

OTC MARKETS GROUP

**GLOBAL DIGITAL SOLUTIONS, INC.
(A NEW JERSEY CORPORATION)**

QUARTERLY REPORT
As of September 30, 2012

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

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

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

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

Date: November 20, 2012

GLOBAL DIGITAL SOLUTIONS, INC.

By
Name: William Delgado
Position: President
Phone: (916) 838-8833
Email: bdelgado@gdsi.co
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CONTINUING DISCLOSURE STATEMENT

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

A. The exact name of the issuer and its predecessor, if any:

The exact name of the Issuer is Global Digital Solutions, Inc.

The name of its predecessor:

Creative Beauty Supply, Inc.

B. The address of its principal executive offices:

9477 Greenback Lane

Phone: 702-479-1631

Suite 524A

Folsom, CA 95630

Fax : 916-990-9172

Item (2): The exact title and class of securities outstanding.

Security Symbol:

GDSI

CUSIP Number:

37944K106

Common Stock:

175,000,000 authorized and 42,621,522 issued and outstanding

Preferred Stock:

10,000,000 authorized and 1,000,000 issued and outstanding.

The number of shares or total amount of the securities outstanding for each class of securities authorized:

Period end date: September 30, 2012

Authorized Shares: 175M Common Shares, 10M Preferred Shares

Outstanding Shares: 42,621,522 Common Shares, 1M Preferred Shares

Public Float: 13,943,451

Number of Beneficial Shareholders: 3

Total number of Shareholders: 333

Period end date: June 30, 2012

Authorized Shares: 175M Common Shares, 10M Preferred Shares

Outstanding Shares: 42,621,522 Common Shares, 1M Preferred Shares

Public Float: 13,943,451

Number of Beneficial Shareholders: 3

Total number of Shareholders: 333

Item (3): Interim Financial Statements

- (i) The interim financial statements are attached at the end of the Quarterly Update.
- (ii) The following interim financial statements are attached
 - Balance Sheet for September 30, 2012
 - Statement of Income for the Quarter ending September 30, 2012
 - Statement of cash flows for the Quarter ended September 30, 2012
 - Statement of changes in stockholders' equity as of September 30, 2012
 - Financial Notes as of September 30, 2012

Item (4): Management's Discussion and Analysis of Plan of Operation

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the financial statements and notes thereto included in this report. The statements contained in this report that are not purely historical are forward-looking statements which would include, but not be limited to, statements regarding our expectations, hopes, intentions or strategies regarding the future. Forward-looking statements include statements regarding: future product or product development; future research and development spending on our product development strategies, and are generally identifiable by the use of the words "may", "should", "expect", "anticipate", "estimates", "believe", "intend", or "project" or the negative thereof or other variations thereon or comparable terminology. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements (or industry results, performance of achievements) expressed or implied by these forward-looking statements to be materially different from those predicted. The factors that could affect our actual results include, but are not limited to, the following: general economic and business conditions, both nationally and in the regions in which we operate; competition; changes in business strategy or development plans; our inability to retain key employees; our inability to obtain sufficient financing to continue to expand operations; and changes in demand for products by our customers.

Plan of Operation:

Over the next twelve months we intend to develop the following initiatives.

General

We intend to expand our engineering efforts with our major telecom and government clients in the implementation and development of broadband and wireless networks throughout the United States and North America. We are also beginning a diversification process and have identified two acquisitions in the Government defense arena. We have issued Letters of Intent to acquire these companies and are currently in the due diligence phase on both acquisitions. On October 24, 2012, the company announced that it has reached a definitive agreement to acquire Airtronic, Inc. The company is in the final phases

of complying with the terms of the agreement including the advancement of \$750,000 of Debtor in Possession financing

RESULTS OF OPERATIONS

Quarter ended September 30, 2012

Revenue:

For the Quarter ended on September 30, 2012, revenues were approximately \$81,367. For the three month period ended September 30, 2011 revenues were approximately \$3,350. *The primary reason for the increase in revenue for the period was new construction and engineering projects completed for large national communications carriers. Our primary revenue source is from construction and engineering projects within the telecommunications infrastructure area. Our Gross Profit ending September 30, 2012 was \$24,163 compared to a Gross Profit of \$2,550 ending September 30, 2011. The increase in the Gross Profit was due to profits generated by the previously mentioned construction and engineering projects. Our Net Loss for the period ending September 30, 2012 was (\$20,060) compared to a Net Loss of (\$4,525) for the period ending September 30, 2011. The Net Loss was mainly attributable to a ramp up in SG&A for additional bidding on various project opportunities which we believe will develop over the next several months and the costs associated with the previously announced acquisitions, including accounting, legal and marketing.*

Operating Expenses

For the quarter ended September 30, 2012, operating expenses related to selling, general and administrative expenses were \$44,223 and costs of sales were \$57,204. For the three month period ended on September 30, 2011, operating expenses related to selling, general and administrative expenses was \$7,075 and costs of sales were \$800. The increase in operating expenses related to selling, general, and administrative expenses were related to costs associated with increased costs for business development, accounting and legal fees associated with the anticipated move the OTCQB and the acquisitions. The increase in the quarter in cost of sales was the additional costs for executing and performing on the increased work for the quarter.

