

**OTC DISCLOSURE AND NEWS SERVICE**

**ISSUER INFORMATION AND DISCLOSURE STATEMENT**

(November 28, 2012)

**COREWAFER INDUSTRIES, INC.**

(Pinksheets: WAFR)

**NEVADA**

(State of Incorporation)

**59-2095427**

(IRS Employer Identification No.)

419 Lafayette Street, Second Floor  
New York, NY 10003  
(Address of Principal Executive Offices)

(866) 793-1110  
(Issuer's Telephone Number)

Cusip Number: 21871B107

**MANAGEMENT DISCUSSION & UPDATE**

**POSTED: November 28, 2012**

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## **FORWARD-LOOKING STATEMENTS**

This disclosure statement contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases you can identify forward-looking statements by terms such as “may”, “intend”, “will”, “could”, “would”, “expects”, “believe”, “estimate”, or the negative of these terms, and similar expressions intended to identify forward-looking statements.

These forward-looking statements reflect our current views with respect to future events and are based on assumptions and are subject to risks and uncertainties. Also, these forward-looking statements present our estimates and assumptions only as of the date of this disclosure statement. Except for our ongoing obligation to disclose material information as required by federal securities laws, we do not intend to update you concerning any future revisions to any forward-looking statements to reflect events or circumstances occurring after the date of this disclosure statement.

Actual results in the future could differ materially and adversely from those described in the forward-looking statements as a result of various important factors, including the substantial investment of capital required to produce and market films and television series, increased costs for producing and marketing feature films, budget overruns, limitations imposed by our credit facilities, unpredictability of the commercial success of our motion pictures and television programming, the cost of defending our intellectual property, difficulties in integrating acquired businesses, and technological changes and other trends affecting the entertainment industry. 2

**Item 1 – The exact name of the issuer** is COREWafer Industries, Inc., also referred to the “Issuer” or “WAFR”. WAFR is a Nevada Corporation (registered in Nevada on May 25, 2012); The Issuer was formed in New York in 1977 and reincorporated in Florida in 1980. In 2012, the Company relocated its state of incorporation to Nevada.

**Item 2 – The address of the issuer’s principal executive offices** is as follows:

Our Contact Information:

COREWafer Industries, Inc.  
419 Lafayette St., Second Floor  
New York, NY 10003  
Tel. (866) 793-1110  
Fax: 646-861-6572  
<http://www.corewaferindustries.com/>

Contact Person:

Gary Polistena, CEO  
419 Lafayette St., Second Floor  
New York, NY 10003  
Tel. (866) 793-1110  
Fax: 646-861-6572

**Item 3 – The jurisdiction and date of the issuer’s incorporation under that jurisdiction** is: Nevada (corporation), registered May 25, 2012. The Issuer was originally formed in New York in 1977 and then reincorporated in Florida in 1980. In 2012, the Company relocated its state of incorporation to Nevada.

**Item 4 – Exact title and class of securities outstanding:**

The Issuer’s stock is traded on the OTC “Pinksheets” Markets under the trading symbol: WAFR. The CUSIP number for the Issuer is: 21871B107. The following is true and correct, per our transfer agent, as of and at the period ending on November 27, 2012, and continuing through to the date of this filing:

a.	Total shares in issue as of November 27, 2012:	37,618,100
b.	Above Shares Restricted From Sale:	19,989,759
	<b><u>Net Share Count</u></b>	<b><u>17,628,341</u></b>
c..	Series “A” Preferred Shares:	175,000
	Series “B” Preferred Shares:	3,669,429

Shareholders of Record: 177 (*Registrar & Transfer count*)

Total Beneficial Shareholders: 1 (*Broadridge, ICS count*)

Total Authorized Shares: 200,000,000

**Item 5 – Stock Transfer Agent:**

**The Transfer Agent for the Issuer’s stock is:**

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

Registrar and Transfer Company is registered under the Exchange Act and the regulatory authority of the transfer agent is the SEC.

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## **Management Discussion & Update Report on Various Corporate Matters**

### **ITEM 6** – New and ongoing business developments:

**6(a) – REG A RESERVE EQUITY FINANCING AGREEMENT** – On October 23, 2012 the Issuer entered into a Regulation A Reserve Equity Financing Agreement (the “Agreement”) with AGS Capital Group, LLC (the “Investor”). Under the terms of the Agreement the Issuer may issue and sell to the Investor, from time to time, and the Investor shall purchase from the Issuer up to Five Million Dollars (\$5,000,000) of the Issuer’s freely tradable common stock. Subject to the terms and conditions of the Agreement, the Issuer, at its sole and exclusive option, may issue and sell to the Investor, and the Investor shall purchase from the Issuer, shares of common stock, by the delivery, in the Issuer’s sole discretion, of notices. The aggregate maximum amount of all purchases that the Investor shall be obligated to make under the Agreement shall not exceed \$5,000,000. Once a notice is received by the Investor, it shall not be terminated, withdrawn or otherwise revoked by the Issuer except as outlined in the Agreement.

Regulation A provides an exemption to Section 5 of the Securities Act of 1933. The exemption allows eligible issuers the right to claim the exemption and raise up to \$5 million in securities sales in any 12 month period. A company choosing to rely on this exemption, must file with the SEC an offering statement (Form 1-A), consisting of a notification, offering circular, and exhibits. The Issuer and its attorneys have begun preparing the Form 1-A disclosure document which can take up to a four week process before a filing can be made with the SEC.

