COASTAL CAPITAL ACQUISITION CORP.

(Exact name of Issuer as specified in its Articles of Incorporation)

Quarterly Report for the Quarter Ending September 30, 2012

Alternative Reporting Standard

CUSIP # 190426 10 6

FLORIDA	**3272**	**88-0428896**
(State or other jurisdiction of organization)	***(Primary Standard Industrial Classification Code)***	***(IRS Employer Identification #)***

3963 DOMESTIC AVENUE
NAPLES FL 34104
(Address of Issuer's principal executive offices)

Local: (239)-435-7875
Fax: (239)-435-9942
(Issuer's telephone number)

Email: support@earthsurfaces.net

(Issuers main email address)

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Item 1 Exact name of the issuer and the address of its principal executive offices

Coastal Capital Acquisition Corp.
3963 Domestic Ave
Naples, FL 34104

Item 2 Shares outstanding

At September 30, 2012

Common
Number of shares authorized …………….. 2,350,000,000
Number of shares outstanding …………….2,284,739,050
Freely tradable shares …………………….....593,902,574
Total number of beneficial shareholders ……not known
Total number of shareholders of record……..68

Preferred Class A
Number of shares authorized………………. 5,000,000(1)
Number of shares outstanding……………... 0
Freely tradable shares…………………..…..NA
Total number of beneficial shareholders …..NA
Total number of shareholders of record …...NA

Preferred Class B
Number of shares authorized………………. 5,000,000(1)
Number of shares outstanding……………... 0
Freely tradable shares…………………..…..NA
Total number of beneficial shareholders…..NA
Total number of shareholders of record …...NA

Preferred Class C
Number of shares authorized………………. 5,000,000(1)
Number of shares outstanding……………... 0
Freely tradable shares…………………..…..NA
Total number of beneficial shareholders…..NA
Total number of shareholders of record ......NA

(1) Total preferred shares authorized are 5,000,000, however, there are no specific designations of the authorized preferred shares applied to a particular class.

Item 3 Interim financial statements

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Coastal Capital Acquisition Corp.
Consolidated Balance Sheets
As of September 30, 2012 and December 31, 2011

	September 30, 2012	December 31, 2011
Assets		
Current Assets		
Cash	$ 6,935	$ 16,498
Accounts receivable	29,294	37,181
Inventory	201,000	185,000
Total Current Assets	237,229	238,679
Property & Equipment		
Buildings	188,548	188,548
Leasehold improvements	241,454	241,454
Vehicles	145,675	145,675
Production equipment	1,475,836	1,453,760
Office furniture & equipment	25,768	25,768
Less accumulated depreciation	(1,826,982)	(1,724,277)
Net Property & Equipment	250,299	330,928
Acquisition goodwill	1,172,474	-
Other assets	1,090	290
Total Assets	$ 1,661,092	$ 569,897
Liabilities and Shareholders Equity		
Current Liabilities		
Accounts payable	$ 606,298	$ 439,471
Accrued expenses	59,651	22,786
Customer deposits	95,619	15,934
Working capital loan - related party	411,293	415,043
Notes payable	475,706	406,456
Curent portion of long term liabilities	854	6,240
Total Current Liabilities	1,649,421	1,305,930
Long Term Liabilities		
Vehicle loan	854	6,240
Less current portion	(854)	(6,240)
Total Long Term Liabilities	-	-
Shareholders Equity		
Common Stock, $0.001 par value; 2,350,000,000 authorized shares; outstanding shares at September 30, 2012 of 2,284,739,050	944,739	10,000
Additional Paid In Capital	399,234	180,828
Retained Earnings	(1,332,302)	(926,861)
Total Shareholders Equity	11,671	(736,033)
Total Liabilities & Shareholders Equity	$ 1,661,092	$ 569,897

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

Coastal Capital Acquisition Corp.
Consolidated Income Statements
For the Three and Nine Months Ending September 30, 2012 and 2011

