

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

FORM 10-Q

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

For the quarterly period ended September 30, 2012

or

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: 000-53704

AMP HOLDING INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

26-1394771

(I.R.S. Employer Identification No.)

100 Commerce Drive, Loveland, Ohio 45140
(Address of principal executive offices) (Zip Code)

513-360-4704
Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, 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 to submit and post such files). Yes No

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
Non-accelerated filer

Accelerated filer
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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, \$0.001 par value per share
(Class)

51,914,235
(Outstanding at November 14, 2012)

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

AMP Holding Inc.
(A Development Stage Company)
Balance Sheets
September 30, 2012 and December 31, 2011

Assets	September 30, 2012 <u>(Unaudited)</u>	December 31, 2011 <u></u>
Current assets:		
Cash	\$ 15,148	\$ 89,488
Accounts receivable	5,019	5,019
Inventory	82,000	122,000
Prepaid expenses and deposits	13,025	51,210
	<u>115,192</u>	<u>267,717</u>
Property, plant and equipment:		
Software	27,721	27,721
Leasehold improvements	19,225	19,225
Equipment	178,124	149,371
Vehicles and prototypes	164,959	189,746
	<u>390,029</u>	<u>386,063</u>
Less accumulated depreciation	<u>242,009</u>	<u>203,886</u>
	<u>148,020</u>	<u>182,177</u>
	<u>\$ 263,212</u>	<u>\$ 449,894</u>
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 1,746,558	\$ 1,367,367
Accounts payable, related parties	309,572	211,640
Customer deposits	25,000	25,000
Shareholder advances	43,000	312,000
Convertible debentures	1,902,770	-
Current portion of long-term debt	21,160	20,641
	<u>4,048,060</u>	<u>1,936,648</u>
Long-term debt	64,190	69,550
Commitments and contingencies	-	-
Stockholders' equity (deficit):		
Series A preferred stock, par value of \$.001 per share, 75,000,000 shares authorized, 0 shares issued and outstanding at September 30, 2012 and December 31, 2011	-	-
Common stock, par value of \$.001 per share 250,000,000 shares authorized, 41,187,165 shares issued and outstanding at September 30, 2012 and 38,734,650 shares issued and outstanding at December 31, 2011	41,187	38,735
Additional paid-in capital	12,627,901	12,063,860
Stock based compensation	3,696,747	3,439,870
Accumulated deficit during the development stage	<u>(20,214,873)</u>	<u>(17,098,769)</u>
	<u>(3,849,038)</u>	<u>(1,556,304)</u>
	<u>\$ 263,212</u>	<u>\$ 449,894</u>

See accompanying notes to financial statements.

AMP Holding Inc.
(A Development Stage Company)
Statements of Operations
For the Three and Nine Months Ended September 30, 2012 and 2011
and for the Period From Inception
February 20, 2007 to September 30, 2012

	Three Months Ended		Nine Months Ended		Since Date of Inception, February 20, 2007 to September 30, 2012 (Unaudited)
	September 30, 2012 (Unaudited)	September 30, 2011 (Unaudited)	September 30, 2012 (Unaudited)	September 30, 2011 (Unaudited)	
Sales	\$ -	\$ -	\$ 222,098	\$ 190,035	\$ 552,840
Expenses:					
Payroll and payroll taxes	461,399	842,321	1,410,544	2,183,490	6,964,158
Employee benefits	32,104	55,730	118,964	189,668	615,043
Stock based compensation	36,951	168,457	256,877	1,367,818	3,714,487
Batteries and motors and supplies	49,692	266,453	173,199	1,017,309	2,667,848
Vehicles, development and testing	-	190,415	57,786	190,415	322,201
Legal and professional	471,320	118,008	625,478	399,283	2,056,349
Advertising	26,062	76,481	84,480	245,870	921,377
Consulting	(21,663)	201,871	52,805	428,017	1,097,147
Engineering, temporary labor	903	3,465	1,773	22,320	248,822
Travel and entertainment	26,120	51,998	75,026	162,805	474,153
Depreciation	15,573	14,639	48,458	42,561	277,836
Rent	34,903	34,713	111,875	90,963	415,304
Insurance	45,275	39,878	83,028	104,552	351,740
Facilities, repairs & maintenance	5,901	31,029	18,616	64,128	180,851
Utilities	7,296	5,686	26,159	20,520	121,500
Interest and bank fees	70,493	951	156,364	3,483	182,804
Loss on sale of assets	14,452	-	14,452	-	27,542
Other	6,564	18,700	22,318	51,376	128,551
	<u>1,283,345</u>	<u>2,120,795</u>	<u>3,338,202</u>	<u>6,584,578</u>	<u>20,767,713</u>
Net loss during the development stage	<u>\$ (1,283,345)</u>	<u>\$ (2,120,795)</u>	<u>\$ (3,116,104)</u>	<u>\$ (6,394,543)</u>	<u>\$ (20,214,873)</u>
Basic and diluted loss per share	<u>\$ (0.03)</u>	<u>\$ (0.06)</u>	<u>\$ (0.08)</u>	<u>\$ (0.20)</u>	<u>\$ (0.83)</u>
Weighted average number of common shares outstanding	<u>39,570,618</u>	<u>37,115,591</u>	<u>39,082,846</u>	<u>32,528,929</u>	<u>24,280,799</u>

See accompanying notes to financial statements.

convertible note	29,750	30	-	-	9,970	-	-	10,000
Issuance of preferred stock, and fulfillment								
of stock subscriptions receivable	-	-	625	1	24,999	-	-	25,000
Issuance of common stock, and fulfillment								
of stock subscriptions receivable	9,808,566	9,809	-	-	3,682,530	-	-	3,692,339
Conversion of account payable	101,636	102	-	-	86,898	-	-	87,000
Share based compensation for the year								
ended December 31, 2010	-	-	-	-	-	1,436,979	-	1,436,979
Net loss from operations for the year								
ended December 31, 2010	-	-	-	-	-	-	(5,028,106)	(5,028,106)
	<u>27,712,401</u>	<u>\$ 27,713</u>	<u>9,000</u>	<u>\$ 9</u>	<u>\$ 6,647,857</u>	<u>\$ 1,436,979</u>	<u>\$ (8,393,058)</u>	<u>\$ (280,500)</u>
Issuance of common stock, and fulfillment								
of stock subscriptions receivable	9,912,447	9,911	-	-	5,404,830	-	-	5,414,741
Stock options and warrants exercised	38,692	39	-	-	12,236	-	-	12,275
Conversion of preferred stock to common stock	1,071,110	1,072	(9,000)	(9)	(1,063)	-	-	-
Share based compensation for the year								
ended December 31, 2011	-	-	-	-	-	2,002,891	-	2,002,891
Net loss from operations for the year								
ended December 31, 2011	-	-	-	-	-	-	(8,705,711)	(8,705,711)
	<u>38,734,650</u>	<u>\$ 38,735</u>	<u>-</u>	<u>\$ -</u>	<u>\$12,063,860</u>	<u>\$ 3,439,870</u>	<u>\$ (17,098,769)</u>	<u>\$ (1,556,304)</u>
Issuance of detached warrants in connection with convertible debentures	-	-	-	-	91,493	-	-	91,493
Conversion of account payable	2,452,515	2,452	-	-	472,548	-	-	475,000
Share based compensation for the nine months								
ended September 30, 2012	-	-	-	-	-	256,877	-	256,877
Net loss from operations for the nine months								
ended September 30, 2012	-	-	-	-	-	-	(3,116,104)	(3,116,104)
	<u>41,187,165</u>	<u>\$ 41,187</u>	<u>-</u>	<u>\$ -</u>	<u>\$12,627,901</u>	<u>\$ 3,696,747</u>	<u>\$ (20,214,873)</u>	<u>\$ (3,849,038)</u>

A vehicle with a fair market value of \$30,400 and cash of \$69,600 was accepted as consideration for issuance of common stock in February 2007.

