

**Quarterly Report**  
**(for quarter ended March 31, 2013)**



**QPS Die Cutters and Finishers Corp.**

**475 Bloy Street  
Hillside, NJ 07205  
(908) 810-2300**

**Federal I.D. No.**  
22-2951470

**CUSIP No.**  
74733E 20 7

**ISSUER'S EQUITY SECURITIES**

**Common Stock**  
**20,000,000 Shares Authorized**  
**No Par Value**  
**13,576,772 Common Shares Issued and Outstanding**

**QPS Die Cutters and Finishers Corp.**  
**Quarterly Report**  
**(for the period ended March 31, 2013)**

All information in this Report has been compiled to fulfill the disclosure requirements of Rule 15c2-11 promulgated under the Securities Exchange Act of 1934, and amended (the Act). The enumerated items and captions contained herein correspond to the format set forth therein and with the guidelines set forth by the OTC Markets Group.

**Forward-Looking Statements**

This Report contains various “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, and amended, and Section 21E of the Exchange Act. Forward –looking statements represent the Company’s expectations or beliefs concerning future events. Words such as “*believe*,” “*expect*,” “*anticipate*,” “*intend*,” “*estimate*,” “*project*,” or similar words are intended to identify forward-looking statements. The Company cautions that such statements are further qualified by important factors that could cause actual results to differ materially from those in the forward-looking statements, including without limitations, the factors described in this Quarterly Report.

Investors are cautioned not to place undue reliance upon such forward-looking statements because they refer only to the Company’s views as of the statement date(s). Although the Company has attempted to indicate the important factors that presently affect the Company’s business and operating results, the Company further cautions investors that other factors may in the future prove to be important in affecting the Company’s results of operations. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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

The Company is QPS Die Cutters and Finishers Corp. and is incorporated under the laws of the State of New Jersey. The issuer was originally incorporated under the name of QPS Assemblers, Inc. in 1989. The Company changed its name in 1994. The issuer has not had a name change or predecessor entity in the past five (5) years.

**Item 2. Address of the issuer’s principal executive offices.**

The Company's principal corporate offices and mailing address is:

475 Bloy Street  
Hillside, New Jersey 07205  
Telephone: (908) 810-2300  
Fax: (908) 810-2357.

IR contact:

James Patterson  
475 Bloy St.  
Hillside, New Jersey  
Telephone: (909) 810-2300.

**Item 3.**        **Security information.**

As of March 31, 2013, there were 20,000,000 Common shares authorized and 13,576,772 shares of the Company's Common Stock issued and outstanding. The float was 6,487,125 with 71 shareholders of record.

Trading Symbol: QPSF  
Exact title and class of securities outstanding: All shares are Common shares.  
CUSIP: 74733E 20 7  
Par or Stated Value: No par value.  
Total shares authorized; 20,000,000 as of: March 31, 2013  
Total shares outstanding; 13,576,772 as of: March 31, 2013.

There are no additional classes of security.

**Transfer Agent**

The issuer's Transfer Agent is:

Globex Transfer, LLC  
280 Deltona Blvd.  
Suite 202  
Deltona, FL 32725.  
(813) 344-4464.

This Transfer Agent is registered under the Exchange Act.

There are no restrictions on the transfer of these securities and there have been no trading suspension orders issued by the SEC in the past 12 months.

There have been no stock splits, dividends, recapitalizations, mergers or acquisitions, spin-offs, or reorganizations within the past 12 months or currently contemplated.

**Item 4. Issuance History.**

The Company only has one class of securities; Common Stock authorized, issued and outstanding. There are 20,000,000 shares authorized.

The issuance history reflecting changes in total shares outstanding in the past two (2) fiscal years is presented herein pursuant to the Disclosure Guidelines. The table is shown at the end of the Items of this report, immediately preceding the Issuer's Certifications.

There were no jurisdictions where the offering was registered or qualified. The number of shares offered and sold/issued was 6,578,125. The only exchange on which shares of the Issuer are trading is pink sheets under QPSF:PK.

The included table also designates whether the certificates or other documents that evidence the shares contain a 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.

**Item 5. Financial Statements.**

The issuer provides the financial statements for the most recent quarter as part of our qualification for the OTC Pink Current Information tier. Herein, the Company provides the following financial statements and information for the most recent quarter: balance sheet, statement of income, statement of cash flows, and notes to financial statements. These are incorporated herein.

