amount incurred prior to 2008 with a certain vendor. The principal amount of the note is $487,773 with interest at 8% per annum. As of March 31, 2014, approximately $70,400.00 of the note's principal has been converted into shares of the company's common stock.

On October 31, 2011, the Company's wholly owned subsidiary, Core Wafer Systems, Inc. (CWS) entered into a Promissory Note for the acquisition of certain intellectual property and other expenses in the principal amount of $2,866,981 with interest at the rate of 4% annually. Payment is due upon demand at such time CWS retains adequate capital to sustain normal operations. As of March 31, 2014 the Company has paid approximately $13,296 toward the principal amount of the note.

On November 30, 2011, the Company entered into an Installment Promissory Note 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. As of March 31, 2014, no other payments have been made.

In 2012, the Company's wholly owned subsidiary, Core Wafer Systems, Inc. (CWS) entered into Promissory Notes with three individuals in the aggregate principal amount of $132,500 with varying interest rates for cash payments received by the company for working capital. All principal and interest accruing under these Notes was due on or before December 31, 2012. As of March 31, 2014, the Company issued common stock in settlement of $100,000 principal and accrued interest for one note and was in default with the terms of the remaining two notes.

On January 23, 2013, the Company's wholly owned subsidiary, Core Wafer Systems, Inc. (CWS) entered into a Promissory Note in the principal amount of $100,000 with interest at a rate of 12% per year for cash payments received by the company for working capital. The Note is payable on or about March 31, 2013 or may be converted into the company's common stock. As of March 31, 2014 no payments have been made and the note has not been converted into common stock.

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 $1,003,100 at March 31, 2014, and has reported a net loss of $533,563 during the year ending March 31, 2014. 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 8,964,324,990 shares of $0.00001 par value common stock and 35,675,010 shares of $0.00001 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 March 27, 2013, the Company declared a special common stock dividend equal to 1 share for every 20 share block of its outstanding shares of common stock. The dividend was paid on May 13, 2013 to shareholders of record as of May 3, 2013.

NOTE 7 – ACQUISITIONS

On December 29, 2011, the Company completed a merger with Northeast Expedite Logistics, LLC (NEEL). In the merger the company acquired all of the membership units of NEEL, which became a wholly-owned subsidiary. The Company continued as the surviving public company which later changed its name to COREwafer Industries, Inc. Each issued Membership Unit was automatically converted into a pro rata accumulated total of 1,275,000 shares of the common stock and 400,000 Series B preferred stock of the Company. Based on the closing price of COREwafer Industries stock on December 29, 2011, the consideration received by NEEL members was valued at $.10 per share, or $200,000 of the aggregate. The common stock certificates were issued and mailed to the shareholders by the transfer agent and all shares of Series B preferred stock were issued held in book form by the corporate treasurer. Stock certificates for the Series B preferred stock were prepared and mailed out to recipients in approximately November 2013.

On October 25, 2012, the Company completed a merger with Core Wafer Systems, Inc. (CWS). In the Merger, the Company acquired all of the shares of Core Wafer Systems, which became a wholly-owned subsidiary. The Company continued as the surviving public company and was renamed COREwafer Industries, Inc. Each issued and outstanding share of Core Wafer Systems, Inc. common and preferred stock was automatically converted into pro rata shares of the common stock and Series B preferred stock of the Company. Based on the closing price of COREwafer Industries stock on October 25, 2012, the consideration received by Core Wafer Systems shareholders was valued at $.05 per share, or $2.5 million in the aggregate.

According to the Amendment to the Merger Agreement 100% of the Company shares were issued to Roger Goetz which were to be distributed by him to existing CWS shareholders on a pro-rata basis. Mr. Goetz received 31,158,676 shares of common stock and 8,388,874 shares of the company's Series B preferred stock. The remaining 7,789,669 shares of common stock and 2,097,219 shares of the company's Series B preferred stock are held in reserves against potential claims from previous employees, consultants or others.

On or about August 15, 2013, Roger Goetz returned the stock certificates to the Company requesting that the Company assist with the redistribution to other CWS shareholders. With the redistribution of the shares, Mr. Goetz no longer falls under the definition of "beneficial owner". The certificates for the common stock were mailed out to the shareholders by the transfer agent on approximately September 10, 2013. All shares of Series B preferred stock have been issued and are currently held in book form by the corporate treasurer.

NOTE 8 – RELATED PARTY TRANSACTIONS

On October 31, 2011 the Company's wholly owned subsidiary, Core Wafer Systems, Inc. (CWS) entered into a Promissory Note with a related party for the acquisition of certain intellectual property and other development costs in the principal amount of $2,866,981 with interest at the rate of 4% annually. Payment is due upon demand at such time CWS retains adequate capital to sustain normal operations.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Employment agreements

On June 22, 2013, the chief executive officer tendered his resignation according to the terms of his employment agreement.

Compensation under the agreement called 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 March 31, 2014, $277,000 has been accrued as compensation payable.

Effective June 22, 2013, the Company entered into an employment agreement with its Chief Executive Officer. Under the terms of the agreement, employment 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. Compensation under the agreement called for a minimum salary of $10,500 per month. The salary may be re-negotiated when new funds/investment are available for the Company. The Company has not made certain cash payments due under the agreement and as of March 31, 2014, $66,725 has been accrued as compensation payable.