A vehicle with a fair market value of \$30,884 and cash of \$69,116 was accepted as consideration for issuance of common stock in June 2007.

Consulting services valued at \$50,000 were accepted as consideration for issuance of common stock in October 2008.

Legal services valued at \$87,000 were accepted as consideration for issuance of common stock in December 2010.

Legal and consulting services valued at \$60,000 were accepted as consideration for issuance of common stock in March 2012.

Investment Agreement fees valued at \$375,000 were accepted as consideration for issuance of common stock in August 2012.

Legal services valued at \$40,000 were accepted as consideration for issuance of common stock in September 2012.

See accompanying notes to financial statements.

AMP Holding Inc.
(A Development Stage Company)
Statements of Cash Flows
For the Three and Nine Months Ended September 30, 2012 and 2011
and for the Period From Inception
February 20, 2007 to September 30, 2012

	Three Months Ended		Nine Months Ended		Since Date of Inception, February 20, 2007 to September 30, 2012 (Unaudited)
	September 30, 2012 (Unaudited)	September 30, 2011 (Unaudited)	September 30, 2012 (Unaudited)	September 30, 2011 (Unaudited)	
Cash flows from operating activities:					
Net loss during the development stage	\$ (1,283,345)	\$ (2,120,795)	\$ (3,116,104)	\$ (6,394,543)	\$ (20,214,873)
Adjustments to reconcile net loss from operations to cash used by operations:					
Depreciation	15,573	14,639	48,458	42,561	277,836
Loss on sale of assets	14,452	-	14,452	-	27,542
Stock based compensation	36,951	168,457	256,877	1,367,818	3,714,487
Amortized discount on convertible debentures	23,243	-	55,013	-	55,013
Legal and professional services	415,000	-	475,000	-	612,000
Effects of changes in operating assets and liabilities:					
Accounts receivable	-	24,000	-	53,023	(5,019)
Inventory	40,000	(40,000)	40,000	(122,000)	(82,000)
Prepaid expenses and deposits	26,310	(56,795)	38,185	(62,545)	(13,025)
Accounts payable	178,920	364,419	379,191	409,183	1,746,558
Accounts payable, related parties	15,668	(36,018)	97,932	(55,860)	309,572
Customer deposits	-	-	-	(52,393)	25,000
Net cash used by operations	(517,228)	(1,682,093)	(1,710,996)	(4,814,756)	(13,546,909)
Cash flows from investing activities:					
Capital expenditures	-	(51,177)	(28,753)	(137,525)	(376,650)
Proceeds on sale of assets	-	-	-	-	32,900
Net cash used by investing activities	-	(51,177)	(28,753)	(137,525)	(343,750)
Cash flows from financing activities:					
Proceeds from debentures and notes payable	500,000	-	1,939,250	-	2,099,250
Payments on notes payable	-	-	-	-	(150,000)
Proceeds from long-term debt	-	-	-	-	50,000
Payments on long-term debt	(1,635)	(1,558)	(4,841)	(4,610)	(13,014)
Shareholder advances	-	62,000	(269,000)	62,000	43,000
Issuance of common and preferred stock	-	103,498	-	4,613,515	11,876,571
Net cash provided by financing activities	498,365	163,940	1,665,409	4,670,905	13,905,807
Change in cash and cash equivalents	(18,863)	(1,569,330)	(74,340)	(281,376)	15,148
Cash and cash equivalents at inception, February 20, 2007					-
Cash and cash equivalents at December 31, 2010				385,293	
Cash and cash equivalents at June 30, 2011		1,673,247			
Cash and cash equivalents at September 30, 2011		<u>\$ 103,917</u>		<u>\$ 103,917</u>	
Cash and cash equivalents at December 31, 2011			89,488		
Cash and cash equivalents at June 30, 2012	34,011				
Cash and cash equivalents at September 30, 2012	<u>\$ 15,148</u>		<u>\$ 15,148</u>		<u>\$ 15,148</u>

Supplemental disclosure of non-cash activities:

Vehicles valued at \$61,284 were contributed as consideration for issuance of common stock during the period from February to December 2007.

Consulting services valued at \$50,000 were accepted as consideration for issuance of common stock in October 2008.

During March 2010 a note payable of \$10,000 was converted to 29,750 shares of common stock.

A vehicle valued at \$33,427 was acquired through bank financing in September 2010.

Legal services valued at \$87,000 were accepted as consideration for issuance of common stock in December 2010.

Equipment valued at \$14,937 was acquired through debt financing in December 2011.

Legal and consulting services valued at \$60,000 were accepted as consideration for issuance of common stock in March 2012.

Detachable warrants associated with convertible debentures valued at \$91,493 were recorded as increases to additional paid-in capital from January to August 2012.

Investment Agreement fees valued at \$375,000 were accepted as consideration for issuance of common stock in August 2012.

Legal services valued at \$40,000 were accepted as consideration for issuance of common stock in September 2012.

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The following accounting principles and practices are set forth to facilitate the understanding of data presented in the financial statements:

Nature of operations

AMP Holding Inc., formerly known as Title Starts Online, Inc. (the Company), incorporated in the State of Nevada in 2007 with \$3,100 of capital from the issuance of common shares to the founding shareholder. On August 11, 2008 the Company received a Notice of Effectiveness from the U.S. Securities and Exchange Commission, and on September 18, 2008, the Company closed a public offering in which it accepted subscriptions for an aggregate of 200,000 shares of its common stock, raising \$50,000 less offering costs of \$46,234. With this limited capital the Company did not commence operations and remained a “shell company” (as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended).

On December 28, 2009, the Company entered into and closed a Share Exchange Agreement with the Shareholders of Advanced Mechanical Products, Inc. (n/k/a AMP Electric Vehicles, Inc.) (AMP) pursuant to which the Company acquired 100% of the outstanding securities of AMP in exchange for 14,890,904 shares of the Company’s common stock. Considering that, following the merger, the AMP Shareholders control the majority of the outstanding voting common stock of the Company, and effectively succeeded the Company’s otherwise minimal operations to those that are AMP. AMP is considered the accounting acquirer in this reverse-merger transaction. A reverse-merger transaction is considered and accounted for as a capital transaction in substance; it is equivalent to the issuance of AMP securities for net monetary assets of the Company, which are de minimus, accompanied by a recapitalization. Accordingly, goodwill or other intangible assets have not been recognized in connection with this reverse merger transaction. AMP is the surviving entity and the historical financials following the reverse merger transaction will be those of AMP. The Company was a shell company immediately prior to the acquisition of AMP pursuant to the terms of the Share Exchange Agreement. As a result of such acquisition, the Company operations are now focused on the design, marketing and sale of modified automobiles with an all-electric power train and battery systems. Consequently, we believe that acquisition has caused the Company to cease to be a shell company as it now has operations. The Company formally changed its name to AMP Holding Inc. on May 24, 2010.

