

# Andiamo Corporation

## Quarterly Report

For the third quarter ended April 30, 2012

**Item I**      **Exact Name of the Issuer and the Address of its Principal Executive Offices.**

Andiamo Corporation, a Nevada Corporation

The Company was incorporated as Natell Corporation, in the state of Delaware on September 21, 2000. It changed its name to Title Consulting Services, Inc., in March, 2009. The company changed its name to Andiamo Corporation in June, 2011 and redomiciled to Nevada concurrently.

**The Address of the Issuer's Principal Executive Offices**

6365 53<sup>rd</sup> Street North  
Pinellas Park, FL 33781  
855-826-6702  
[www.andiamo-corp.com](http://www.andiamo-corp.com)  
[ir@andiamo-corp.com](mailto:ir@andiamo-corp.com)

**Investor relations:**

Our IR department is responsible for investor relations, and they may be contacted at our above contact information, or by e-mail at [ir@andiamo-corp.com](mailto:ir@andiamo-corp.com)

**Item 2      Shares Outstanding.**

We have two classes of stock, common and preferred. Our preferred class consists of three series, as follows:

| <u>Title and Class</u> | <u>CUSIP</u> | <u>Trading Symbol</u> |
|------------------------|--------------|-----------------------|
| Common                 | 034206102    | ANDI                  |
| Preferred              |              |                       |
| Series A               | 888352200    | [none]                |
| Series B               | 888352309    | [none]                |
| Series C               | [none]       | [none]                |

Shares Outstanding

| As Of | 4/30/2012 | 1/31/2012 | 7/31/2011 | 7/31/2010 |
|-------|-----------|-----------|-----------|-----------|
|-------|-----------|-----------|-----------|-----------|

Common Stock Class

| Period End Date                         | 4/30/2012     | 1/31/2012     | 7/31/2011     | 7/31/2010     |
|---|---------------|---------------|---------------|---------------|
| Number of Shares Authorized             | 1,500,000,000 | 1,500,000,000 | 1,000,000,000 | 7,000,000,000 |
| Number of Shares Outstanding            | 1,026,940,546 | 1,015,604,546 | 895,454,546   | 115,802,300   |
| Freely-Tradeable Shares (Public Float)  | 954,153,246   | 928,217,246   | 808,067,246   | 28,415,000    |
| Total Number of Beneficial Shareholders | est 1380      | est 1473      | est 600       | est 100       |
| Total Number of Shareholders of Record  | 111           | 111           | 100           | 100           |

Preferred Class A

| Period End Date                         | 4/30/2012   | 1/31/2012   | 7/31/2011   | 7/31/2010   |
|---|-------------|-------------|-------------|-------------|
| Number of Shares Authorized             | 130,000,000 | 130,000,000 | 130,000,000 | 130,000,000 |
| Number of Shares Outstanding            | 99,202,300  | 99,202,300  | 99,202,300  | 99,202,300  |
| Freely-Tradeable Shares (Public Float)  | 0           | 0           | 0           | 0           |
| Total Number of Beneficial Shareholders | est 100     | est 100     | est 100     | est 100     |
| Total Number of Shareholders of Record  | 100         | 100         | 100         | 100         |

Preferred Class B

| Period End Date                         | 4/30/2012  | 1/31/2012  | 7/31/2011  | 7/31/2010  |
|---|------------|------------|------------|------------|
| Number of Shares Authorized             | 70,000,000 | 70,000,000 | 70,000,000 | 70,000,000 |
| Number of Shares Outstanding            | 19,820,967 | 19,828,035 | 19,857,460 | 19,855,460 |
| Freely-Tradeable Shares (Public Float)  | 0          | 0          | 0          | 0          |
| Total Number of Beneficial Shareholders | 102        | 102        | 102        | est 100    |
| Total Number of Shareholders of Record  | 102        | 102        | 102        | 100        |

Preferred Class C

| Period End Date                         | 4/30/2012  | 1/31/2012  | 7/31/2011  | 7/31/2010  |
|---|------------|------------|------------|------------|
| Number of Shares Authorized             | 20,000,000 | 20,000,000 | 20,000,000 | 20,000,000 |
| Number of Shares Outstanding            | 0          | 0          | 0          | 0          |
| Freely-Tradeable Shares (Public Float)  | 0          | 0          | 0          | 0          |
| Total Number of Beneficial Shareholders | 0          | 0          | 0          | 0          |
| Total Number of Shareholders of Record  | 0          | 0          | 0          | 0          |

The following breaks out the different amount of shareholders and their respective share levels according to a Non-Objecting Shareholder (NOBO) list dated 5/26/2012:

| Shares Owned           | Number of Shareholders |
|------------------------|------------------------|
| 0 to 49,999            | 743                    |
| 50,000 to 99,999       | 138                    |
| 100,000 to 499,999     | 303                    |
| 500,000 to 999,999     | 73                     |
| 1,000,000 to 4,999,999 | 99                     |
| 5,000,000 plus         | 24                     |
| Total                  | 1380                   |

### **Item 3 Interim Financial Statements.**

Due to size limitations, we are filing as an exhibit under separate online postings on the OTC/Pink Sheet Disclosure Service.