On May 31, 2011, the Company entered into an employment agreement with its Chief Financial Officer for a period of two years. This agreement is renewable unless either party terminates in accordance with the provisions of the Agreement, or by death or permanent disability and called for a minimum salary of $10,000 per month plus additional cash and stock compensation.

Effective June 1, 2013, the Company renewed the employment agreement with our Chief Financial Officer for an additional two year period. The agreement calls for a minimum salary of $14,583 per month plus additional cash and stock compensation. All other terms of the renewal agreement remain the same as the original agreement.

The Company has not made certain cash payments due under these agreements. As of March 31, 2014, $166,468, has been accrued as compensation payable and deferred salary.

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, 2014 the Company has made only one of 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 $354,607. 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 November 17, 2011 the Company presented an offer of settlement to the Plaintiffs in the approximate amount of $30,000 plus attorney's fees. As of December 31, 2011 the Company is confident that the Plaintiffs will accept the offer.

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, prior 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 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. On August 2, 2013, the Company filed Plaintiffs' Response to Defendants' Motion for Order to Show Cause. A hearing was held in the matter on November 5, 2013 in the Bernalillo County Courthouse in Albuquerque, NM. Because the Company did not have legal counsel a final judgment was entered. The Company continues to work with Plaintiff's attorneys to reach an acceptable payment agreement and to comply with the court rulings.

On April 6, 2013 the Company received a Notice of Default on behalf of its wholly owned subsidiary, Northeast Expedite Logistics, LLC from AeroFund Financial in the amount of $55,900. This notice stems from a bankruptcy filing of a major customer. The terms of the factoring agreement with AeroFund state that if any of the Company's customers declares bankruptcy the agreement is terminated and all open receivables become due immediately. As of March 31, 2014, the Company has not made any payments.

On or about July 15, 2013 the Company received a copy of a Notice of Default regarding a Promissory Note and Guaranty dated January 23, 2013, entered into by its wholly owned subsidiary, Core Wafer Systems, Inc. (CWS) and Roger Goetz personally. The principal amount of the Note was $100,000 plus a "factoring fee" of 3% totaling $103,000 which was to be repaid on or before March 21, 2013. On July 25, 2013 the Company complied with the Notice of Default by providing copies of documents relevant to the merger and acquisition of CWS. On August 9, 2013, in a follow up telephone call to the Note holders' attorney, the Company was informed that a formal complaint had been filed in the Third Judicial District Court of Southeast Minnesota, Case No. 81-CV-13-644 on or about July 30, 2013, and that on August 8, 2013 a Default Judgment was entered in the amount of $103,652.00 against Roger Goetz and Core Wafer Systems, Inc.

On August 8, 2013, the Company discovered that a judgment had been entered against its wholly owned subsidiary, Core Wafer Systems, Inc., in the amount of $109,978.90, as a co-defendant along with Roger Goetz, DeRaad & Goetz, LLC and WTOH Investors, LLC in a complaint filed on or about February 19, 2013 in the Third Judicial District Court of Southeast Minnesota, Case No. 81-CV-13-144 stemming from business dealings between Goetz beginning in 2005. The Company had no prior knowledge of the filing of the Complaint nor the circumstances which lead to the Complaint and subsequent judgment.

On or about August 26, 2013, through our Registered Agent, the Company received notice of Order Continuing Case Management Conference with regard to a complaint filed on September 11, 2012 against its wholly owned subsidiary Core Wafer Systems, Inc., in the Superior Court of California, County of San Francisco, case number CGC-12-524080, for unpaid legal fees and costs in the amount of $51,896.21. The notice sets a case management conference for April 26, 2014 for plaintiff to obtain a default judgment against COREwafer Industries, Inc. The Company had no prior knowledge of the legal proceedings against Core Wafer Systems in this matter and will take appropriate measures to defend against it.

Operating Leases

The organization does not currently maintain a "brick and mortar" presence. Virtual offices are being maintained on a month to month rental basis for the CEO, CFO and subsidiaries CWS and NEEL in Florida. All employees and/or consultants work from home-based offices.

NOTE 10 – 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 March 31, 2014, the Company had federal net operating loss carry-forwards totaling approximately 17,300,000 which expires in various years through 2028.

NOTE 11 – SUBSEQUENT EVENTS

Financing Operations.

On April 1, 2014, the Company issued 75,000,000 shares of common stock in settlement of $75,000 of debt.

On April 2, 2014, the Company issued 269,831,943 shares of common stock in settlement of $47,220.59 of debt.

On April 8, 2014, the Company issued 87,520,000 shares of common stock in settlement of $21,880 of debt.

On April 9, 2014, the Company issued 62,500,000 shares of common stock at $0.0004 per share for total proceeds of $25,000 used for working capital.

On April 10, 2014, the Company issued 165,343,750 shares of common stock in settlement of $52,910 of debt.

On April 16, 2014, the Company issued 375,000,000 shares of common stock at $0.0002 per share for total proceeds of $75,000 used for legal fees, auditor fees, and working capital.

On May 1, 2014, the Company issued 264,550,000 shares of common stock in settlement of $52,910 of debt.