AMP’s vision is to bring electrification to full size mainstream vehicles popular with commercial fleets. AMP designs, manufactures and is offering for sale modified automobiles and commercial trucks with an all electric drivetrain and battery system that allows the vehicle to perform similar to the original vehicle, but with no emissions or burning of fossil fuels. This is due to AMP’s patent pending, powerful, yet highly efficient electric powertrain. Revenues since the inception of the Company, February 20, 2007, through the date of these financial statements have not been significant and consist of customer vehicle conversions and sales of converted vehicles.

Development stage company

Based on the Company's business plan, it is a development stage company since planned principal operations resulting in revenue have not fully commenced. Accordingly, the Company presents its financial statements in conformity with the accounting principles generally accepted in the United States of America that apply to developing enterprises. As a development stage enterprise, the Company discloses its retained earnings (or deficit accumulated) during the development stage and the cumulative statements of operations and cash flows from commencement of development stage to the current balance sheet date. The development stage began in 2007 when the Company was organized.

Basis of presentation

The financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, the Company has limited revenues and has negative working capital and stockholders' deficits. During 2012 the lack of liquidity delayed the Company from paying its employees their full salaries. Employee layoffs have occurred and additional layoffs are considered as a means of conserving cash. These conditions raise substantial doubt about the ability of the Company to continue as a going concern.

In view of these matters, continuation as a going concern is dependent upon the continued operations of the Company, which in turn is dependent upon the Company's ability to meet its financial requirements, raise additional capital, and the success of its future operations. The financial statements do not include any adjustments to the amount and classification of assets and liabilities that may be necessary should the Company not continue as a going concern.

The Company has continued to raise capital. Management believes the proceeds from these offerings, future offerings, and the Company's anticipated revenue provides an opportunity to continue as a going concern. If additional funding is required, the Company plans to obtain working capital from either debt or equity financing from the sale of common, preferred stock, and/or convertible debentures. Obtaining such working capital is not assured.

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

The accompanying unaudited financial statements have been prepared in accordance with Form 10-Q instructions and in the opinion of the management contain all adjustments, consisting of normal recurring accruals necessary to present fairly the financial position, results of operations and cash flows for the periods presented. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. These interim financial statements should be read in conjunction with the financial statements and accompanying notes included in the Annual Report on Form 10-K for the year ended December 31, 2011.

Certain reclassifications were made to the prior year financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operation or stockholders' equity (deficit).

Financial instruments

The carrying amounts of financial instruments including cash, accounts receivable, inventory, cash overdraft, accounts payable and short-term debt approximate fair value because of the relatively short maturity of these instruments.

Inventory

Inventory, stated at cost, includes vehicles being converted for sale.

Property and depreciation

Property and equipment is recorded at cost. Major renewals and improvements are capitalized while replacements, maintenance and repairs, which do not improve or extend the lives of the respective assets, are expensed. When property and equipment is retired or otherwise disposed of, a gain or loss is realized for the difference between the net book value of the asset and the proceeds realized thereon. Depreciation is calculated using the straight-line method, based upon the following estimated useful lives:

Software: 6 years

Equipment: 5 years

Vehicles and prototypes: 3 - 5 years

AMP Holding Inc.
(A Development Stage Company)
Notes to Financial Statements
For the Three and Nine Months Ended September 30, 2012 and 2011
and for the Period From Inception,
February 20, 2007 to September 30, 2012
(Unaudited)

Capital stock

On April 22, 2010 the directors of the Company approved a forward stock split of the common stock of the Company on a 14:1 basis. On May 12, 2010 the stockholders of the Company voted to approve the amendment of the certificate of incorporation resulting in a decrease of the number of shares of Common stock. The Company filed a 14c definitive information statement with the Securities and Exchange Commission and mailed the same to its shareholders. Management filed the certificate of amendment decreasing the authorized shares of common stock with the State of Nevada on September 8, 2010.

The capital stock of the Company is as follows:

Preferred Stock - The Company has authorized 75,000,000 shares of preferred stock with a par value of \$.001 per share. These shares may be issued in series with such rights and preferences as may be determined by the Board of Directors. The Series A Stock is convertible, at any time at the option of the holder, into common shares of the Company based on a conversion price of \$0.336 per share. The holders of the Series A Stock are not entitled to convert the Series A Stock and receive shares of common stock such that the number of shares of common stock held by them in the aggregate and their affiliates after such conversion or exercise does not exceed 4.99% of the then issued and outstanding shares of common stock. The Series A Stock has voting rights on an as converted basis, does not pay dividends, and does not provide any liquidation rights.

Common Stock - The Company has authorized 250,000,000 shares of common stock with a par value of \$.001 per share.

Revenue recognition / customer deposits

It is the Company's policy that revenues will be recognized in accordance with SEC Staff Bulletin (SAB) No. 104, "Revenue Recognition". Under SAB 104, product revenues (or service revenues) are recognized when persuasive evidence of an arrangement exists, delivery has occurred (or service has been performed), the sales price is fixed and determinable, and collectability is reasonably assured. Customer deposits include monies from customers to reserve a production slot for conversion of an OEM power train to the AMP all electric power train. The final retail price and delivery date are yet to be determined. Customer deposits are subject to a full refund at the request of the customer.

Advertising

Advertising and public relation costs are charged to operations when incurred. Advertising and public relation expense was approximately \$26,000 and \$76,000 for the three months ended September 30, 2012 and 2011, and \$84,000 and \$246,000 for the nine months ended September 30, 2012 and 2011, and \$921,000 for the period from inception to September 30, 2012, respectively consisting primarily of travel and related expenses for attendance at car shows and industry expositions.

Income taxes

With the consent of its shareholders, at the date of inception, AMP elected under the Internal Revenue Code to be taxed as an S corporation. Since shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income, an S corporation is generally not subject to either federal or state income taxes at the corporate level. On December 28, 2009 pursuant to the merger transaction the Company revoked its election to be taxed as an S-corporation.

As no taxable income has occurred from the date of this merger to September 30, 2012 cumulative deferred tax assets of approximately \$4,474,000 are fully reserved, and no provision or liability for federal or state income taxes has been included in the financial statements. Net operating losses of approximately \$3,600,000 are available for carryover to be used against taxable income generated through 2030, net operating losses of approximately \$6,700,000 are available for carryover to be used against taxable income generated through 2031, and net operating losses of approximately \$2,860,000 are available for carryover to be used against taxable income generated through 2032. The Company had not filed income tax returns during its period as a shell company.

Uncertain tax positions

The Company adopted the provisions of Accounting for Uncertainty in Income Taxes. Those provisions clarify the accounting and recognition for income tax positions taken or expected to be taken in the Company's income tax returns. The Company's income tax filings are subject to audit by various taxing authorities. The years of filings open to these authorities and available for audit are 2009 - 2011. The Company's policy with regard to interest and penalties is to recognize interest through interest expense and penalties through other expense. In evaluating the Company's tax provisions and accruals, future taxable income, and the reversal of temporary differences, interpretations and tax planning strategies are considered. The Company believes their estimates are appropriate based on current facts and circumstances.

