



TELPAC INDUSTRIES, INC.

Quarterly Disclosure Statement
March 31, 2012

ITEM 1 THE EXACT NAME OF THE ISSUER AND THE ADDRESS OF ITS PRINCIPAL EXECUTIVE OFFICES

TelPac Industries, Inc
9025 Wilshire Blvd. 5th Floor
Beverly Hills CA 90211

ITEM 2 SHARES OUTSTANDING

As of March 31, 2012:

Common stock – 100,000,000 shares authorized and 29,273,376 shares issued and outstanding.

Preferred Stock – The Company has 10,000,000 shares of Series B Preferred Stock authorized and 0 issued and outstanding.

Trading symbol: TLPC
Cusip number: 879948206

ITEM 3 INTERIM FINANCIAL STATEMENTS.

TELPAC INDUSTRIES, INC.
BALANCE SHEETS
(Unaudited)

	<u>March 31,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
Assets:		
Cash	\$ 5,000	\$ -
Optimum Pay Software Platform	980,000	-
Accounts Receivable	327,000	300,000
	<hr/>	<hr/>
Total Assets	1,312,000	300,000
	<hr/> <hr/>	<hr/> <hr/>
Liabilities:		
Accounts Payable and Accrued Liabilities	780,000	-
Loan Payable	5,000	-
Interest Payable	13,000	-
	<hr/>	<hr/>
Total Liabilities	798,000	-
	<hr/> <hr/>	<hr/> <hr/>
Stockholders' Deficit:		
Preferred stock par value \$.001 authorized 10,000,000 shares, 0 shares issued and outstanding	-	-
Common stock par value \$.001 authorized 100,000,000 shares, 29,273,376 and 28,473,376 shares issued and outstanding	29,273	28,473
Additional Paid in Capital	285,946	86,746
Accumulated Deficit	198,781	184,781
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Total Stockholders' Deficit	514,000	300,000
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Total Liabilities and Stockholders' Deficit	\$ 1,312,000	\$ 300,000
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The accompanying notes are an integral part of these financial statements.

TELPAC INDUSTRIES, INC.
STATEMENTS OF OPERATIONS
(Unaudited)

	For the three months ended March 31, 2012
Revenues	\$ -
Costs of Services	-
	-
Gross Margin	-
Operating Expenses:	
General and Administrative	14,000
	14,000
Operating Expenses	14,000
Operating Gain (Loss)	14,000
Income Tax	-
	-
Net Gain (Loss)	\$ (14,000)
Earnings Per Common Share, Basic & Diluted	\$ (.00048)
Weighted Average Shares Outstanding	29,273,376

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

TELPAC INDUSTRIES, INC.
STATEMENTS OF STOCKHOLDERS' DEFICIT
(Unaudited)

	Common Stock		Additional	Accumulated	Total
	Shares	Amount	Paid in Capital	Deficit	Stockholders Deficit
Balance, December 31, 2009	20,587,376	\$ 20,587	\$ -	\$ (20,587)	\$ -
Stock issued for services	16,000	16	176	-	192
Net loss for the year	-	-	-	149,808	149,808
Balance, December 31, 2010	20,603,376	20,603	176	129,221	150,000
Stock issued for services	7,870,000	7,870	86,570	-	94,440
Net income for the year	-	-	-	55,560	55,560
Balance, December 31, 2011	28,473,376	\$ 28,473	86,746	184,781	300,000
Stock issued for services	800,000	800	199,200	-	200,000
Net loss for the quarter	-	-	-	(14,000)	14,000
Balance, March 31, 2012	29,273,376	29,273	285,946	198,781	514,000

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

TELPAC INDUSTRIES, INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

	Three months ended March 31, 2012
CASH FLOW FROM OPERATING ACTIVITIES:	
Net Gain (Loss) for the Period	\$ (14,000)
Adjustments to reconcile net loss to net cash used by operating activities:	
Changes in Operating Assets and Liabilities:	
Issuance of Shares for Software Platform	200,000
Increase in Accounts Payable and Accrued Liabilities	780,000
Increase in Loan Payable	5,000
Increase in Interest Payable	13,000
Increase in Accounts Receivable	27,000
Net Cash (Used) in Operating Activities	1,011,000
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of Property and Equipment	-
Net Cash Used by Investing Activities	-
 CASH FLOWS FROM FINANCING ACTIVITIES:	
Common Stock issued for cash	-
Net Cash Provided by Financing Activities	-
 Net (Decrease) Increase in Cash	 5,000
Cash at Beginning of Period	-
Cash at End of Period	5,000