Liquidity

Cash used in operations: The company used \$85,639 in cash for the three month period ended September 30, 2012. This consisted of the net loss of \$20,060 offset by an increase in accounts payable and liabilities of \$36,419.

Net cash provided by financing activities of the company for the three month period ended September 30, 2012 was \$49,220. This consisted of \$49,220 in short term loans.

Off-Balance Sheet Arrangements

There are no off balance sheet arrangements.

Item (5): Legal Proceedings

None

Item (6): Default on senior securities

None

Item (7): Other Information

None

Item (8): Exhibits

See Item (3)

Item (9): Issuer's Certificate

I, William J. Delgado, certify that:

1, I have reviewed this quarterly disclosure statement of Global Digital Solutions, Inc.

2, Based upon my knowledge, this disclosure statement does not contain an 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 upon my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement

November 20, 2012

/s/ William J. Delgado

President/CEO/CFO/Secretary

Global Digital Solutions, Inc.
Condensed Consolidated Balance Sheet
September 30, 2012
(Unaudited)

	<u>Sep-12</u>	<u>Sep-11</u>
Current assets:		
Cash and cash equivalents	\$ 2,579	\$ 2,052
Accounts receivable, net	92,366	3,350
Other current assets		
Inventory		
Costs in excess of Billings		
Total current assets	94,945	5,402
Property, plant and equipment, net of accumulated depreciation and amortization	90,320	6,573
Other assets		
TOTAL ASSETS	\$ 185,265	\$ 11,975
Current liabilities:		
Current portion of notes payable	912,005	911,851
Short term notes payable	185,958	
Accounts payable	95,154	1,244
Accrued expenses		
Billings in Excess of Costs		
Total current liabilities	1,193,117	913,095
Total Liabilities	1,193,117	913,095
Stockholders' Equity:		
Preferred stock, authorized 10,000,000 shares; \$0.001 per share, Issued and outstanding 1,000,000	1,000	1,000
Common stock, authorized 990,000,000 shares; \$0.001 par value, Issued and outstanding 30,136,054.		30,136
Issued and outstanding 42,621,522.	42,622	
Additional paid in capital	4,770,858	4,696,550
Accumulated deficit	(5,822,332)	(5,628,806)
Total Stockholders' Equity	(1,007,852)	(901,120)
TOTAL LIABILITIES AND EQUITY	\$ 185,265	\$ 11,975

The accompany notes form an integral part of these consolidated condensed financial statements.

Global Digital Solutions, Inc.
Notes to Consolidated Financial Statements for the
Qtr Ended September 30,2012

Note 1. General Organization and Business Issues

The company had limited operations effective March 31, 2005. The company is currently reviewing two merger candidates in the area of defense infrastructure solutions and information technology. The company has identified several potential merger candidates contingent on due diligence and capital availability.

Note 2. Summary of Significant Accounting Practices

Accounting Basis

We have prepared the consolidated financial statements according to Generally Accepted Accounting Principles (GAAP) in the United States of America.

Cash and Cash Equivalents

The company considers all highly liquid investments with original maturities of three months or less as cash equivalents. As of September 30, 2012 the Company had no cash or cash equivalent in excess of the Federally Insured amounts. The Company's policy is to invest excess funds in only well capitalized financial institutions.

Earnings per Share

The company adopted the provisions of SFAS No. 128, Earnings per Share. SFAS No. 128 requires the presentation of basic and diluted earnings per share (EPS). Basic EPS is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted EPS included the potential dilutions that could occur if options or other contracts to issue common stock were exercised or converted. The Company has not issued any options or warrants or similar securities since inception.

Stock Based Compensation

As permitted by Statement of Financial Accounting Standards (SFAS) No. 148, Accounting for Stock - Based Compensations - Transition and Disclosure, which

amended SFAS 123 (SFAS 123), Accounting for Stock-Based Compensations, the Company has elected to continue to follow the intrinsic value method in accounting for its stock-based employees compensations arrangements as defined by Accounting Principles Board Opinion (APB) No. 25, Accounting for Stock Issued to Employees, and related Interpretations including Financial Accounting Standards Board Interpretations

No. 44, Accounting for Certain Transactions Involving Stock Compensation, and interpretation of APB No. 25. At September 30, 2012 the company has not formed a Stock Option Plan and had not issued any options.

Dividends

The Company has adopted a policy regarding the payment of dividends. Dividends may be paid to shareholders once all divisions are fully operational and profitable. The Board may also pay dividends to counter any short selling or undermining of the entity.

Fixed Assets

Fixed assets are carried at cost. Depreciation is computed using the straight-line method of deprecation over the assets estimated useful lives. Maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When items of fixed assets are sold or retired, the related cost and accumulated depreciation is removed from the accounts and any gain or loss is included in income.