Research and development costs

The Company expenses research and development costs as they are incurred. Research and development expense incurred was approximately \$449,000 and \$1,461,000 for the three months ended September 30, 2012 and 2011, and \$1,625,000 and \$3,717,000 for the nine months ended September 30, 2012, and 2011, and \$11,239,000 for the period from inception to September 30, 2012, respectively, consisting of consulting, payroll, payroll taxes, engineering temporaries, purchased supplies, legal fees, parts and small tools.

Basic and diluted loss per share

Basic loss per share is computed by dividing net loss available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. For all periods, all of the Company's common stock equivalents were excluded from the calculation of diluted loss per common share because they were anti-dilutive, due to the Company's net losses.

Stock based compensation

The Company accounts for its stock based compensation in accordance with "Share-Based Payments" (codified in FASB ASC Topic 718 and 505). The Company recognizes in its statement of operations the grant-date fair value of stock options and warrants issued to employees and non-employees. The fair value is estimated on the date of grant using a lattice-based valuation model that uses assumptions concerning expected volatility, expected term, and the expected risk-free rate of return. For the awards granted, the expected volatility was estimated by management as 50% based on a range of forecasted results. The expected term of the awards granted was assumed to be the contract life of the option or warrant (one, two, three, five or ten years as determined in the specific arrangement). The risk-free rate of return was based on market yields in effect on the date of each grant for United States Treasury debt securities with a maturity equal to the expected term of the award.

Related party transactions

Certain stockholders and stockholder family members have advanced funds or performed services for the Company. These services are believed to be at market rates for similar services from non-related parties. Related party accounts payable are segregated in the balance sheet. An experimental vehicle was sold to a stockholder in 2010 for \$25,000, which also approximates the selling price to non-related parties.

Subsequent events

The Company evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements.

During October 2012, certain shareholders, advanced \$265,000 to the Company for working capital needs. In consideration of such advances, the Company issued Promissory Notes with a term of one year and interest at 10% per annum.

In November 2012, the Company entered into a Note and Warrant Amendment and Conversion Agreement whereby the holders and the 2012 Investors converted all principal and interest under the 2012 Notes into 10,227,070 shares of common stock. Further, the exercise price of the 2012 Warrants was reduced to \$0.25 per share.

In November 2012 the Company settled outstanding invoices for consulting services totaling \$55,000 by issuing 500,000 shares of common stock.

2. CONVERTIBLE DEBENTURES AND LONG-TERM DEBT

From January 6, 2012 through August 3, 2012, the Company entered into Securities Purchase Agreements and Security Agreements with several accredited investors (the "2012 Investors") providing for the sale by the Company to the 2012 Investors of Secured Convertible Debentures in the aggregate amount of \$1,939,250 (the "2012 Notes"). The Company received the proceeds in connection with these financings between January 6, 2012 and August 3, 2012. Further a shareholder, director and officer converted secured and unsecured loans provided to the Company from September 30, 2011 to June 5, 2012 in the aggregate amount of \$389,250 into the 2012 Notes and 2012 Warrants. The 2012 Notes were to mature one year from their respective effective dates (the "Maturity Dates") and interest associated with the 2012 Notes was 10% per annum, payable on the Maturity Dates. The 2012 Notes were converted into shares of common stock of the Company as noted above.

In addition to the 2012 Notes, the 2012 Investors also received common stock purchase warrants (the "2012 Warrants") to acquire 1,939,250 shares of common stock of the Company. The 2012 Warrants are exercisable for three years at an exercise price of \$0.50 per share, reduced to \$0.25 per share as noted above. The value of the detachable 2012 Warrants was determined using a lattice-based valuation model that used an expected volatility, estimated by management as 50% based on a range of forecasted results, and an expected risk-free rate of return, based on market yields in effect on the grant dates for United States Treasury debt securities with a three year maturity. The \$91,493 value of the detachable 2012 Warrants was recorded as an increase in additional paid-in capital and a discount against the 2012 Notes. The discount on the 2012 notes is being amortized as interest expense over one year. Amortization charged to the Statement of Operations is \$55,013 for the nine months ended September 30, 2012.

The 2012 Notes and the 2012 Warrants carry standard anti-dilution provisions but in no event may the conversion price be reduced below \$0.25. Further, the 2012 Investors will have the right to participate in the next financing on a pro-rata basis up to \$1,000,000.

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Long-term debt consists of three notes payable. The first is a \$20,416 note payable to a bank due in monthly installments of \$635 including interest at 5.04%, with the final payment due August 2015. The note is secured by equipment which has a net book value of \$19,502 at September 30, 2012. The second is a \$14,934 note payable due in monthly installments of \$439 including interest at 8.00% with the final payment due December 2014. The note is secured by equipment which has a net book value of \$12,447 at September 30, 2012. The third is a \$50,000 note payable to the City of Loveland due in annual payments of \$10,241 including interest at 0.80% with the final payment due October 2016.

Aggregate maturities of long-term debt are as follows:

2012	\$	15,800
2013		21,416
2014		23,147
2015		14,822
2016		10,165
	\$	<u>85,350</u>

The note payable to the City of Loveland contains incentives whereby each annual payment may be forgiven by the City upon the Company meeting minimum job creation benchmarks of an average of 40 full time employees during the preceding 12 month period and an average monthly payroll of \$250,000.

3. SHAREHOLDER ADVANCES

On November 30, 2009, a shareholder, director and officer of the company advanced \$43,000 to the Company for working capital needs. In consideration of such advance, the Company issued a Promissory Note with interest at 3% per annum due November 1, 2011. The maturity date for this note was extended to September 30, 2012.

In addition, on September 30, 2011, October 31, 2011, May 30, 2012, May 31, 2012 and June 5, 2012 the same shareholder advanced \$62,000, \$200,000, \$12,250, \$15,000 and \$100,000, respectively, to the Company for working capital needs. In consideration of these advances, the Company issued Promissory Notes with interest rates from 6% to 10% per annum due September 30, 2012. On June 30, 2012, these secured and unsecured loans in the aggregate amount of \$389,250 were converted into the 2012 Notes and 2012 Warrants.

4. LEASE OBLIGATIONS

On October 1, 2011 the Company began leasing operating facilities under an agreement expiring on September 30, 2018. Future minimum monthly lease payments under the agreement are \$11,875 for the first year and increase 3% each year. Prepaid expenses and deposits include a security deposit equal to \$12,275. Aggregate maturities of lease obligations are as follows:

2012	\$	36,694
2013		147,876
2014		152,312
2015		156,881
2016		161,588
2017	and	
thereafter		294,050
	\$	<u>949,401</u>

The Company also leased office space for approximately \$1,000 per month on a month to month agreement through May 2012 and two apartments for approximately \$2,200 per month on month to month agreements through January 2012. Prior to October 2011 the Company leased operating facilities under terms of an operating type lease with monthly payments of \$8,500. Prior to December 2009 the Company leased office/warehouse space under terms of an operating type lease with monthly payments of \$1,650. Total rent expense under these operating type leases was \$34,903 and \$34,713 for the three months ended September 30, 2012 and 2011, and \$111,875 and \$90,963 for the nine months ended September 30, 2012 and 2011, and \$415,304 for the period from inception to September 30, 2012.