**Item 6. Describe the Issuer's Business, Products, and Services.**

QPS is a premier provider of marketing and communications services. We are a high-performance, single source for providing design, print, and post-print operations to our clients in government and industry.. We utilize state-of-the-art automated and high precision equipment for designing, printing, high-speed die cutting, gluing with in-line inserting and tipping, collating, and mounting to projects as required. We also have client-acclaimed kit and manual fulfillment operations. We ship products worldwide. Our projects may be to develop and provide a customized pocket folder, product package, brochure, "take-one" stand, display stand, eye-let device, custom carrier, or any number of other promotional items.

Each project is unique and developed to a specification. Our clients span a variety of industries and market sectors, including: government, pharmaceutical, telecommunications, finance, consumer products, couture items, transportation/logistics, automotive, and professional services.

The Company's primary SIC Code is 7310. Secondary SIC Codes are: 2750 and 2721.

The Company was formed in February of 1989 as a corporation under the Laws of the State of New Jersey. The Company was originally incorporated as QPS Assemblers, Inc. and the name of the corporation was changed to QPS Die Cutters and Finishers Corp. in October of 1994.

The Company's fiscal year is concurrent with the calendar year; January 1 through December 31.

The Company's principal products/services center on identifying, capturing, and performing on client marketing and communications products and services needs. Frequently, our work involves designing and producing high impact items to promote awareness, marketing communications, and media promotion. Our project management methods include assessing all available options for completing the work in the most cost-effective, highest quality, and most timely manner. Overall, our work encompasses fully integrated design, print, and post-print services. In general, our contracted efforts span a wide array of items that are used by clients for marketing, media, and communications purposes and to enhance brand awareness.

Each project is a customized requirement, tailored to the specifications provided. Our turnaround times are exceptional whether we are providing a few thousand units or millions of items. We always assess whether the project is best handled through associates or directly in-house, including pricing considerations. Regardless, we are well known for high quality results, on time, and within budget.

We perform against individual specific contracts and specifications. Distribution is typically bulk shipments as designated by the client. We are not a retail operation and thus rarely have new products to announce. Our industry is highly competitive and we believe that our reputation, history of success, and certain differentiators establish us as a viable competitor in the industry.

In general, QPS is not dependent upon sources and availability of certain raw materials (e.g., paper stock). We may outsource certain production functions and subcontractors must ensure materials for production or we select another vendor.

We are not dependent on a few clients for business, but continually seek to expand our range customers both within the local geography and beyond. We do not have nor require patents, trademarks, licenses, or the like and we have no labor contracts. There is no ongoing need for government approvals or regulatory compliance, but the government is a client of the issuer and all clients approve draft work prior to full production.

The Company historically was a manufacturing and production operation that served as a subcontractor to large commercial printers, notably those supporting the pharmaceutical industry. We have witnessed extensive consolidations in the local industry, coupled with economic declines during the past few years. We have re-examined the marketplace and have concluded that aggressive changes to our business model were in order to facilitate growth, and we have seen these events as providing a unique opportunity. As such, we have redirected our business model and related marketing approach. We believe that the Company is to be less capital intensive and equipment equipment/production based and become a service provider of products. The general approach is essentially consistent, but the means of production may change, especially in shifting capital and labor-intensive requirements to affiliates or related entities. This minimizes certain performance risks and optimizes our strengths of marketing, qualifying, and capturing new business. That is the focus as we move forward in 2013 and beyond.

As a result, the Company is transitioning from a traditional production subcontractor to an aggressive, full-service communications prime contractor. This is a significant shift in operations and management planning that we expect to be generally in place by the end of this fiscal year. As planned, this transition may result in a possible downward change in short-term revenue attributable to a market shift. This is expected to be an adjustment culminating through 2013, and management expects the Company to successfully change its business model and produce growth and increased profitability.

The Company also has initiated its diversity expansion, notably in its business development efforts, to increase our brand and value to current and prospective clients. While transitioning, we plan to minimize the equipment features and focus on the management and marketing differentiators as we draw upon our decades of experience in marketing and communications projects. As a result, the Company will assess affiliate and other sources for equipment requirements, thus becoming far less capital intensive while growing.

**Item 7. Describe the Issuer's Facilities.**

The Company is headquartered in Hillside, New Jersey. QPS is a premier provider of media and communications services. Based upon the client's specification, we are contracted to perform specific services which may include: designing, die cutting, gluing, binding, printing, and finishing promotional products for our clients in government and industry.