	Three Months Ending		Nine Months Ending	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Revenues				
Sales	$ 263,288	$ 245,688	$ 845,001	$ 781,291
Cost of Goods Sold				
Labor	114,106	97,858	350,556	316,081
Payroll taxes	10,885	9,432	33,085	29,738
Workers Compensation Insurance	13,273	5,744	24,262	21,217
Materials	56,083	67,512	180,271	215,387
Freight	-	5,145	9,501	5,439
Installation subcontractors	11,533	9,000	43,791	52,504
Other	12,283	4,444	22,523	6,789
Total Cost of Goods Sold	218,163	199,135	663,989	647,155
Gross Profit	45,125	46,553	181,012	134,136
Expense				
Operating Expense				
Salaries & Wages	52,524	23,450	108,492	73,500
Payroll taxes	3,896	2,092	8,431	6,749
Sales Commissions	14,423	2,931	15,753	9,224
Professional Fees	16,007	-	44,426	21,983
Advertising & Marketing	5,917	7,538	16,141	8,750
Rent	35,729	26,300	98,819	99,977
Utilities	12,092	10,568	35,064	30,907
Insurance	2,608	13,247	22,058	26,828
Maintenance & Repair	8,369	5,634	17,604	12,627
Vehicle Expense	4,707	6,636	21,328	21,170
Interest	13,832	6,368	41,781	23,083
Depreciation	34,046	38,771	102,705	116,312
Telephone	2,230	2,254	7,041	7,455
Travel & Entertainment	1,685	4,114	8,174	4,609
Waste disposal	4,353	4,690	13,280	10,299
Taxes	5,904	2,586	5,904	7,586
Office Expense	1,653	1,677	6,273	5,531
Other Expense	5,732	4,202	13,179	16,331
Total Operating Expense	225,707	163,058	586,453	502,921
Net Loss from Operations	$ (180,582)	$ (116,505)	$ (405,441)	$ (368,785)
Net Loss per Common Share:				
Basic	(0.00)	NA	(0.00)	NA
Diluted	(0.00)	NA	(0.00)	NA
Weighted average number of shares of common shares outstanding:				
Basic	1,717,972,806		2,081,532,764	
Diluted	1,908,171,613		2,350,875,987	

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

Coastal Capital Acquisition Corporation
Statements of Shareholders Deficit
For the Three and Nine Months ending September 30, 2012 and 2011

	Common Stock		Additional Paid	Accumulated	Total Shareholders
	Shares	Amount	In Capital	Deficit	Deficit
Balance at December 31, 2010	10,000	$ 10,000	$ 180,828	$ (496,347)	$ (305,519)
Net Loss				(368,787)	(368,787)
Balance at September 30, 2011	10,000	$ 10,000	$ 180,828	$ (865,134)	$ (674,306)
Net Loss				(61,727)	(61,727)
Balance at December 31, 2011	10,000	$ 10,000	$ 180,828	$ (926,861)	$ (736,033)
Reverse Acquisition					
Earth Surfaces shares eliminated	(10,000)				
Additional shares issued and exchanged	1,350,000,000	-			
Consideration transferred	549,493,800	$ 549,494	199,241		748,735
Stock options granted			7,666		7,666
Net loss				(224,859)	(224,859)
Balance at June 30, 2012	1,899,493,800	$ 559,494	$ 387,735	$ (1,151,720)	$ (204,491)
Conversion of Convertible Notes	385,245,250	385,245			385,245
Stock options granted			11,499		11,499
Net loss				(180,582)	(180,582)
Balance at September 30, 2012	2,284,739,050	$ 944,739	$ 399,234	$ (1,332,302)	$ 11,671

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

Earth Surfaces of America, Inc.
Statement of Cash Flows
For the Nine Months Ending September 30, 2012 and 2011