Income Taxes

The provision for income taxes is the total of the current taxes and the net of the change in the deferred income taxes. Provision is made for the deferred income taxes where differences exist between the period in which transactions affect current taxable income and the period in which they enter into the determination of net income in the financial statements.

Advertising

Advertising is expensed when incurred.

Use of Estimates

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

Goodwill

Goodwill is created when we acquire a business. It is calculated by deducting the fair value of the net assets acquired from the consideration given and represents the value of factors that contribute to greater earning power, such as a good reputation, customer loyalty assets goodwill of individual subsidiaries for impairment in the fourth quarter of

every year and when circumstances indicate that goodwill might be impaired.

Note 3. Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company had a net loss for the period July 1 through to September 30, 2012 of \$20,060. The Company's continuation as a going concern is dependent on its ability to meet its obligation, to obtain additional financing as may be required and ultimately to obtain additional financing as may be required and ultimately to attain profitability. These financial statements do not include and adjustments that might result from the outcome of this uncertainty.

Note 4. Recently Issued Accounting Standards

Management does not believe that any recently issued but not yet adopted accounting standards will have a material effect on the company's results of operations or on the reported amounts of its assets and liabilities upon adoption.

Note 5. Shareholders' Equity

Common Stock: As of September 30, 2012 the company has 175,000,000 shares of common stock authorized; 42,621,522 shares issued and outstanding.

Preferred Stock: As of September 30, 2011 the company has 10,000,000 shares of preferred stock; 1,000,000 issued and outstanding.

Note 6. Provision For Income Taxes

The Company provides for income taxes under Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes. SFAS No. 109 requires the use of an asset and liability approach in accounting for income taxes. 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 when these differences are expected to reverse.

SAFS No. 109 requires the reduction of deferred tax assets 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 be not realized. The provision for income taxes is comprised of the net changes in deferred taxes less the valuation account plus the current taxes payable.

GLOBAL DIGITAL SOLUTIONS, INC
CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE QTR Ended September 30th 2012

	<u>Sep-12</u>	<u>Sep-11</u>
Net revenue	\$ 81,367	\$ 3,350
Cost of sales	<u>\$ 57,204</u>	<u>\$ 800</u>
Gross profit	\$ 24,163	\$ 2,550
Depreciation and amortization		
Selling, general and administrative	\$ 44,223	\$ 7,075
Total operating expenses	<u>\$ 44,223</u>	<u>\$ 7,075</u>
Income/(Loss) from operations	\$ (20,060)	\$ (4,525)
Other income		
Interest income (expense)		
Other income		
Gain on sale of asset	\$ -	\$ -
Total other Income (Expense)	<u>\$ -</u>	<u>\$ -</u>
PROFIT (LOSS)	<u><u>\$ (20,060)</u></u>	<u><u>\$ (4,525)</u></u>
Deficit-Beginning of period (Prior June)	\$ (5,802,272)	\$ (5,624,281)
Deficit-End of period (Current Sept)	\$ (5,822,332)	\$ (5,628,806)

GLOBAL DIGITAL SOLUTIONS, INC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QTR ENDED September 30th 2012

CASH FLOWS	<u>Sep-12</u>	<u>Sep-11</u>
Cash flows from operations activities:		
Profit/Loss from operations	(20,060.00)	(4,525.00)
Adjustments to cash flows from operating activities:		
Amortization of goodwill		
Depreciation of fixed assets		
Total cash flows from operating activities:	(20,060.00)	(4,525.00)
Cash flows from investing activities:		
Capital expenditures		
Investment in inventory		
Increase in accounts receivable	(67,541.00)	(3,350.00)
Total cash flows from investing activities:	(67,541.00)	(3,350.00)
Cash flows from financing activities:		
Increase in accounts payable and accrued liabilities	36,419.00	300.00
Increase in paid in capital		(310.00)
Increase in loans payable	49,220.00	7,875.00
Issuance of capital stock		310.00
Total cash flows from financing activities:	85,639.00	8,175.00
Net increase (decrease) in cash	(1,962.00)	300.00
Cash at beginning of period (Prior Jun.)	4,541.00	1,752.00
Cash at end of period (Current Sept.)	2,579.00	2,052.00

GLOBAL DIGITAL SOLUTIONS, INC
CONSOLIDATED STATEMENT OF SHAREHOLDERS EQUITY
FOR THE QTR ENDED SEPTEMBER 30th 2012

	Pref Shares	Stock Amount	Common Shares	Stock Amount	PIC Amount	R/E	Total
Opening Bal 06/30/12	1,000,000	\$1,000.00	42,621,522	\$42,622.00	\$4,770,858.00	(\$5,802,272.00)	(\$987,792.00)
Issuance of stk							\$0.00
Capital Paid in Stock sale							\$0.00
Transfer agent reconciliation							\$0.00
Net Profit/Loss						(\$20,060.00)	(\$20,060.00)
Bal September 30, 2012	1,000,000	\$1,000.00	42,621,522	\$42,622.00	\$4,770,858.00	(\$5,822,332.00)	(\$1,007,852.00)