

HPEV, INC.
Form 10-Q
May 20, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark
One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended March 31, 2013

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the transition period from _____ to _____.

Commission file number: 000-53443

HPEV, INC.
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

75-3076597
(I.R.S. Employer
Identification No.)

27420 Breakers Drive
Wesley Chapel, FL
(Address of principal executive offices)

33544
(Zip Code)

Registrant's telephone number, including area code (813) 929-1877

(Former name, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required

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to submit and post such files). Yes No X .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer _____ Accelerated
filer _____

Non-accelerated filer _____ Smaller reporting
company __X
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No X .

Applicable only to issuers involved in bankruptcy proceedings during the preceding five years:

Indicate by check mark whether the registrant filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

Applicable only to corporate issuers:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of May 15, 2013, there were 44,085,441 shares of common stock, \$0.001 par value, issued and outstanding.

HPEV, INC.

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PART I – FINANCIAL INFORMATION

This Quarterly Report includes forward-looking statements within the meaning of the Securities Exchange Act of 1934 (the “Exchange Act”). These statements are based on management’s beliefs and assumptions, and on information currently available to management. Forward-looking statements include the information concerning our possible or assumed future results of operations set forth under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Forward-looking statements also include statements in which words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “estimate,” “consider” or similar expressions are used.

Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions. Our future results and shareholder values may differ materially from those expressed in these forward-looking statements. Readers are cautioned not to put undue reliance on any forward-looking statements.

ITEM 1 Financial Statements

PART 1 – FINANCIAL INFORMATION

HPEV, INC.
(A Development Stage Company)
CONSOLIDATED BALANCE SHEETS
(UNAUDITED and UNREVIEWED)

	As of March 31, 2013	As of December 31, 2012
ASSETS		
Current assets		
Cash	\$ 13,469	\$ 194,721
Prepaid expenses	68,999	373,679
Total current assets	82,468	568,400
Intangible	87,964	73,582
Total assets	\$ 170,432	\$ 641,982
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 203,062	\$ 177,280
Accounts payable – related party	29,250	52,305
Notes payable-related party	22,910	34,110
Total current liabilities	255,222	263,695
Total liabilities	255,222	263,695
Stockholders' equity		
Preferred stock: \$.001 par value; 15,000,000 shares authorized, 200 shares issued and outstanding as of March 31, 2013		
Common stock; \$.001 par value; 100,000,000 shares authorized, 44,085,441 shares issued and outstanding as of March 31, 2013	44,085	42,970
Additional paid-in capital	6,246,171	6,116,420
Common stock held in escrow	8,441	39,469
Common stock receivable		(8,000,000)
Accumulated deficit during development stage	(6,382,371)	(5,820,572)
Total stockholders' equity	(83,674)	378,287
Total liabilities and stockholders' equity	\$ 171,548	\$ 641,982

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

HPEV, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED and UNREVIEWED)

	Three Months Ended March. 31, 2013	Three Months Ended March 31, 2012	From inception (March 24, 2011) Through March 31, 2012	From inception (March 24, 2011) through March 31, 2013
Revenue	\$ -			\$ -
Cost of goods sold	-			-
Gross profit	-			-
Operating expenses				
Consulting	389,448	423,163	2,027,743	3,896,420
Professional fees	42,394	30,796	569,275	1,028,012
Research and development	2,000	343,233	457,588	359,072
General and administrative	51,239	20,930	62,731	203,103
Loss on deposit			100,000	100,000
Loss on intangible property			75,000	75,000
Total operating expenses	485,081	818,903	3,293,118	5,661,607
Other income and expenses				
Interest expense				(277,545)
Finance cost				(622,522)
Gain on settlement of debt				256,021
Net loss	\$ (485,081)	\$ (818,903)	\$ (3,293,118)	\$ (6,305,653)
Basic loss per common share	\$ (0.01)	(0.02)	(.08)	
Basic weighted average common shares outstanding	44,621,440	47,610,891	39,159,451	

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

HPEV, Inc.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED and UNREVIEWED)

	Three months ended March 31, 2013 Un-Audited	From March 24, 2011 (Date of Inception) Through March 31, 2012 Un-Audited	From March 24, 2011 (Date of Inception) Through March 31, 2013 Un-Audited
Cash flows from operating activities:			
Net loss	\$(485,081)	\$(5,943,118)	\$(6,305,653)
Adjustments to reconcile net loss to			-
Net cash used by operating activities:			-
Stock issued to founder		22,000	22,000
Stock options issued for penalty		108,420	
Stock issued for consulting services			3,228,712
Gain on settlement of debt			(256,021)
Warrants issued for loan penalty			197,413
Warrants issued for interest			317,678
Stock compensation	-	1,905,478	-
Amortization of financing cost			622,522
Director stock compensation from shareholder		2,650,000	-
Impairment of intangible asset & deposit		175,000	175,000
Changes in operating assets and liabilities:			-
Prepaid expenses	304,680	(250)	304,680
Increase in accrued interest			6,021
Increase in accounts payable related party			52,305
Increase in accounts payable	(1,442)		234,201
Net cash used by operating activities	(181,843)	(718,412)	(1,401,142)
Cash flows from investing activities:			
Increase of intangible assets	(14,383)	(57,405)	(87,965)
Cash acquired through reverse merger		37	37
Net cash used by investing activities	(14,383)	(57,368)	(87,928)
Cash flows from financing activities:			
Proceeds from sale of common stock	57,003	50,000	107,003
Proceeds from sale of preferred stock			500,000
Capital stock - shares returned to treasury	31,028		31,028
Proceeds from loans payable		22,500	

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Proceeds from notes payable		439,722
Payment on notes payable		(189,722)
Proceeds from notes payable – related party	825,707	
Payments on notes payable - related party	(11,200)	(12,400)
Bank overdraft	410	410
Net cash provided by financing activities	76,831	