	Nine Months Ending	
	September 30,2012	September 30, 2011
Cash flows from Operating Activities		
Net Operating Loss	$ (405,441)	$ (368,785)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	102,705	116,312
(Increase) decrease in:		
Accounts Receivable	7,887	5,015
Inventory	(16,000)	(76,977)
Other Assets	(800)	-
Increase (decrease) in:		
Accounts Payable	166,827	263,678
Accrued Expenses	(1,629)	-
Customer Deposits	79,685	40,340
Net cash flows provided by operating activities	(66,766)	(20,417)
Cash flows from Investing Activities		
Purchase of Property & Equipment	(22,076)	(37,017)
Net cash used in investing activities	(22,076)	(37,017)
Cash flows from financing activities		
Reverse Acquisition		
Liabilities assumed	423,739	
Equity consideration	748,735	
Acquisition goodwill	(1,172,474)	
Note Conversion		
Notes converted to common stock	(323,944)	
Accrued interest converted to common stock	(61,301)	
Shareholder Equity-common stock issued	385,245	
Borrowings from related party	-	20,500
Principal payment to related party	(3,750)	
Principal payments on vehicle loan	(5,386)	-
Proceeds from working capital loans	69,250	40,000
Options granted to director and officer	19,165	
Principal payments on note payable to bank	-	(12,892)
Net cash provided by financing activities	79,279	47,608
Net Increase (decrease) in Cash	(9,563)	(9,826)
Cash Balance at beginning of year	16,498	19,818
Cash Balance at end of year	$ 6,935	$ 9,992

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

Note 1 – Description of Business

Coastal Capital Acquisition Corp. ("Coastal Capital" or "the Company") was originally incorporated in Nevada on May 28, 1999 as Edgar Filings.net, Inc. In November 2004 it changed its name to EZ2 Companies, Inc. and on January 16, 2008 it changed to its current name, as well as, changing its corporate domicile to the State of Georgia. On August 10, 2010 the Company changed its Domicile to the State of Florida.

On April 30, 2012, Coastal Capital entered into a Share Exchange Agreement with Earth Surfaces of America, Inc. ("Earth Surfaces") to acquire all of its issued and outstanding stock. Coastal Capital issued 1,350,000,000 common shares for its equity position in Earth Surfaces making Earth Surfaces a wholly owned subsidiary. As a result of the acquisition there are 1,899,493,800 shares issued and outstanding as of April 30, 2012. Also on the acquisition date, a director of Coastal Capital at the date of the acquisition entered into a Stock Purchase Agreement with the single shareholder of Earth Surfaces for 250,000,000 common shares of Coastal Capital. As a result of these two transactions, the prior owner of Earth Surfaces held approximately 84% of Coastal Capital's common shares. Simultaneously with the acquisition, the directors of Coastal Capital resigned and new directors were appointed including Earth Surfaces' prior owner.

Earth Surfaces manufactures eco-friendly terrazzo and polished concrete architectural products utilizing sea shells and glass. Among its products are pavers, tiles, counter and table tops, and custom made mosaics. Its manufacturing facilities are located in Naples Florida.

Coastal Capital was a development stage enterprise until April 30, 2012 when Earth Surfaces became its wholly owned subsidiary.

Coastal Capital's year end is December 31.

Reverse Acquisition of Coastal Capital

The acquisition of Earth Surfaces was accounted for as a reverse acquisition in accordance with Accounting Standards Codification ("ASC") 805, *Business Combinations*. The Company determined for accounting and reporting purposes that Earth Surfaces is the acquirer and Coastal Capital is the acquiree. Accordingly, the assets and liabilities of Earth Surfaces are reported at historical cost and the historical results of Earth Surfaces will be reflected in this and future Coastal Capital filings as a change in reporting entity. Accounts of Coastal Capital are reported at fair value on the date of acquisition, and its results of operations are reported from the date of acquisition of April 30, 2012.

The carrying value of Coastal Capital is based on consideration transferred, as defined in ASC 805 and the fair value of its liabilities on the acquisition date. Consideration transferred of $748,735 was based on the 299,493,800 outstanding shares of Coastal Capital's common stock on April 30, 2012 held by outside shareholders at the market closing price for those shares on that date of $ 0.0025.