5. STOCK BASED COMPENSATION

Options to directors, officers and employees

The Company maintains, as adopted by the board of directors, the 2012 Incentive Stock Plan, the 2011 Incentive Stock Plan and the 2010 Incentive Stock Plan (the plans) providing for the issuance of up to 6,000,000 options to employees, officers, directors or consultants of the Company. Incentive stock options granted under the plans may only be granted with an exercise price of not less than fair market value of the Company's common stock on the date of grant (110% of fair market value for incentive stock options granted to principal stockholders). Non-qualified stock options granted under the plans may only be granted with an exercise price of not less than 85% of the fair market value of the Company's common stock on the date of grant. Awards under the plans may be either vested or unvested options. The unvested options vest ratably over eight quarters for options with a five year term and after one year for options with a two year term.

In addition to the plans, the Company has granted, on various dates, stock options to directors, officers and employees to purchase common stock of the Company. The terms, exercise prices and vesting of these awards vary.

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The following table summarizes option activity for directors, officers and employees:

	Number of Shares	Weighted Average Exercise Price per Share	Weighted Average Grant Date Fair Value per Share	Weighted Average Remaining Exercise Term in Months
Outstanding at January 1, 2010	-	\$ -	\$ -	-
Granted	4,940,000	0.56	0.33	81
Exercised	-	-	-	-
Forfeited or expired	-	-	-	-
Outstanding at December 31, 2010	4,940,000	\$ 0.56	\$ 0.33	77
Exercisable at December 31, 2010	1,854,625	\$ 0.53	\$ 0.32	75
Granted	3,425,000	0.63	0.28	54
Exercised	(29,750)	0.41	0.26	-
Forfeited or expired	-	-	-	-
Outstanding at December 31, 2011	8,335,250	\$ 0.59	\$ 0.31	58
Exercisable at December 31, 2011	4,588,875	\$ 0.57	\$ 0.31	60
Granted	600,000	0.18	0.07	48
Exercised	-	-	-	-
Forfeited or expired	(1,975,000)	0.58	0.29	53
Outstanding at September 30, 2012	6,960,250	\$ 0.56	\$ 0.29	48
Exercisable at September 30, 2012	5,415,250	\$ 0.57	\$ 0.30	45

The Company recorded \$165,968, \$855,246, \$588,202 and \$1,627,157 compensation expense for stock options to directors, officers and employees for the nine months ended September 30, 2012, for the year ended December 31, 2011, the year ended December 31, 2010 and the period from inception (February 20, 2007) to September 30, 2012, respectively. As of September 30, 2012, unrecognized compensation expense of \$429,256 is related to non-vested options granted to directors, officers and employees which is anticipated to be recognized over the next 24 months, commensurate with the vesting schedules.

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Options to consultants

The Company has also granted, on various dates, stock options to purchase common stock of the Company to consultants for services previously provided to the Company. The terms, exercise prices and vesting of these awards vary.

The following table summarizes option activity for consultants:

	Number of Shares	Weighted Average Exercise Price per Share	Weighted Average Grant Date Fair Value per Share	Weighted Average Remaining Exercise Term in Months
Outstanding at January 1, 2010	-	\$ -	\$ -	-
Granted	810,000	0.67	0.23	36
Exercised	-	-	-	-
Forfeited or expired	-	-	-	-
Outstanding at December 31, 2010	810,000	\$ 0.67	\$ 0.23	32
Exercisable at December 31, 2010	380,000	\$ 0.63	\$ 0.22	31
Granted	70,000	0.59	0.18	31
Exercised	-	-	-	-
Forfeited or expired	-	-	-	-
Outstanding at December 31, 2011	880,000	\$ 0.66	\$ 0.23	20
Exercisable at December 31, 2011	755,000	\$ 0.64	\$ 0.22	20
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited or expired	-	-	-	-
Outstanding at September 30, 2012	880,000	\$ 0.66	\$ 0.23	11
Exercisable at September 30, 2012	880,000	\$ 0.66	\$ 0.23	11

The Company recorded \$32,633, \$83,265, \$82,900 and \$198,797 compensation expense for stock options to consultants for the nine months ended September 30, 2012, the year ended December 31, 2011, the year ended December 31, 2010 and the period from inception (February 20, 2007) to September 30, 2012, respectively. There is no unrecognized compensation expense for these options because they were fully vested as of June 30, 2012.

Warrants to accredited investors

From December 2010 through December 2011, common stock sold by the Company has included common stock purchase warrants to acquire shares of common stock of the Company. For each ten shares sold, each investor received a warrant to purchase five shares of common stock for a period of two years at an exercise price of \$0.80 per share. Since January 2012, the 2012 Investors received 2012 Warrants to acquire common stock of the Company. The 2012 Warrants are exercisable for three years at an exercise price of \$0.50. The securities were offered and sold to the investors in private placement transactions made in reliance upon exemptions from registration pursuant to Section 4(2) under the Securities Act of 1933 (the "Securities Act") and/or Rule 506 promulgated under the Securities Act. The investors are accredited investors as defined in Rule 501 of Regulation D promulgated under the Securities Act.

The following table summarizes warrant activity for accredited investors:

	Number of Shares	Weighted Average Exercise Price per Share	Weighted Average Grant Date Fair Value per Share	Weighted Average Remaining Exercise Term in Months
Outstanding at January 1, 2010	-	\$ -	\$ -	-
Granted	785,001	0.80	0.11	24
Exercised	-	-	-	-
Forfeited or expired	-	-	-	-
Outstanding at December 31, 2010	785,001	\$ 0.80	\$ 0.11	24
Exercisable at December 31, 2010	785,001	\$ 0.80	\$ 0.11	24
Granted	4,956,224	0.80	0.11	24
Exercised	-	-	-	-
Forfeited or expired	-	-	-	-
Outstanding at December 31, 2011	5,741,225	\$ 0.80	\$ 0.11	17
Exercisable at December 31, 2011	5,741,225	\$ 0.80	\$ 0.11	17
Granted	1,450,000	0.50	0.06	36
Exercised	-	-	-	-
Forfeited or expired	-	-	-	-
Outstanding at September 30, 2012	7,191,225	\$ 0.74	\$ 0.10	12
Exercisable at September 30, 2012	7,191,225	\$ 0.74	\$ 0.10	12

The Company recorded \$0, \$546,824, \$86,350 and \$633,174 compensation expense for stock warrants to accredited investors for the nine months ended September 30, 2012, the year ended December 31, 2011, the year ended December 31, 2010 and the period from inception (February 20, 2007) to September 30, 2012, respectively. There is no unrecognized compensation expense for these warrants because they are fully vested at date of grant.

Warrants to placement agent and consultants

Through December 2011, the Company compensated the placement agent for assisting in the sale of the Company's securities by paying the placement agent commissions and issuing the placement agent common stock purchase warrants to purchase shares of the Company's common stock. The warrants have a five year term and various exercise prices.