### **Item 4 Management's discussion and analysis or plan of operation.**

#### **Forward-Looking Statements**

This section of the report includes a number of forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934 that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like: believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this report. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or our predictions.

Although we believe the expectations reflected in these forward-looking statements are reasonable, such expectations cannot guarantee future results, levels of activity, performance or achievements.

All forward-looking statements included in this report and all subsequent written or oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. The forward-looking statements speak only as of the date made, other than as required by law, and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

#### **Business Description**

Andiamo Corporation consists of the following wholly-owned subsidiaries:

Action App Corporation, which itself is a holding corporation for three subsidiaries:

- i. T3 Apps, LLC (T3); and
- ii. The Best Phone Game Tracker Security Alarm Battery Mirror Flashlight Booth Talking Test Apps Company, LLC (Best); and
- iii. All Pro Apps Corporation

We are currently a going concern, fully operational and generating income.

### **Action App Corporation**

Action App Corporation was formed as a holding company for Smartphone App companies. Action App Corporation holds three smartphone App companies, T3 Apps, LLC (T3), The Best Phone Game Tracker Security Alarm Battery Mirror Flashlight Booth Talking Test Apps Company, LLC (Best) and All Pro Apps Corporations. All three companies are operated similarly and as such the descriptions for are combined below.

### **SMART MOBILE PHONE APPS:**

- Action App Corporation is an independent mobile application development company that provides mobile applications currently distributed through the Apple iTunes App Store and the Google Android Market
- Smart Phone applications (apps) have achieved international market penetration unlike any technology before it due to the popularity of Apple's iPhone and the general public's insatiable appetite for data and information
- Mobile Apps are comprised of small pieces of software code designed to run on a particular mobile platform (iOS, Android, BlackBerry etc) and perform a simple task, most of which are of short duration
- Apple has revolutionized software distribution by allowing third party developers to create independent applications and then providing them with a worldwide distribution network and payment processing system (iTunes App Store, available in over 80 countries)
- Apple's success and the rapid acceptance and adoption of iPhone apps has caused several major companies (Google, Microsoft, Blackberry etc) to enter the app market and create competing platforms and apps stores
- Action App Corporation, has taken advantage of these developments and positioned itself as a strong entertainment and photography applications creator and marketer with additional niche markets in other market segments already targeted

### **Plan of Operation**

- The mobile applications industry is in a state of rapid and explosive international growth fed by the increasingly larger number of smart phone mobile devices sold every day. With the addition of Verizon and Sprint as an iPhone provider in the US, the user base and the resulting demand for apps continues to grow. Action App is also well positioned in overseas markets with the majority of our foreign website traffic coming from Japan, the leading country in

mobile subscription density per capita.

- Action App Corporation will continue to keep pace with the growth of the industry and user demand while expanding further into overseas markets where the growth potential is even higher than the U.S. For example, there are nearly 280 million mobile users in China and at the rate they are growing there will be more mobile web users in China than the entire population of the United States.

- Action App Corporation plans to aggressively expand by adding more mobile apps, improving current apps by using detailed integrated analytic data from our user network, increasing affiliate marketing and advertising revenue of current and future apps, branching out into more applications categories other than entertainment and photography, porting our applications into the strongest competing mobile platform (Android), acquiring other apps and/or application companies, and translating all applications into more languages to increase revenue in non-English speaking markets.

To this end, we have accomplished and undertaken the following efforts:

- We are currently expanding our profitable inventory of apps in rapid fashion across Apple and Android Markets. Previous to this quarter, we had a total of 69 apps available exclusively for the Apple iPhone. During this quarter we added a sizable number of apps to bring our total to 109 apps in our portfolio. Our short term goal is to have over 500 apps in our inventory and to eventually have over 1000 profitable mobile apps duplicated across Apple and Android within the near future, which will result in stronger revenues just from the introduction of popular iPhone apps to the Android Market. As we continue to develop at an accelerated rate we will continue to hire the most qualified and experienced personnel for development, deployment, and marketing.