The Company's headquarters and our production facility is located at 475 Bloy Street, Hillside, NJ 07205. The building is rented and our portion consists of approximately 38,000 sq. ft. of space. Our facility includes approximately 2,500 sq. ft. of executive office space including a conference room, reception area, estimating department, and administrative offices. The remainder of the facility is production space. We have a range of production equipment, including: die cutters, gluers, folding

machines, tip-on machines, shrink wrappers, eye-letting machines, cutters, and full shipping and receiving equipment. We are assessing alternative space and possible liquidation of certain equipment that is not fully utilized in an attempt to streamline operations, better implement our new business model, and become more cost-effective.

### **Item 8. Officers, Directors, and Control Persons.**

The Chief Executive Officer and Director of QPS is Ms. Eva Choina. Her business address is: 475 Bloy Street, Hillside, NJ 07205. She is the founder of the Company and has been employed by QPS for 22 years.

Ms. Choina holds 2,100,261 restricted shares in the issuer.

She has never been convicted of any criminal proceeding or named as a defendant in a criminal proceeding. She has never had an order, judgment, or decree by a court that either temporarily or permanently enjoined, barred, suspended or otherwise limited her involvement in any type of business, securities, commodities, or banking activities.

There has never been a finding or judgment by a court, the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities law regarding Ms. Choina.

There has never been an entry of an order by a self-regulated organization that permanently or temporarily barred, suspended, or otherwise limited Ms. Choina's involvement in any type of business or securities activities.

There are no family relationships among and between the issuer's director, officers, or persons nominated or chosen by the issuer to become directors or officers, or beneficial owners or more than five (5) percent of any class of the issuer's securities.

There have not been any related party transactions, notably during the last two fiscal years and the current fiscal year, or any currently proposed transaction of any amount. As such, no related person had or will have direct or indirect material interest

The beneficial owners of Issuer stock (owning more than 5%) are:

- Eva Choina, CEO – 2,100,261 shares
- TCA Global – 900,000 shares  
1104 Rodman Street  
Hollywood, FL 33020  
Robert Press, Agent and Principal.

None of the foregoing entities has been subject of a conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding. None have had an 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.

Neither of the foregoing owners have had a finding or judgment by a court of competent jurisdiction, 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 in which a finding or judgment has not been reversed, suspended, or vacated. Also, neither has the entry of an order by a self-regulated organization that permanently or temporarily barred or suspended or otherwise limited such person's involvement in any type of business or securities activities.

Only one (1) shareholder of the Company holds more than ten (10) percent of the issuer's securities. This is Ms. Choina, who owns 2,100,261 shares. Her address is: 475 Bloy Street, Hillside, New Jersey 07205. All shares are Common shares and that is the only class of stock in the Company.

#### **Item 9. Third Party Providers.**

There are various parties that the issuer recognizes and relies on as outside providers that advise the Company on matters relating to operations, business development, and disclosure. These are:

Legal Counsel:

Loanzon Sheikh, LLC  
112 Madison Avenue  
New York, NY 10016  
(212) 760-1515  
[Umar@lawfirmls.com](mailto:Umar@lawfirmls.com)

Accountant:

Otten & Associates  
30 Columbia Turnpike  
Florham Park, New Jersey  
(973) 377-4410  
[Mmotten1@aol.com](mailto:Mmotten1@aol.com).

**Table**  
**Issuance History**

This table supplements the information shown in Item 4 and lists below events, in chronological order, resulting in changes in the total shares outstanding by the Issuer in the past two fiscal years and any interim period. All were common shares and all were issued with legend.

1. March 15, 2012 – A total of 4,433,125 shares were issued. Overall, 1,006,215 of the shares were sold in a private placement for non-registered shares at a per share price of \$ .35. All were restricted shares. A total of \$352,175 was received. The balance of 3,426,910 were issued for consulting services such as; legal services, financial services, and marketing/new business development services, and investor support.

2. August 28, 2012 – A total of 400,000 shares were issued with legend for services related to debenture financing.

3. August 31, 2012 – A total of 1,245,000 shares were issued services. Overall, 560,000 shares related to investor relations support and 685,000 were issued for ongoing consulting and administrative services.

4. November 26, 2012 – A total of 500,000 shares were issued for services related to additional debenture financing.

**Item 10. Issuer Certification.**

I, James Patterson, certify that:

1. I have reviewed this Quarterly Report of QPS Die Cutters & Finishers Corp.
2. Based upon my knowledge, this disclosure statement does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statement made, in light of circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report.
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Quarterly Report fairly represent in all material respects the financial condition and results of operations of the Issuer as of, and for, the period(s) presented in this Report.