The Company has also granted, on various dates, stock warrants to purchase common stock of the Company to consultants for services previously provided to the Company. The terms, exercise prices and vesting of these awards vary.

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The following table summarizes warrant activity for the placement agent and consultants:

	Number of Shares	Weighted Average Exercise Price per Share	Weighted Average Grant Date Fair Value per Share	Weighted Average Remaining Exercise Term in Months
Outstanding at January 1, 2010	614,680	\$ 0.39	\$ 0.18	60
Granted	3,103,304	0.64	0.21	57
Exercised	-	-	-	-
Forfeited or expired	-	-	-	-
Outstanding at December 31, 2010	3,717,984	\$ 0.60	\$ 0.21	52
Exercisable at December 31, 2010	2,617,984	\$ 0.61	\$ 0.19	51
Granted	887,910	0.60	0.27	60
Exercised	(44,638)	0.40	0.18	39
Forfeited or expired	-	-	-	-
Outstanding at December 31, 2011	4,561,256	\$ 0.60	\$ 0.22	43
Exercisable at December 31, 2011	4,081,256	\$ 0.59	\$ 0.21	42
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited or expired	-	-	-	-
Outstanding at September 30, 2012	4,561,256	\$ 0.60	\$ 0.22	34
Exercisable at September 30, 2012	4,311,256	\$ 0.59	\$ 0.21	34

The Company recorded \$58,276, \$373,876, \$497,527 and \$929,679 compensation expense for stock warrants to the placement agent and consultants for the nine months ended September 30, 2012, the year ended December 31, 2011, the year ended December 31, 2010 and the period from inception (February 20, 2007) to September 30, 2012, respectively. As of September 30, 2012, unrecognized compensation expense of \$82,500 is related to non-vested warrants granted to consultants which is anticipated to be recognized over the next 35 months, commensurate with the vesting schedules. There is no unrecognized compensation expense for the placement agent warrants because they are fully vested at date of grant.

Warrants to directors and officers

In December 2010 and May 2011, the Company issued to certain directors and officers common stock purchase warrants to acquire shares of common stock at an exercise price of \$2.00 per share for a period of five years. In November 2011, under the terms of a Promissory Note issued to a director and officer, common stock purchase warrants were issued to acquire 100,000 shares of common stock at an exercise price of \$0.50 per share for a period of one year. In May 2012, a director and officer received 100,000 2012 Warrants to acquire common stock of the Company at an exercise price of \$0.50 for a period of three years. In June 2012, a director and officer converted secured and unsecured loans provided to the Company from September 2011 to June 2012 in the aggregate amount of \$389,250 into the 2012 Notes and 2012 Warrants.

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The following table summarizes warrant activity for directors and officers:

	Number of Shares	Weighted Average Exercise Price per Share	Weighted Average Grant Date Fair Value per Share	Weighted Average Remaining Exercise Term in Months
Outstanding at January 1, 2010	-	\$ -	\$ -	-
Granted	1,400,000	2.00	0.13	60
Exercised	-	-	-	-
Forfeited or expired	-	-	-	-
Outstanding at December 31, 2010	1,400,000	\$ 2.00	\$ 0.13	59
Exercisable at December 31, 2010	1,400,000	\$ 2.00	\$ 0.13	59
Granted	1,600,000	1.91	0.09	57
Exercised	-	-	-	-
Forfeited or expired	-	-	-	-
Outstanding at December 31, 2011	3,000,000	\$ 1.95	\$ 0.11	49
Exercisable at December 31, 2011	3,000,000	\$ 1.95	\$ 0.11	49
Granted	489,250	0.50	0.01	36
Exercised	-	-	-	-
Forfeited or expired	-	-	-	-
Outstanding at September 30, 2012	3,489,250	\$ 1.75	\$ 0.09	39
Exercisable at September 30, 2012	3,489,250	\$ 1.75	\$ 0.09	39

The Company recorded \$0, \$143,680, \$182,000 and \$325,680 compensation expense for stock warrants to directors and officers for the nine months ended September 30, 2012, the year ended December 31, 2011, the year ended December 31, 2010 and the period from inception (February 20, 2007) to September 30, 2012, respectively. There is no unrecognized compensation expense for these warrants because they are fully vested at date of grant.

6. RECENT PRONOUNCEMENTS

In May 2011 the FASB issued FASB Accounting Standards Update ("ASU") 2011-04, "Fair Value Measurement." The ASU is the result of joint efforts by the FASB and IASB to develop a single, converged fair value framework, that is, converged guidance on how (not when) to measure fair value and on what disclosures to provide about fair value measurements. While the ASU is largely consistent with existing fair value measurement principles in U.S. GAAP, it expands ASC 820's existing disclosure requirements for fair value measurements and makes other amendments. The ASU is effective for interim and annual reporting periods beginning after December 15, 2011. The Company has evaluated the provisions of ASU 2011-04 and has determined that it does not have a material impact on the Company's disclosures.

In December 2011, the FASB issued ASU No. 2011-11, "Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities" ("ASU No. 2011-11"). This ASU requires companies to disclose both net and gross information about assets and liabilities that have been offset, if any, and the related arrangements. The disclosures under this new guidance are required to be provided retrospectively for all comparative periods presented for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The Company has evaluated the provisions of ASU 2011-11 and has determined that it does not have a material impact on the Company's disclosures regarding financial condition, results of operations or cash flows.

In August 2012, the FASB issued ASU 2012-03, *Technical Amendments and Corrections to SEC Sections – Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 114, Technical Amendments Pursuant to SEC Release No. 33-9250, and Corrections Related to FASB Accounting Standards Update 2010-22*. Because the amendments in this ASU reflect only guidance modifications that the SEC had previously issued, the amendments have no incremental impact on the reporting entity.

In October 2012, the FASB issued ASU 2012-04, *Technical Corrections and Improvements*. The amendments in this update clarify the Codification or corrects unintended application of guidance and includes amendments identifying when the use of fair value should be linked to the definition of fair value in Topic 820, Fair Value Measurements. Amendments to the Codification without transition guidance are effective upon issuance for both public and nonpublic entities. For public entities, amendments subject to transition guidance will be effective for fiscal periods beginning after December 15, 2012.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward Looking Statements

Some of the statements contained in this Form 10-Q that are not historical facts are "forward-looking statements" which can be identified by the use of terminology such as "estimates," "projects," "plans," "believes," "expects," "anticipates," "intends," or the negative or other variations, or by discussions of strategy that involve risks and uncertainties. We urge you to be cautious of the forward-looking statements, that such statements, which are contained in this Form 10-Q, reflect our current beliefs with respect to future events and involve known and unknown risks, uncertainties and other factors affecting our operations, market growth, services, products and licenses. No assurances can be given regarding the achievement of future results, as actual results may differ materially as a result of the risks we face, and actual events may differ from the assumptions underlying the statements that have been made regarding anticipated events. Factors that may cause actual results, our performance or achievements, or industry results, to differ materially from those contemplated by such forward-looking statements include without limitation:

- Our ability to attract and retain management;
- Our ability to raise capital when needed and on acceptable terms and conditions;
- The intensity of competition;
- General economic conditions;
- Changes in regulations;
- Whether the market for electric vehicles continues to grow, and, if it does, the pace at which it may grow; and
- Our ability to compete against large competitors in a rapidly changing market for electric vehicles.