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the year for:	
Interest	\$ -
Franchise and Income Taxes	\$ -

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

TELPAC INDUSTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

Note 1 - Company Organization and Background

Telpac Industries, Inc., formerly Superior Lube, Inc. (10/20/95-7/23/97) and Cornerstone Investment Marketing Corp. (10/13/92-10/20/95), a Nevada corporation, hereinafter referred to as the "Company", was incorporated in the State of Nevada on October 13, 1992. The company's operations consists of, an e-commerce solution developer and provider in the areas of social networks, online multiplayer video gaming, and provides payment solutions in online applications, mobile devices, stored value solutions in the Business to Business, Business to Consumer, and Person to Person markets.

Significant Accounting Policies

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

Cash and Cash Equivalents: For financial statement presentation purposes, the Company considers those short-term, highly liquid investments with original maturities of three months or less to be cash or cash equivalents.

Property and Equipment: New property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 5 years. Expenditures for renewals and betterments are capitalized. Expenditures for minor items, repairs and maintenance are charged to operations as incurred. Gain or loss upon sale or retirement due to obsolescence is reflected in the operating results in the period the event takes place.

Valuation of Long-Lived Assets: We review the recoverability of our long-lived assets including equipment, goodwill and other intangible assets, when events or changes in circumstances occur that indicate that the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on our ability to recover the carrying value of the asset from the expected future pre-tax cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. Our primary measure of fair value is based on discounted cash flows. The measurement of impairment requires management to make estimates of these cash flows related to long-lived assets, as well as other fair value determinations.

Stock Based Compensation: Stock-based awards to employees and non-employees are accounted for using the fair value method in accordance with ASC 718, *Share-Based Payments*. Our primary type of share-based compensation consists of stock options. ASC 718 requires that companies measure and recognize compensation expense at an amount equal to the fair value of share-based payments granted under compensation arrangements. We calculate the fair value of options using a Black-Scholes option pricing model. We do not currently have any outstanding options subject to future vesting.

ASC 718 also requires the benefits of tax deductions in excess of recognized compensation expense to be reported in the Statement of Cash Flows as a financing cash inflow rather than an operating cash inflow. In addition, ASC 718 required a modification to the Company's calculation of the dilutive effect of stock option awards on earnings per share.

Revenue Recognition: The Company plans to generate revenue from the future sales of innovative products. Revenue will be recognized when the products are used.

Accounting For Obligations And Instruments Potentially To Be Settled In The Company's Own Stock: We account for obligations and instruments potentially to be settled in the Company's stock in accordance with FASB ASC 815, Accounting for Derivative Financial Instruments. This issue addresses the initial balance sheet classification and measurement of contracts that are indexed to, and potentially settled in, the Company's own stock.

Subsequent Events: Subsequent events have been evaluated up to and including the date at which the financial statements were available-March of 2012.

Fair Value of Financial Instruments: FASB ASC 825, "Financial Instruments," requires entities to disclose the fair value of financial instruments, both assets and liabilities recognized and not recognized on the balance sheet, for which it is practicable to estimate fair value. FASB ASC 825 defines fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. At December 31, 2011 and 2010, the carrying value of certain financial instruments (cash and cash equivalents, accounts payable and accrued expenses.) approximates fair value due to the short-term nature of the instruments or interest rates, which are comparable with current rates

Fair Value Measurements: FASB ASC 820 defines fair value and establishes a framework for measuring fair value and establishes a fair value hierarchy which prioritizes the inputs to the valuation techniques. Fair value is the price that would be received to sell an asset or amount paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

Fair Value Hierarchy: FASB ASC 820 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs), or reflect the Company's own assumptions of market participant valuation (unobservable inputs). In accordance with FASB ASC 820, these two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 – Quoted prices for identical assets and liabilities in markets that are not active, quoted prices for similar assets and liabilities in active markets or financial instruments for which significant inputs are observable, either directly or indirectly.
- Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

FASB ASC 820 requires the use of observable market data if such data is available without undue cost and effort.