The Company could not identify tangible assets to allocate any portion of the acquisition price so acquisition goodwill was recorded. The carrying value of Coastal Capital on April 30, 2012 included in the consolidated financial statements is:

Acquisition Goodwill	$1,172,474
Accrued Interest	$ 99,795
Convertible Notes	$ 323,944
Consideration transferred (paid in capital)	$ 748,735

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

These unaudited interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, these financial statements do not include all of the disclosures required by generally accepted accounting principles in the United States of America for complete financial statements. These financial statements should be read in conjunction with the prior disclosures of The Company. In the opinion of management the unaudited interim consolidated financial statements furnished herein include all adjustments, all of which are of a normal recurring nature, necessary for a fair statement of results for the interim period presented. Operating results for the quarter and nine month period ending September 30, 2012 are not necessarily indicative of the results that may be expected for the full year.

The preparation of financial statement in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes to financial statements. Actual results could differ from those estimates.

Consolidation

The interim consolidated financial statements include the accounts of Coastal Capital and Earth Surfaces. All material intercompany accounts and transactions have been eliminated in consolidation. The results of Coastal Capital's operations are included in the accompanying financial statements from the reverse acquisition date of April 30, 2012 through September 30, 2012.

Cash and cash equivalents

Highly liquid investments with remaining stated maturities of three months or less when purchased are considered cash equivalents and recorded at cost.

Accounts receivable

Accounts receivable consists principally of trade receivables, which are recorded at the invoiced amounts. Trade receivables do not bear interest. The allowance for doubtful accounts represents management's estimate of the amount of probable credit losses in existing accounts receivable as determined from a review of past due balances and other specific account data. Account balances are written off against the allowance when management determines the receivable is uncollectable. At September 30, 2012 and December 31, 2011, management estimated that no reserve for doubtful accounts was needed.

Inventories

Prior to December 31, 2011 inventory levels and valuations were estimated by management. At December 31, 2011, a physical inventory was taken. Inventory materials were valued at the lower of cost or market and finished products were based on cost estimates by management. A physical inventory was not taken at September 30, 2012 and was adjusted based on the historical relationship of material costs to sales.

Property & Equipment

The Company's property and equipment are recorded at cost and depreciated over estimated useful lives as follows:

Leasehold improvements –	15 years
Vehicles –	5 years
Manufacturing equipment –	7 years

Office furniture & equipment – 5 years

Typically assets are used beyond their estimated useful lives.

Stock-Based Compensation

The calculation of share-based employee compensation expense involves estimates that require management's judgment. These estimates include the fair value of each of the stock option awards granted, which is estimated on the date of grant using a Black-Scholes option pricing model. There are two significant inputs into the Black-Scholes option pricing model: expected volatility and expected term. The assumptions used in calculating the fair value of share-based payment awards represent management's best estimates, but these estimates involve inherent uncertainties and the application of management's judgment. In addition, the Company is required to estimate the expected forfeiture rate, and only recognize expense for those shares expected to vest. As a result, if factors change and the Company uses different assumptions, stock-based compensation expense could be different from what the Company has recorded in the current period.

Revenue recognition

Revenue is recorded when products are delivered or picked up by the customer. Customer deposits are recorded as a liability until revenue is recognized for the project.

Research and development

The costs of research and development are expensed as incurred and are classified in expenses. R & D includes expenditures for new product and process innovation. The Company's R & D expenditures primarily consist of internal salaries, wages and material attributable to R & D activities.

Income taxes

Income taxes are accounted for under the liability method of accounting. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Due to the uncertainty of being able to generate positive operating results and taxable income, the Company has recorded a full valuation allowance against the otherwise recognizable deferred tax asset. Future events could cause the Company to conclude that it is more likely than not that it will realize a portion of the deferred tax asset. Upon reaching such a conclusion, the Company will reduce the valuation allowance and recognize the effect in the period of reversal.

Prior to April 30, 2012 Earth Surfaces was taxed as a subchapter S corporation.

Basic and Diluted Loss per Common Share

Basic loss per share is computed by dividing net loss by the weighted-average number of common shares actually outstanding for the period. Diluted loss per share reflects the potential dilution that could occur upon the conversion or exercise of securities, options, or other such items to common shares using the treasury stock method, based upon the weighted average fair value of the Company's common shares during the period.