The Issuer can, at any time, proceed to prepare and file a Form 10 with the SEC to register one or more classes of securities under Section 12 of the 1934 Act as previously reported. This can be done at any time but clearly when it is done, the Issuer loses the right to claim the Regulation A offering exemption on a going-forward basis and, at that time, will be able to access to the \$10MM funding under the financing commitment entered into with AGS in May, 2012.

With this funding in place, COREWafer Industries will delegate monies to Core Wafer Systems in order to execute against their near-term business plan with a focus on the silicon testing industry and associated product lines placing focus on:

- Lease of additional hardware testing units to expand the testing footprint of their software in order to widen the customer base;
- PDQ-WARP – Prioritize customer requests into work queue for development in Q4 2012 and Q1 2013;
- PDQ-WLR 7 - Re-engage critical resources necessary to complete the final stage in development and testing of the upcoming release;
- ASUR-SDR – Introduce enhancement requests from prospective Fortune 1000 semiconductor manufacturers;
- Increase sales staff and pre-sales consulting efforts targeting close to 80% of deals where budgetary quotes were issued in 2012;

- Increase billable hours through post-sales consulting efforts with existing international clients;
- Begin search for a Chief Technology Officer (CTO) with efforts focused on evangelism and re-engaging international hardware manufacturers in OEM agreements; and
- Solidify the Issuer's foothold beyond 2015 in the Fortune 1000 customer base as EOSL Agilent equipment ages out of the environment.

The Issuer believes Core Wafer System products are well ahead of the competition in analysis, speed, and quality; and believe customers will continue to adopt Core Wafer software across product lines in 2013.

**6(b) – COMPLETION OF MERGER WITH CORE WAFER SYSTEMS, INC.** – On October 25, 2012, the Issuer delivered the Articles of Merger to the State of Nevada and the Certificate of Merger to the State of New York as the final steps in completing the merger between the Issuer and Core Wafer Systems, Inc., a Nevada corporation (“CWS”)

CWS merged with the wholly owned subsidiary of the Issuer, Action Products International, Inc., a New York corporation (“Action Products”), whereby CWS became the surviving corporation and shall continue its corporate existence under the laws of the State of Nevada under the name “Core Wafer Systems, Inc.”

The Merger became effective upon the filing of the Articles of Merger with the Secretary of State of the State of Nevada, whereby CWS became a wholly owned subsidiary of the issuer “COREwafer Industries, Inc.”

Under the terms of the merger agreement each share of common stock, no par value, of Action Products outstanding immediately prior to the merger has been, by virtue of the merger and without any action on the part of the holder thereof, converted into one share of common stock, par value \$.001 per share, of CWS, so that the Issuer became the holder of all of the issued and outstanding shares of CWS. The shares of common stock, par value \$.001 per share, of CWS, beneficially owned prior to the merger have been, by virtue of the merger and without any action on the part of the holders thereof, converted into shares of the Issuer’s common stock and preferred stock equal to 55% of the outstanding equity of the Issuer.

As of October 25, 2012 CWS had net assets of approximately \$10,000,000 primarily attributable to proprietary software licenses, and IP. Total liabilities of approximately \$3,500,000 include long term notes payable to related parties in the amount of approximately \$2,900,000. Year to date sales are approximately \$195,000 with current sales orders in excess of \$230,000.

CWS estimates expenditures of approximately \$1,300,000 for the completion of the new releases of PDQ-WARP, PDQ-WLR 7, and ASUR-SDR which will result in projected sales of approximately \$108,000,000 over the next three to five years.

**6c) – CORE WAFER SYSTEMS v SANDIA TECHNOLOGIES** – On November 15, 2012, the Issuer received a letter from the attorneys representing Sandia Technologies, et. al., with regard to the Settlement Agreement entered into with CWS on July 25, 2012.

In the original Settlement Agreement, Management of CWS agreed to pay to Sandia Technologies the sum of \$500,000 for all rights and licenses of IP, copyrights, trademarks, etc. for the PDQ Suite purchased from ST in December, 2005. Payment was to be made by CWS within 90 days of the settlement date. CWS failed to make the payment as agreed and as a result, Sandia Technologies has requested payment be made in full by 5:00 p.m. on Tuesday, November 20, 2012 or, in the alternative, that the terms of the settlement be modified.

The Issuer is contemplating a proposed settlement offer whereby WAFR will pay \$20,000.00 per month for twenty-five months. Under this modification the present action will be dismissed with prejudice as to CWS's claims and without prejudice as to Sandia Technologies' and Donald G. Pierce's claims. The issuer has yet to make a counter offer.

The Settlement Agreement stems from a lawsuit that was filed in the State of New Mexico, County of Bernalillo, Second Judicial District Court, No. CV 2010-10561 by CWS against ST for their release of IP, copyrights, trademarks, etc. for the PDQ Suite purchased from ST in December, 2005. Sandia claims the agreement was verbally modified in 2006 to increase the payment another \$400,000. Although verbal changes are prohibited in the agreement, CWS believed it was necessary to litigate and seek a pre-emptive judgment for total and absolute ownership as well as damages due to ST using this IP for their enrichment. Additionally, Mr. Pierce asserted a 15.8% ownership in CWS.

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**ITEM 7      Certifications**

I, GARY POLISTENA, hereby certify that;

- (1) I have reviewed the Management Discussion & Update Report as posted on November 28, 2012 on behalf of COREWafer Industries, Inc.
- (2) Based on my knowledge, this Management Discussion & Update Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this filing;
- (3) Based on my knowledge, the financial information included or incorporated by reference in this Management Discussion & Update Report 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 Statement.

Dated: 28 November 2012

/s/ Mr. Gary Polistena

By: Gary Polistena

Title: Chief Executive Officer