Measurement of Fair Value: The Company measures fair value as an exit price using the procedures described below for all assets and liabilities measured at fair value. When available, the Company uses unadjusted quoted market prices to measure fair value and classifies such items within Level 1. If quoted market prices are not available, fair value is based upon internally developed models that use, where possible, current market-based or independently-sourced market parameters such as interest rates and currency rates. Items valued using

internally generated models are classified according to the lowest level input or value driver that is significant to the valuation. Thus, an item may be classified in Level 3 even though there may be inputs that are readily observable. If quoted market prices are not available, the valuation model used generally depends on the specific asset or liability being valued. The determination of fair value considers various factors including interest rate yield curves and time value underlying the financial instruments.

Earnings per Common Share: We have adopted the provisions of ASC 260, *Earning per Share*. ASC 260 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing Diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive.

Income Taxes: We have adopted ASC 740, *Accounting for Income Taxes*. Pursuant to ASC 740, we are required to compute tax asset benefits for net operating losses carried forward. The potential benefits of net operating losses have not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

We must make certain estimates and judgments in determining income tax expense for financial statement purposes. These estimates and judgments occur in the calculation of certain tax assets and liabilities, which arise from differences in the timing of recognition of revenue and expense for tax and financial statement purposes.

Deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax basis of assets and liabilities using the tax rates and laws in effect when the differences are expected to reverse. ASC 740 provides for the recognition of deferred tax assets if realization of such assets is more likely than not to occur. Realization of our net deferred tax assets is dependent upon our generating sufficient taxable income in future years in appropriate tax jurisdictions to realize benefit from the reversal of temporary differences and from net operating loss, or NOL, carry forwards. We have determined it more likely than not that these timing differences will not materialize and have provided a valuation allowance against substantially all of our net deferred tax asset. Management will continue to evaluate the ability to realize the deferred tax asset and its related valuation allowance. If our assessment of the deferred tax assets or the corresponding valuation allowance were to change, we would record the related adjustment to income during the period in which we make the determination. Our tax rate may also vary based on our results and the mix of income or loss in domestic and foreign tax jurisdictions in which we operate.

In addition, the calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations. We recognize liabilities for anticipated tax audit issues in the U.S. and other tax jurisdictions based on our estimate of whether, and to the extent to which, additional taxes will be due. If we ultimately determine that payment of these amounts is unnecessary, we will reverse the liability and recognize a tax benefit during the period in which we determine that the liability is no longer necessary. We will record an additional charge in our provision for taxes in the period in which we determine that the recorded tax liability is less than we expect the ultimate assessment to be.

ASC 740 which requires recognition of estimated income taxes payable or refundable on income tax returns for the current year and for the estimated future tax effect attributable to temporary differences and carry-forwards. Measurement of deferred income tax is based on enacted tax laws including tax rates, with the measurement of deferred income tax assets being reduced by available tax benefits not expected to be realized

Uncertain Tax Positions

The Financial Accounting Standards Board issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109, Accounting for Income Taxes" ("FIN No. 48") which was effective for the Company on January 1, 2007. FIN No. 48 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under FIN No. 48, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. FIN No. 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods and disclosure requirements.

Note 2 - Recent Accounting Pronouncements

In January 2010, the FASB issued an amendment to ASC 820, Fair Value Measurements and Disclosure, to require reporting entities to separately disclose the amounts and business rationale for significant transfers in and out of Level 1 and Level 2 fair value measurements and separately present information regarding purchase, sale, issuance, and settlement of Level 3 fair value measures on a gross basis. This standard, for which the Company is currently assessing the impact, is effective for interim and annual reporting periods beginning after December 15, 2009 with the exception of disclosures regarding the purchase, sale, issuance, and settlement of Level 3 fair value measures which are effective for fiscal years beginning after December 15, 2010.