Note 3 - Going Concern

The accompanying interim consolidated financial statements have been prepared assuming the Company will continue as a going concern. As shown in the accompanying financial statements, the Company reflects continuing operating losses and limited capital to fund operations. The future of the Company is dependent upon its ability to obtain equity and/or debt financing and, ultimately, to achieve profitable operations.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or the amounts of and classification of liabilities, which might be necessary in the event the Company cannot continue in existence.

Note 4 – Proforma Statements of Results of Operations

Financial Accounting Standards 141R, *Business Combinations,* requires supplemental information on a pro forma basis to disclose the results of operations for the interim periods as though the business combination had been completed as of the beginning of the periods being reported.

Consolidated pro forma statements of operations for the nine months ended September 30, 2012 is as follows. Loss per share is based on actual weighted average number of common shares outstanding.

	For the Nine Months Ending Sept. 30, 2012 (As filed)	Prior to Acquisitior Jan. 1, 2012 to April 30, 2012	For the Nine Months Ending Sept. 30, 2012 (Pro forma)
Revenue	$ 845,001	$ -	$ 845,001
Cost of Goods Sold	663,989	-	663,989
Operating Expense	586,453	9,603	596,056
Net Loss	(405,441)	9,603	(395,838)
Net Loss per Common Share:			
Basic	$0.00		$0.00
Diluted	$0.00		$0.00
Weighted average number of shares of common stock outstanding:			
Basic	2,081,532,764		
Diluted	2,350,875,987		

Note 5 – Goodwill

As a result of the reverse acquisition, the Company recorded acquisition goodwill of $1,172,474. In accordance with Financial Accounting Standards No. 142 the Company will conduct an annual goodwill impairment test during the fourth quarter of each year, or more frequently if an event occurs or circumstances, such as a business combination, change that would more likely than not reduce the fair value of a reporting unit below its carrying value. At September 30, 2012, management does not believe that an impairment of goodwill has occurred.

Note 6 – Working Capital Loan.

The former owner of Earth Surfaces and a current officer and director of the Company, has provided the company working capital. The outstanding balance of the loan at December 31, 2011 and September 30, 2012 is $ 415,043 and $ 411,293, respectively. The working capital loan is unsecured and bears interest at 6% per year. All payments are deferred until November, 2013. Thereafter, monthly payments will be $ 12,487 plus monthly interest with a final balloon payment on June 1, 2015.

Note 7 – Notes Payable

On July 7, 2010, Earth Surfaces entered into a promissory note with a bank in the amount of $374,351, which matured on June 1, 2012. The note is secured by substantially all of the assets of The Company and accrues interest at 5.0% per year. The bank has agreed to provide the Company additional time to seek alternative financing arrangements as described in Note 8. As of December 31, 2011 and September 30, 2012 the outstanding balance of the note was $ 366,456.

An unsecured promissory note from a private individual dated May 11, 2012 in the amount of $50,000 is due April 15, 2013 and bears interest at 12.6%.

An unsecured promissory note from an individual dated February 23, 2011 in the amount of $40,000 bears no interest and is due on demand.

A shareholder made available several working capital advances during the quarter ending September 30, 2012. On September 30, 2012 the loan balance is $ 19,250. The loan bears no interest.

Note 8 – Related Party Transactions

The Company rents its main manufacturing facility and corporate offices from a Limited Liability Company, ("LLC") owned by an officer and director of the Company. The mortgage is secured by the facilities, as well as, personal property of Earth Surfaces and a personal guaranty of the owner. Under the terms of the rental agreement the Company will pay all mortgage payments, real estate taxes, and any related sales tax as rental. As of September 30, 2012, the Company is delinquent on rental payments and the LLC is in default of its bank mortgage agreement. The bank has brought legal action against the LLC, however, on July 16, 2012 the Company entered into an agreement with the bank, relating both to the promissory note and mortgage whereby the Company will pay the bank reduced monthly payments and the bank will defer various legal remedies. The intent of the agreement is to provide the LLC and the Company additional time to seek alternative financing arrangements.