All written and oral forward-looking statements made in connection with this Form 10-Q that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Given the uncertainties that surround such statements, you are cautioned not to place undue reliance on such forward-looking statements.

Critical Accounting Policies

We consider accounting policies involving significant judgments and assumptions by management that have, or could have, a material impact on the carrying value of certain assets or on income (loss) to be critical accounting policies. We consider the following to be our critical accounting policies: basis of presentation, development stage company, revenue recognition, and income taxes.

BASIS OF PRESENTATION - The financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, the Company has limited revenues and has negative working capital and stockholders' deficits. These conditions raise substantial doubt about the ability of the Company to continue as a going concern.

In view of these matters, continuation as a going concern is dependent upon the continued operations of the Company, which in turn is dependent upon the Company's ability to meet its financial requirements, raise additional capital, and the success of its future operations. The financial statements do not include any adjustments to the amount and classification of assets and liabilities that may be necessary should the Company not continue as a going concern.

The Company has continued to raise capital since the merger. Management believes the proceeds from these offerings, future offerings, and the Company's anticipated revenue provides an opportunity for the Company to continue as a going concern. If additional funding is required, the Company plans to obtain working capital from equity financing from the sale of common, preferred stock and/or convertible debentures. Obtaining such working capital is not assured.

The accompanying unaudited financial statements have been prepared in accordance with Form 10-Q instructions and in the opinion of management contain all adjustments, consisting of normal recurring accruals necessary to present fairly the financial position, results of operations and cash flows for the periods presented. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. These interim financial statements should be read in conjunction with the financial statements and accompanying notes included in the Annual Report on Form 10-K for the year ended December 31, 2011.

Operating results for the nine months ended September 30, 2012 are not necessarily indicative of the results that may be attained in subsequent periods or for the year ending December 31, 2012.

Certain reclassifications were made to the prior year financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operation or stockholders' equity (deficit).

DEVELOPMENT STAGE COMPANY - The Company is considered a development stage company since planned principal operations resulting in sustaining revenue have not fully commenced. Accordingly, the Company presents its financial statements in conformity with the accounting principles generally accepted in the United States of America that apply to developing enterprises. As a development stage enterprise, the Company discloses its retained earnings (or deficit accumulated) during the development stage and the cumulative statements of operations and cash flows from commencement of development stage to the current balance sheet date. The development stage began in 2007 when the Company was organized.

REVENUE RECOGNITION - It is the Company's policy that revenues will be recognized in accordance with SEC Staff Bulletin (SAB) No. 104, "Revenue Recognition". Under SAB 104, product revenues are recognized when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed and determinable, and collectability is reasonably assured. Customer deposit liabilities include monies from customers to reserve a production slot for conversion of an OEM powertrain to the AMP all electric powertrain. The final retail price and delivery date are yet to be determined, and the deposits are subject to a full refund at the request of the depositor. Revenues since the inception of the Company in 2007 through the date of these financial statements have not been significant and consist of sales of a limited number of experimental vehicles.

INCOME TAXES - As no taxable income has occurred from the date of this merger to September 30, 2012 cumulative deferred tax assets of approximately \$4,474,000 are fully reserved, and no provision or liability for federal or state income taxes has been included in the financial statements. Net operating losses of approximately \$3,600,000 are available for carryover to be used against taxable income generated through 2030, net operating losses of approximately \$6,700,000 are available for carryover to be used against taxable income generated through 2031, and net operating losses of approximately \$2,860,000 are available for carryover to be used against taxable income generated through 2032. The Company had not filed income tax returns during its period as a shell company.

Overview

On December 28, 2009, we entered into and closed a Share Exchange Agreement with the AMP Shareholders pursuant to which we acquired 100% of the outstanding securities of AMP in exchange for 14,890,904 shares of our common stock. Considering that, following the merger, the AMP Shareholders control the majority of our outstanding voting common stock and we effectively succeeded our otherwise minimal operations to those that are theirs, AMP is considered the accounting acquirer in this reverse-merger transaction. A reverse-merger transaction is considered, and accounted for as, a capital transaction in substance; it is equivalent to the issuance of AMP securities for our net monetary assets, which are de minimus, accompanied by a recapitalization. Accordingly, we have not recognized any goodwill or other intangible assets in connection with this reverse merger transaction. AMP is the surviving and continuing entities and the historical financials following the reverse merger transaction will be those of AMP. We were a "shell company" (as such term is defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended) immediately prior to our acquisition of AMP pursuant to the terms of the Share Exchange Agreement. As a result of such acquisition, our operations are now focused on the design, marketing and sale of modified automobiles and commercial trucks with an all electric drivetrain and battery systems. Consequently, we believe that acquisition has caused us to cease to be a shell company as we no longer have nominal operations.

Results of Operations

Three Months Ended September 30, 2012 Compared to Three Months Ended September 30, 2011

Revenue. We did not generate revenue for the quarter ended September 31, 2012 or for the quarter ended September 31, 2011.

Expenses. Our expenses for the three months ended September 30, 2012 were \$1,283,345 and included payroll and payroll taxes (\$461,399), stock based compensation (\$36,951), batteries, motors and supplies (\$49,692) including the cost of a vehicle removed from inventory, and legal and professional. Our expenses for the three months ended September 30, 2011 were \$2,120,795 and included payroll and payroll taxes (\$842,321), stock based compensation (\$168,457), batteries, motors and supplies (\$266,453), and legal and professional (\$118,008). The reason for the decrease in comparing the quarter ended 2012 to 2011 was a decrease in development activities, including a reduction in the number of employees.

Net loss. Net loss for the three months ended September 30, 2012 and 2011 were \$1,283,345 and \$2,120,795, respectively.

Operating Activities

Our operating activities from continuing operations resulted in net cash used by operations of \$517,228 for the three months ended September 30, 2012 compared to net cash used by operations of \$1,682,093 for the three months ended September 30, 2011. The net cash used by operations for the three months ended September 30, 2012 reflects a net loss of \$1,283,345 offset by stock based compensation of \$36,951, amortized discount on convertible debentures of \$23,243, depreciation of \$15,573, loss on sale of assets of \$14,452, and \$415,000 of legal and professional services accepted as consideration for issuance of common stock, increases in accounts payable of \$178,920 and accounts payable, related parties of \$15,668, and decreases in inventory of \$40,000 and prepaid expenses and deposits of \$26,310. The net cash used by operations for the three months ended September 30, 2011 reflects a net loss of \$2,120,795, offset by stock based compensation of \$168,457 and depreciation of \$14,639; decreases in accounts receivable of \$24,000 and accounts payable, related parties of \$36,018; and increases in accounts payable of \$364,419, inventory of \$40,000 and prepaid expenses and deposits of \$56,795.

Investing Activities

There were no investing activities for the three months ended September 30, 2012. Our investing activities for the three months ended September 30, 2011 resulted in net cash outflow of \$51,177 for the acquisition of software, a prototype vehicle and equipment.