-We have started the cross-platform migration of our popular apps in an effort to be proactive with the forecast growth within the Android platform. We have set up the appropriate developer accounts to be able to publish our apps to the Android platform and have begun releasing apps to the Android platform as they are completed by our programmers. Apple and Android have been battling each other for market domination.

-The Mobile App industry is an exciting and fast moving sector with new ideas and opportunities presented on a regular basis. We will diligently investigate new opportunities and test new technologies in order to maximize our income from each and every app opportunity.

-One of the major components mobile application revenue is generated by advertising on our apps. Initially, we were exclusively promoting advertisements from the iAds Network from Apple. We found, that with our traffic, our fill rate through iAds(the rate at which our ad requests were filled) was not satisfactory.

Consequently, we looked for better answers and therefore implemented Ad Whirl. Ad Whirl is an ad management system that places code within our apps, so that advertisements for multiple advertisers are displayed on a pre-determined timing sequence within our apps. This allows ads to be requested from a number of ad providers and improved our fill rate into the high 90% range.

During this period, we were notified by Apple that 4 of our more popular apps were to be removed from the iTunes store due to not providing actual functionality. These apps had proven themselves very popular within the iPhone community. In the previous 12 months, the free versions had been downloaded 2,135,975 times and the paid versions had been downloaded 354,755 times accounting for approximately \$303,123 and having been returned only 637 times, resulting in a return rate of only .001. We appealed this decision through the Apple resolution process, including an appeal to the app review board. Despite the appeals and demonstrating to Apple the very low return rate, our appeal was unsuccessful and Apple has removed these 4 apps at the end of March. These apps were our GPS tracker, both free and paid in our T3 developer account as well as the GPS tracker, both free and paid in our Best developer account.

Consequently, we set our sights on improving the app and have been successful in remaking this very popular app with actual real time tracking of iPhones. We expect this app will be very popular, based on the popularity of the previously mentioned apps that only simulated the tracking experience. The paid version was submitted to Apple for approval on May 19, 2012 and on June 8, 2012 it was approved and is currently available in the iTunes store. As of its first day, it reached the coveted top 100 ranking and reached as high as 47. We will also create variations of this app and attempt to resubmit as an app update under the previously rejected apps name and ID number to our T3 and Best developer accounts. Due to its tremendous user base, we anticipate immediate success from this update by being able to announce that the app, already installed on the consumers phone, now provides full functionality and ability to provide real time tracking functionality. Due to privacy issues, any phone that will be tracked will also need to have the app installed, thereby creating immediate, multiple sales opportunities from this update. Additionally, this app, while running on an iPhone, will continue to provide tracking information and it is updated every 60 seconds. This app has other uses such as seeing where you went on your backcountry adventure, your most recent jog, bike ride or other such trekking style activities and will ultimately be marketed in multiple ways with slight variations.

During the previous quarter, with the guidance of our former CMO, we acquired a large number of apps from two separate developers. We have implemented our exclusive business model to these apps and have been submitting them in large numbers to Apple for approval. We recognized that the majority of these apps were of lower quality than what we had previously produced, but saw this as an inexpensive opportunity to achieve a good number of downloads that in turn could be cross marketed to our existing better quality apps. We have not had a high success rate in getting these lesser quality apps approved by Apple. We will continue to use the source code and rework the apps as appropriate for a better quality apps to be re-applied into our iTunes developer accounts. We also feel that uploading the high number of apps to our developer accounts in such a short period of time, could have been a factor in the high rejection rate. This specific batch of apps has been cross platformed and will be deployed into our Android account and is expected to be fully deployed by the end of July, 2012, bringing our Android inventory to 352 apps. Android does not have a restrictive

approval process. We will use these apps, within the Android market to begin to develop a solid download rate from which we can cross market our paid Android apps via our newly created app wall.

We also have several good quality apps currently under development that we will be very excited to deploy and market. Additionally, we have a significant number of good quality app ideas that will be prioritized into development based on development costs and revenue from existing apps.

Frustrating as it is, we are subject to the standard terms and conditions for application developers, which govern the promotion, distribution and operation of games and other applications on the respective platforms of the providers. The providers have broad discretion to change their terms of service and other policies with respect to us and other developers, and those changes may be unfavorable to us as evidenced above.

We have now crossed the 16 millionth download of our popular apps. The app sector is a moving target and everyday is a learning experience.