Note 9 – Convertible Notes

In September 2007, the Company issued a $250,000 convertible promissory note to a related party. The note was amended in September 2010 to resolve the Company's default under note provisions. Interest on the note, as amended, is fixed at 11% per year and the note's outstanding principal and interest is convertible, at any time, without approval of the Company, into the Company's common stock. The conversion price is $ 0.001 per share and limits the holder to no more than 4.9% of outstanding shares. The holder of the note no longer meets the definition of a related party. Rights under the note are assignable. The note is matured and the holder and the Company have agreed to extend the note provisions.

In September 2008, the Company issued a $105,000 convertible promissory note to a related party. The note was amended in September 2010 to resolve the Company's default under note provisions. Interest on the note, as amended, is fixed at 4.5% per year and the note's outstanding principal and interest is convertible at any time without approval of the Company, into the Company's common stock. The conversion price is $ 0.001 per share and limits the holder to no more than 4.9% of outstanding shares. The holder of the note no longer meets the definition of a related party. Rights under the note are assignable. The note is matured and the holder and the Company have agreed to extend the note provisions.

On August 17, 2012, the holders of the Company's convertible notes, converted the notes and $61,301 of accrued interest into 385,245,250 common shares of the Company.

Note 10 – Capital Stock

Common Stock

The Company is authorized to issue 2,350,000,000 shares of common stock with a par value of $0.001. All shares have equal voting rights, are non-assessable and have one vote per share. Voting rights are not cumulative and, therefore, the holders of more than 50% of the common stock could, if they choose to do so, elect all of the directors of the Company.

Preferred Stock

The Company is authorized to issue 5,000,000,000 shares of preferred stock with a par value of $ 0.001. During the periods presented, there are no outstanding shares of preferred stock.

Note 11 - Stock Base Compensation

On May 1, 2012, Pursuant to the Company's Stock Option Plan, the Company issued stock options to an officer and a director.

Options were awarded that will allow these individuals to purchase 20 million shares of the Company's common stock at $ 0.0025, the stock price on the date of grant. The fair value of the options is estimated as of the date of grant using a Black-Scholes option-pricing model.

The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restriction and are fully transferable. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. The expected life of options granted is derived from the input of the option-pricing model and represents the period of time that options granted are expected to be outstanding. Expected volatility rates are based on historical volatility of shares of common stocks of similar companies.

The following is a summary of the weighted-average assumptions related to grants issued.

Risk free interest rate - 1.7%
Expected life of option – 5.5 years
Expected dividend yield – 0%
Expected volatility rate – 150%

Compensation cost for awards is recognized on a straight-line basis over the related vesting period. Compensation costs related to the options of $ 11,499 and $ 19,165 were recorded during the three month and nine month periods ending September 30, 2012. No shares vested during the reporting period.

Note 12 – Income Taxes

In assessing the realizability of deferred income tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The Company considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax-planning strategies in making this assessment. Based on these factors, the Company has determine that it is more likely than not that they will not be realized and has provided a full valuation allowance for its deferred income tax assets.

Item 4 Management's discussion and analysis

The balance sheet reflects the Company's continuing need to fund its operating losses with debt. Since December 31, 2011, current liabilities of the company have increased by $343,491.

Operating losses for the three month and nine month periods ending September 30, 2012 were $180,582 and $ 405,441, respectively. These losses were greater than similar periods in 2011 by $ 64,077 and $ 35,656 respectively. As explained in the notes to financial statements, operating results reflect consolidated operations from the acquisition date of April 30, 2012. Coastal Capital accounted for $ 38,621 of additional consolidated expenses since the date of the acquisition.

Sales for the quarter and year to date ending September 30, 2012 were $ 263,288 and $ 845,001, representing a 7.1% and 8.1% increase from comparable periods in 2011. Additionally, customer deposits representing deposits on signed contracts of $95,619 increased significantly from deposits at December 31, 2011 of $ 15,934. Management believes that these increases reflect the success of its marketing efforts and the acceptance of its products in the market place.