Date: May 14, 2013

/s/

Name: James Patterson  
Title: COO (act'g)

**Quarterly Financial Statements**  
**(period ended March 31, 2013)**

QPS  
Consolidated Balance Sheet  
(unaudited)

As of  
March 31, 2013

**ASSETS**

Current Assets

Cash	\$ 2,802
Accounts Receivable	66,937
Allowance for Doubtful Accounts	( 3,700)
Shareholder's Advances	202,647
Inventory	183,640
Other Current Assets	173,840
Intangibles	235,200
Pre-Paid Expenses and Deposits	79,225

Total Current Assets	\$ 940,591
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Property, Equipment, and Leasehold Improvements	4,983,516
Accumulated Depreciation and Amortization	(2,883,090)
Intangibles	-----
Other Assets	294,903

Total Assets	\$ 3,335,920
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**LIABILITIES AND SHAREHOLDER'S EQUITY**

Current Liabilities

Accounts Payable	\$ 149,816
Income Taxes Payable	5,800
Current Portion of Long-Term Debt	142,816
Notes Payable	436,627

Total Current Liabilities	\$ 735,059
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Long-Term Debt, less current portion	197,415
Shareholder's Advances – Subordinated	-----

Total Liabilities	\$ 932,474
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**SHAREHOLDER'S EQUITY**

Common Stock, no par value, 20,000,000 shares authorized 13,576,772 shares issued and outstanding	3,078,069
Paid-In Capital	(674,623)
Accumulated Retained Earnings	-----

Shareholder's Equity	2,403,446
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Total Liabilities and Shareholder's Equity	\$ 3,335,920
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**QPS**  
**Consolidated Statement of Operations**  
(unaudited)

	Three Months Ending <u>March 31, 2012</u>
Net revenue	\$ 357,903
Cost of revenue	\$ 263,269
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Gross income	\$ 94,634
General & Administrative (G&A) expenses	\$ 87,040
	<hr/>
Operating Income (Loss)	\$ 7,594
Other income	\$ - 0 -
Net Income (Loss)	\$ 7,594

QPS  
Statement of Cash Flow  
For the three month period ended March 31, 2013  
(unaudited)

	Three Months Ending <u>March 31, 2013</u>
Cash flows from operating activities	
Net income (loss)	\$ 7,594
Adjustments to reconcile income to cash	
Items provided by operating activities	
Depreciation and amortization	8,600
Allowance for bad debt	( 3,700)
Change in operating assets and liabilities	
(Increase) Decrease in:	
Equipment/capital expenditures	- 0 -
Accounts receivable	(16,759)
Inventory	- 0 -
Increase (Decrease) in:	
Accounts payable	(9,080)
Accrued expenses and other liabilities	
Cash (used in) provided by operating activities	
Cash flow provide by (used for) investing activities:	
Leasehold improvements	-0-
Net cash (used for) investing activities:	
Cash flow provided by (used for) financing activities:	
Increase in Common Stock	-0-
Increase in Paid in Capital	- 0 -
Net increase (decrease) in cash	3,390
Cash at beginning of period	(588)
Cash at end of period	2,802

QPS  
STATEMENTS OF SHAREHOLDERS' EQUITY  
For the three month period ended March 31, 2013

	Common Stock		Additional Paid in Capital	Treasury Stock		
	Number of Shares			Number of Shares	Cost	
Balance as of December 31, 2012 (unaudited)	13,576,772		\$ -0-	0	\$	
Shares issued to Investors	6,578,125		-0-	0		
Net (Loss)						
Balance as of December 31, 2012 (unaudited)	<u>13,576,772</u>		<u>\$ -0-</u>	<u>0</u>	<u>\$ 0</u>	
Net (Loss)						
Balance	<u>13,576,772</u>		<u>\$ -0-</u>	<u>0</u>	<u>\$ 0</u>	

## **Notes to Financial Statements**

The following notes should be read in conjunction with the financial statements of QPS (the “Company”) as of March 31, 2013.

### **1. Nature of the Business**

QPS Die Cutters and Finishers Corp. (“QPS,” or the “Company”) is primarily engaged in providing media and communications services. QPS is a high-performance, single source for design, print, and post-print operations. The Company utilizes affiliate and other resources for state-of-the-art automated and high precision equipment for printing, high-speed die cutting, gluing with in-line inserting and tipping, collating, mounting, kit and folder hand- fulfillment operations. In general, the Company’s clients are direct users of their products and services. They also service large commercial printers as a subcontractor supporting/ supplying products to the pharmaceutical, telecommunications, retail, and financial services industries. Typically, the work/efforts provided by the Company are used by the end client for promotional, branding, marketing, and related purposes. These efforts require the use of state-of-the-art machinery of highly complex natures, along with manual assistance for completing the work and shipping the end products. The Company has extensive machinery that enables them to cut, glue, bind, and finish high volumes of materials under often very tight delivery schedules. Additionally, the Company is expanding its business approach by bidding on projects where it serves as the prime contractor and may utilize commercial printers as subcontractors or affiliates, as necessary, instead of the past practice where the roles were reversed. This approach may increase revenues as well as the associated cost of revenues in the future.