What we have learned is that the app world is a numbers game. The more apps you have, the more traffic you have. The more traffic you have, the more downloads you have. The more downloads you have, the more app sales you have. The more downloads you have the more traffic you generate for advertising and for your other apps that are cross marketed to your customer base. We have also witnessed that you do not want to rely on a small number of apps due to Apple's ability to change the approval process at any time and without notice.

We have also seen that the shiniest app, with the best name does not necessarily make money. It is the same as with websites, sometimes the prettiest aren't always the best money makers.

This is where our experience makes the difference. Our team is comprised not only of talented coders and programmers but also with those with years of marketing and management experience.

We have created a proprietary formula for success, which includes our initial marketing screen and our back end database for cross marketing our apps within our own app network, as well as all of the social media and search engine optimization, keywords, titles, and marketing, which ultimately provides traffic. We also have other proprietary marketing tools being developed to market to our user base outside of the app experience.

Our free apps have become their own marketing resource with over 100 million ads requests served (about 10 million in December). Every time someone downloads one of our apps, they are introduced to many of our other apps (both paid and free apps) through our initial marketing screen as well as our cross marketing display which shows our additional apps.

What we have also found, is that the simple fun apps do much better than the high end games when you factor risk vs. return. The high end games can cost \$100,000 to \$500,000 and more to develop and there are no guarantees of sales or success. We are unwilling to gamble this much money on one app in hopes that it will sell. We will leave this level of risk to the established game makers and we hope that you, as a shareholder appreciate this.

At this time, our company will continue to focus our effort on the fun entertainment apps, smaller game apps, and utility apps. We hope that one (or more) will go viral, but are primarily focused on building a consistent base of downloads, which creates purchase and advertising revenue which will continue to build the company and the profits on a manageable and predictable basis.

Our banner ads should rotate every 30 seconds with a new banner or ad. Our apps send out a request and if our ad requests are not getting filled, we modify the selection of our ad providers so that we are getting as close to 100% as possible. In addition to fill rates, we also watch which network is paying the most revenue for our ad space, so we are constantly watching the conversion rates to once again maximize the revenue. Again, this is something that changes sometimes on a daily basis.

We feel strongly that the smartphone app sector is in a rapid growth mode as more and more people shift from traditional cell phones to smartphones. We feel that the overall outlook for this sector will remain strong for an extended period and do not anticipate any sort of slow down within the sector in the next 6 to 8 quarters. We also feel confident that we can produce quality apps that will be approved by Apple and will be popular with the users. We will continue to explore new technology as well as build upon our already successful model to make sure we are properly positioned for growth.

### **Company Acquisitions**

We continue to search for additional opportunities for expansion through acquisition of other companies and have reviewed several recently. If and when we find suitable candidates, we will make appropriate announcements.

### **Human Resource Expansion**

Due to the current job market and economic situation, there is a large pool of talent seeking employment. Action App can take advantage of this to add in house graphic designers and programmers to lower the cost of app productions and to increase the speed of growth

### **Geographic Expansion**

- Action App Corporation apps are available in every country apple has opened an app store, these are currently more than 80 countries

- The apps will be available in more countries as Apple continues to expand the iTunes App store into additional countries as well. We will also see a rapid increase of subscribers and additional income from the introduction of all of our apps to the Android Market
- Action App Corporation has also translated many of their apps in many of the major languages to increase the appeal of the apps to the non-English speaking natives of these countries which will increase sales and ad revenue. App localization will be a focus going forward as part of our global expansion business model.

### **Marketing, Advertising, and Competitive Factors**

Action App Corporation has developed a proprietary cross application / cross company marketing platform which allows the companies to advertise new apps to its existing user base. Newly created apps are integrated into this network and acquired apps can be integrated with mostly minor modifications

- Action App Corporation continues to update their applications on a regular basis, reengage existing users and provide additional value for existing and future users.
- Some of our apps are ranked in the entertainment, and photography categories and enjoy increased visibility through “browse traffic”
- Action App Corporation management also very carefully selects app titles, keywords, descriptions etc, to optimize and benefit from the inherent search traffic on the app store
- Action App Corporation also enjoy word of mouth / viral advertising as their apps are intuitive, entertaining, and created with the user in mind. To this end we are also integrating the major social networks in all of our apps to help increase the viral marketing affect

### **Personnel Upgrades**

- Numerous developers and translators are currently working around the clock and around the world to keep pace with our growth. Our team is becoming international in nature as we continue to seek talent from all corners of the world. Our deployment and provisioning group works out of St Petersburg, Florida while marketing is in the Panhandle of the State of Florida. Programmers are primarily located in India and we are currently interviewing specialists in America, Central America, China, and Europe as we seek to increase our international opportunities. As industry demand and growth continues, Action App Corporation will continue to add experienced team members.