Gross margin for the nine months ending September 30, 2012 was 21.4% which is an increase over the comparable period in 2011 of 17.1% and 19.3% for the year ending December 31, 2011. Gross margin for the quarter ending September 30, 2012 was 17.1% which is lower than the comparable period in 2011 and 2012 year to date. Management believes that this is due to timing differences.

During the quarter, administrative salaries and wages and related taxes increased by $ 30,878 due to increases in officer compensation at the time of the acquisition. Professional fees for the quarter result from legal fees related to OTC filings and negotiations with the bank holding the commercial loan with the Company and the mortgage on Company facilities (see Legal Proceedings.)

Item 5 Legal Proceedings

A promissory note with a bank matured on June 1, 2012 and remains unpaid. The note is secured by substantially all of the assets of the Company. The bank has agreed to provide the Company additional time to seek alternative financing arrangements as described below.

The Company rents its main manufacturing facility and corporate offices from a Limited Liability Company, ("LLC") owned by an officer and director of the Company. The mortgage is secured by the facilities, as well as, personal property of Earth Surfaces and a personal guaranty of the owner. Under the terms of the rental agreement the Company will pay all mortgage payments, real estate taxes, and any related sales tax as rental. As of September 30, 2012, the Company is delinquent on rental payments and the LLC is in default of its bank mortgage agreement. The bank has brought legal action against the LLC, however, on July 16, 2012 the Company entered into an agreement with the bank, relating both to the promissory note and mortgage whereby the Company will pay the bank reduced monthly payments and the bank will defer various legal remedies. The intent of the agreement is to provide the LLC and the Company additional time to seek alternative financing arrangements.

The property used by the Company has been sited for various county code violations. Company management is working with the LLC and county officials to gain compliance. It is estimated by management that modifications required to remedy the violations will cost approximately $25,000 and will be incurred by the Company.
The current compliance date is November, 23 2012 and will require an extension. Management believes that county officials will support its extension request.

Item 6 Default upon senior securities

See legal proceedings section for default of promissory note.

Item 7 Other Information

The Company is in arrears on its payment to Federal and State taxing authorities. The outstanding amounts are included in its accounts payable on the financial statements. No legal actions have been taken by the taxing authorities to date. However, the Company has received a notice to levy on November 5, 2012 for $27,751. Management has begun discussions with the taxing authorities to negotiate acceptable payment terms until it can seek additional financing to pay these past due amounts in full.

On August 14, 2012 the Company signed a commitment agreement under which Lambro Ventures, LLC ("LLC") agreed to purchase common shares for up to $600,000. The LLC is owned by George Lambro, who together with 2 associates owned a significant portion of the Company's convertible notes that were converted to 292 million shares of common stock during the quarter. Evidencing the transaction, Lambro wrote 2 checks to the Company both of which were not honored. Management has determined that this group has been responsible for the recent promotion of the stock and the high level of trading volume leading to a significant decline the the stock price. The LLC has not closed on the transaction and management believes that it is unlikely that the transaction will occur. Management is evaluating if it has legal or regulatory remedies against the LLC and Lambro.

On October 19, 2012 the Company signed a consulting agreement with Pyrenees Investments, LLC to assist it in seeking other qualified investors. Pyrenees is a financial consulting and advising firm that provides business and financial advice and also introduces companies to investment bankers, brokerage firms, venture capital firms and others who may be able to provide financing to companies similar to CCAJ.

The Company has opened discussion with another potential investor, as well as, continuing to seeking out other potential capitalization.

Item 8 Exhibits

None.

Item 9 Certifications

I, Anthony DiNorcia Sr., certify that:

1. I have reviewed this Quarterly Report dated November 15, 2012.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report.

Date: November 15, 2012
/s/ Tony DiNorcia
Tony DiNorcia, Chief Executive Officer and Director

I, Daniel F. Governile, certify that:

1. I have reviewed this Quarterly Report dated November 15, 2012.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report.

Date: November 15, 2012
/s/ Daniel F. Governile
Daniel F. Governile, Chief Financial Officer and Director