In January 2010, the FASB issued an amendment to ASC 505, Equity, where entities that declare dividends to shareholders that may be paid in cash or shares at the election of the shareholders are considered to be a share issuance that is reflected prospectively in EPS, and is not accounted for as a stock dividend. This standard is effective for interim and annual periods ending on or after December 15, 2009 and is to be applied on a retrospective basis. The adoption of this standard is not expected to have a significant impact on the Company's financial statements.

In June 2009, the FASB issued guidance now codified as ASC 105, *Generally Accepted Accounting Principles* as the single source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. GAAP, aside from those issued by the SEC. ASC 105 does not change current U.S. GAAP, but is intended to simplify user access to all authoritative U.S. GAAP by providing all authoritative literature related to a particular topic in one place. The adoption of ASC 105 did not have a material impact on the Company's financial statements, but did eliminate references to pre-codification standards.

Management does not anticipate that the adoption of these standards will have a material impact on the financial statements.

Note 3 – Stockholders Equity

The Company is authorized to issue up to 100,000,000 shares of \$ 0.001 par value common stock and 10,000,000 shares of \$.001 par value preferred stock.

At December 31, 2009 the Company had 20,587,376 common shares issued and outstanding, all of which are considered founders shares. The issuance of shares to founder's resulted in an expense of \$ 20,587.

For the year ended December 31, 2010 the Company issued 16,000 common shares for services rendered to the Company. The Company recorded an expense of \$192 for the issuance of shares for services with a corresponding contribution of paid-in-capital. The shares were valued at \$.012 fair market value.

For the year ended December 31, 2011 the Company issued 7,870,000 common shares for services rendered to the Company. The Company recorded an expense of \$94,440 for the issuance of shares for services with a corresponding contribution of paid-in-capital. The shares were valued at \$.012 fair market value.

During the quarter ended March 31, 2012, Telpac Industries, Inc purchased a comprehensive payment transaction processing system from Netmind, Inc. This system contains features such as mobile transactions and payments, virtual wallet and card payment processing. The down payment of the software purchase was made by the transfer of 800,000 shares of common Telpac stock valued at \$.25 per share.

Note 4 – Accounts Receivable

The Accounts Receivables of \$327,000 is for work performed under ongoing contracts. Telpac Industries, Inc is awaiting payment for the portion of contractual services that have already been rendered.

Note 5 - Subsequent Event

In accordance with Accounting Standards Codification Topic No. 855 “Subsequent Events” (ASC 855), the Company has evaluated subsequent events and has found none to report.

ITEM 4 MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

TelPac Industries, Inc.

Market Needs New Payment Solutions for Online Social Networks and Entertainment

In the ever changing world of online entertainment, Massively Multiplayer Online Games (MMOG's) are games designed to be played online by hundreds of thousands of users. Playing online is part of the overall gaming experience for the majority of gamers. Online video gaming and social game networks transcends gender and age, although teens are especially likely to play games online. The universal virtual card has been designed for the players 12 to 22 years old which represent 41% of the total players. The MMOG market has reached 1 billion for the first time in 2008.

Market Fundamental

To effectively understand the potential of the TelPac Industries, Inc. it helps to review the Market analysis available.

As of 2008, there was an estimated 1 Billion Dollars of money spent in the online game area which has doubled by 2011. A convenient and effective way to pay for these games is in demand and is evident by the growth of the industry.

Off Balance Sheet Arrangements

None

Related Party Transactions

Telpac Industries, Inc. purchased the Optimum Pay software payment system from Netmind, Inc. for the debt owed against the software which was at a price less than its market value. David Teuma serves as President of Netmind, Inc and Telpac Industries, Inc.

ITEM 5 LEGAL PROCEEDINGS

None.

ITEM 6 DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 7 OTHER INFORMATION

Per the guidelines, not applicable.

ITEM 8 EXHIBITS

Per the guidelines, no exhibits are required here which have not already been described or attached in any prior disclosure statement.

ITEM 9 ISSUER'S CERTIFICATIONS

I, David Teuma, certify that:

1. I have reviewed this quarterly disclosure statement of TelPac 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.

Date: May 15, 2012

/s/ David Teuma
David Teuma
President and Chief Financial Officer
(Principal Executive Officer and Principal Financial Officer)