### **Other Opportunities:**

During the previous quarter, we were approached by a larger, publicly traded company for a possible buy out. We worked with their CEO and others within their organization over the course of about four weeks to determine possible buyout terms. While we are keeping the options open for a future buyout by this company, we have ceased negotiations at this time. These negotiations are governed by a confidentiality agreement and therefore the proposed terms and parties cannot be disclosed.

We feel that this was an excellent validation of our business model and expansion that our company is currently undertaking.

While our company is not currently for sale, we will look at all opportunities to increase shareholder value.

### **Create Your Own App:**

#### **AllProApps.com**

Business Owners throughout the world are constantly seeking ways to market their businesses more effectively and they are inundated with marketing promotions from companies offering them solutions that are behind the times.

Our products and services allow the local business owner to capitalize on the future of mobile technology today by making it simple for them to create and maintain their mobile app that will grow their business in every aspect from new customer acquisition at the lowest possible cost to higher customer retention through increased interaction via SMS messaging and VIP messaging.

We have prepared an email sales solicitation that will be sent to a test market of over 700,000 restaurants throughout the United States. We chose the restaurant sector as an initial target market to launch this product as there is a good number of restaurants and they all have the specific need for an app. This product will allow the restaurants to develop their own app and create a presence right on the customer's smart phone. The restaurant will also be able to create a customer list and be able to send text messages to them to announce specials, menu changes and to stay in front of their customers. We are starting this initial campaign at \$49.00 per month, per app. With a small percentage of success, this has the potential to become a sizeable recurring revenue stream, with limited expense.

### **App Auctions:**

#### **AppTrading.com**

App Trading was developed to bring developers and mobile app investors/buyers together in one forum. At AppTrading.com app developers are able to list mobile apps they have developed and have available for purchase and entrepreneurs who want to get into this cutting edge industry can buy them, it's like an online auction for apps.

Our website, [www.app-trading.com](http://www.app-trading.com) has been instrumental in developing relationships with app developers for future projects. This website was designed to foster relationships with

developers that are interested in selling apps, and that is exactly how it is performing. In addition, we are constantly interacting with developers on various developer forums seeking new opportunities.

The “app auction” provides a service to the mobile development community while at the same time introducing us to some unique positioning opportunities in the industry through networking with other developers and buyers.

App Trading will be promoted on app developer websites and forums as well as websites such as eLance and Freelanced in an effort to attract up and coming young programmers while simultaneously introducing buyers of mobile applications to our service through a variety of online marketing efforts including articles and press releases in industry related blogs and other publications.

## **B. Results of Operations**

Quarterly Overview:

Gross Income of \$137,288. (Q3 ending April 30, 2012)

Pre-tax Net Income of \$19,518. (Q3 ending April 30, 2012)

EBITDA Profit of \$29,349. (Q3 ending April 30, 2012)

Total downloads (all time though 5/31/2012): 16,112,472

Total downloads (Q3 ending 4/30/2012): 2,034,570

During this quarter, we saw a decrease in income. We base this reduction on a cyclical basis caused from the school year starting back up after the busy holiday season as well as Apple’s decision to remove 4 of our most popular apps from the iStore. With many of our users either in school, or the parents of school age children, it is anticipated that demand for apps diminishes as time is now shifted from recreation to education. We also expect that this will cause a pent up demand heading into the summer months when our user group has discretionary time and they will focus their recreational time back to the smartphones.

Previously, Dustin Secor, CEO loaned the company \$263,633. The total amount outstanding to Mr. Secor is now \$233,633. This loan has no specific repayment term and zero interest.

## **C. Off-Balance Sheet Arrangements**

None

**Item 5            Legal proceedings.**

In the ordinary course of our business, we may from time to time become subject to routine litigation or administrative proceedings which are incidental to our business. We are not a party to nor are we aware of any existing, pending or threatened lawsuits or other legal actions involving us.

**Item 6            Defaults upon senior securities.**

None.

**Item 7            Other Information.**

None

**Item 8                    Exhibits.**

1. Compiled Consolidated Financial Statements, which we are filing under separate online postings on the OTC/Pink Sheet Disclosure Service.

**Item 9            Certifications.**

I, Dustin Secor, certify that:

I have reviewed this quarterly report of Andiamo Corporation;

1. 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
2. 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: 6/14/2012

By: /s/ Dustin Secor  
Dustin Secor  
Chief Executive Officer