### **2. Summary of Significant Accounting Policies**

#### **Basis for Presentation**

Certain amounts for the three (3) months ending March 31, 2013 have been reclassified to conform with December 31, 2012 presentations.

The financial statements include accounts for QPS Die Cutters and affiliate. All material inter-company balances have been eliminated in these statements.

## **Revenues**

Revenues are recognized at the time of shipment of the merchandise/products/services generally pursuant to bills of lading.

## **Inventory**

Inventories consist of unused material and supplies (such as shipping boxes, packing materials, and related items) and are stated at the lower of cost (as determined by first-in/first-out inventory method) or market price. There are no end products in inventory.

## **Property and Equipment**

Property and equipment are stated at cost. Depreciation is computed on a straight line basis. Generally, the useful life of the assets is estimated as follows:

	<u>Years</u>
Machinery and equipment	5-7
Furniture and fixtures	5-7
Transportation equipment	5
Leasehold improvements	39.

## **Use of Estimates**

The preparation of financial statements, in conformity with Generally Accepted Accounting Principles (GAAP), requires management to make estimates and assumptions that affect certain reported data and disclosures. Actual results may differ from those estimates.

### **3. Accounts Receivable**

Accounts receivable are stated along with an allowance for doubtful accounts as of March 31, 2013. The allowance for doubtful accounts was \$3,700.

One client/account accounted for approximately 14 percent of net revenues. Another client accounted for approximately 10 percent of net revenues. In general, these concentrations were the result of certain consolidations in the commercial printing industry within the local geographic area.

#### 4. Property and Equipment

Property and equipment components of the balance sheet are provided as follows:

	<u>As of</u> <u>March 31, 2013</u>	<u>As of</u> <u>December 31, 2012</u>
Machinery and equipment	\$ 4,194,912	\$ 4,194,912
Furniture and fixtures	66,284	66,284
Transportation equipment	116,724	116,724
Leasehold improvements	515,596	515,596
	<hr/>	<hr/>
	\$ 4,983,516	\$ 4,983,516
Accumulated depreciation/amortization	( 2,883,090)	(2,874,490)
	<hr/>	<hr/>
	\$ 2,100,426	\$ 2,109,026

#### 5. Intangibles

The Company recognizes intangible assets as having finite useful lives and reviews for impairment. The intangible assets generally include: client lists, item designs and prototypes, specific marketing concepts and approaches, and proprietary trade items.

#### 6. Debt

The Company's debt structure on the balance sheet as of December 31, 2012 is as follows:

	<u>March 31,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
Note/debenture(s) payable	\$ 436,627	\$ 436,627
Payments/Capital lease obligations	340,231	340,231
Less current portion of long-term debt	( 142,816)	( 142,816)
Long-term debt, less current portion	\$ 197,415	\$ 197,415

The Company elected not to renew its secured line of credit with a financial intermediary in July of 2010. Interest and related fees were prohibitive and balances of the line were secured by the assets of the Company and the principals of the corporation.

In August of 2012, the Company entered into a Securities Purchase Agreement and related agreements with a fund whereby the Company may issue senior secured convertible debentures for a period of one (1) year. The Company agreed to secure all of its obligations under the debenture(s). Interest is payable at the rate of twelve percent (12%) per annum, simple interest. The Company, at its option, has the right to redeem the debenture(s) in full at any time prior to the maturity date. The Company executed the initial debenture for \$250,000 on August 13, 2012. Maturity is one year hence. A second debenture was executed on October 24, 2012 for \$250,000 under the same conditions. Since December, 2012, the Company has fallen into arrears, notably due to factors associated with business impacts from Superstorm "Sandy" and the resulting loss of revenue. The holder has moved forward on a judgment and the parties have engaged in alternative discussions for a work out which may involve the liquidation of certain equipment which the Company has been contemplating in any event. We expect that a resolution will ultimately be successful and that, given the Company's business model, we do not anticipate a significant overall impact on the future of the Company.

#### **7. Related party transactions**

There are no related party transactions.

#### **8. Pension plans and other post-retirement benefits**

The Company sponsors a non-contributory defined contribution pension plan that covers all eligible employees (as defined). The plan is an age-weighted profit sharing plan funded by the Company.