Financing Activities

Financing activities for the three months ended September 30, 2012 resulted in a net cash inflow of \$498,365 and included cash inflows from the issuance of convertible debentures of \$500,000 reduced by cash outflows for payments on long-term debt of \$1,635. Financing activities for the three months ended September 30, 2011 resulted in a net cash inflow of \$163,940 and included cash inflows from the issuance of common stock of \$103,498 and shareholder advances of \$62,000 reduced by cash outflows for payments on long-term debt of \$1,558.

Nine Months Ended September 30, 2012 Compared to Nine Months Ended September 30, 2011

Revenue. Revenue was \$222,098 for the nine months ended September 30, 2012 and consisted of the sale of four converted vehicles. Revenue was \$190,035 for the nine months ended September 30, 2011 and consisted of three customer vehicle conversions and the sale of one converted vehicle.

Expenses. Our expenses for the nine months ended September 30, 2012 were \$3,338,202 and included payroll and payroll taxes (\$1,410,544), stock based compensation (\$256,877), batteries, motors and supplies (\$173,199) including the cost of a vehicle removed from inventory, and legal and professional (\$625,478). Our expenses for the nine months ended September 30, 2011 were \$6,584,578 and included payroll and payroll taxes (\$2,183,490), stock based compensation (\$1,367,818), batteries, motors and supplies (\$1,017,309), and legal and professional (\$399,283). The reason for the decrease in comparing the nine months ended 2012 to 2011 was a decrease in development activities, including a reduction in the number of employees.

Net loss. Net loss for the nine months ended September 30, 2012 and 2011 were \$3,116,104 and \$6,394,543, respectively.

Operating Activities

Our operating activities from continuing operations resulted in net cash used by operations of \$1,710,996 for the nine months ended September 30, 2012 compared to net cash used by operations of \$4,814,756 for the nine months ended September 30, 2011. The net cash used by operations for the nine months ended September 30, 2012 reflects a net loss of \$3,116,104 offset by stock based compensation of \$256,877, amortized discount on convertible debentures of \$55,013, depreciation of \$48,458, loss on sale of assets of \$14,452, and \$475,000 of legal and professional services accepted as consideration for issuance of common stock, increases in accounts payable of \$379,191 and accounts payable, related parties of \$97,932, and decreases in inventory of \$40,000 and prepaid expenses and deposits of \$38,185. The net cash used by operations for the nine months ended September 30, 2011 reflects a net loss of \$6,394,543, offset by non-cash stock based compensation of \$1,367,818 and depreciation of \$42,561; a decrease in accounts receivable of \$53,023; an increase in accounts payable of \$409,183; decreases in accounts payable, related parties of \$55,860 and customer deposits of \$52,393; and increases in inventory of \$122,000 and prepaid expenses and deposits of \$62,545.

Investing Activities

Our investing activities for the nine months ended September 30, 2012 resulted in net cash outflow of \$28,753 for the acquisition of equipment. Our investing activities for the nine months ended September 30, 2011 resulted in net cash outflow of \$137,525 for the acquisition of prototype vehicles, equipment and software.

Financing Activities

Financing activities for the nine months ended September 30, 2012 resulted in a net cash inflow of \$1,665,409 and included cash inflows from the issuance of convertible debentures of \$1,939,250, reduced by repayment of shareholder advances amounting to \$269,000 and payments on long-term debt of \$4,841. Financing activities for the nine months ended September 30, 2011 resulted in a net cash inflow of \$4,670,905 and included cash inflows from the issuance of common stock of \$4,613,515 and shareholder advances of \$62,000 reduced by cash outflows for payments on long-term debt of \$4,610.

Presently, due to the lack of revenue we are not able to meet our operating and capital expenses. There is doubt about our ability to continue as a going concern, as the continuation of our business is dependent upon successful roll out of our products and maintaining a break even or profitable level of operations. We have incurred operating losses since inception, and this is likely to continue through the fiscal year ending December 31, 2012. Our independent auditors, for the year ended December 31, 2011, have issued an opinion on our financial statements that raise substantial doubt about our ability to continue as a going concern.

We require funds to enable us to address our minimum current and ongoing expenses, expand marketing and promotion activity connected with the development and marketing of our products and to generate market share. Our cash on hand will not be sufficient to satisfy all of our cash requirements as we continue to progress and expand. We estimate that we will require between \$8,000,000 and \$10,000,000 to carry out our business plan for the next twelve months. Because we cannot anticipate when we will be able to generate significant revenues from sales, we will need to raise additional funds to continue to finalize engineering design and validation, develop new business, respond to competitive pressures and respond to unanticipated requirements or expenses. If we are not able to generate significant revenues from the sale of our products, we will not be able to maintain our operations or achieve a profitable level of operations.

The financial requirements of our Company will be dependent upon the financial support through credit facilities and additional sales of our equity securities. The issuance of additional equity securities by us may result in a significant dilution in the equity interests of our current shareholders. Should additional financing be needed, there is no assurance that we will be able to obtain further funds required for our continued operations or that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, we will not be able to meet our other obligations as they become due and we will be forced to scale down or perhaps even cease our operations.

We can give no assurance that we will be successful in implementing any phase, all phases of the proposed business plan, or that we will be able to continue as a going concern.

Liquidity and Capital Resources

As of September 30, 2012, we had current assets of \$115,192 including cash of \$15,148 and current liabilities of \$4,048,060. As of December 31, 2011, we had current assets of \$267,717 including cash of \$89,488 and current liabilities of \$1,936,648.

The company has numerous delinquent current obligations to suppliers, employees and business contracts. As of September 30, 2012 the accounts payable balance is \$1,746,558 including accrued payroll of \$442,260. Obligations are being prioritized for payment as the timing of receipt of funds allows. Proactive communications to suppliers for delinquent current obligations have been ongoing. Additionally, several suppliers have been offered Company stock in exchange of foregoing the balance due to them. Several suppliers have turned over their accounts receivable account to collection agencies. Current purchases are being made on a COD basis.

Credit Facility

Presently we have no revolving Credit Facility established. Though a Company credit card revolving balance of \$29,000 is included in accounts payable. There is no guarantee that we will be able to enter into an agreement to establish a line of credit or that if we do enter into such agreement that it will be on favorable terms.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Federal Tax Credit Qualification by the IRS

The Company has been qualified by the IRS for a vehicle federal tax credit of up to \$7,500. The Company joins a list of plug-in electric drive motor vehicle manufacturers, including Ford Motor Company, General Motors Corporation, Tesla, Toyota, and 13 EV manufacturers in all, qualifying purchasers for up to a \$7,500 tax credit when purchasing an electric vehicle.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, we are not required to include disclosure under this item.

Item 4. Controls and Procedures

As of the end of the period covered by this Quarterly Report, our Chief Executive Officer and Interim Chief Financial Officer performed an evaluation of the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based on the evaluation and the identification of the material weaknesses in internal control over financial reporting described below, our Chief Executive Officer and Interim Chief Financial Officer concluded that, as of September 30, 2012, the Company's disclosure controls and procedures were not effective.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our Chief Executive Officer and Interim Chief Financial Officer have conducted an assessment of our internal control over financial reporting as of September 30, 2012. Management's assessment of internal control over financial reporting was conducted using the criteria in Internal Control over Financial Reporting – Guidance for Smaller Public Companies issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. In connection with management's assessment of our internal control over financial reporting as required under Section 404 of the Sarbanes-Oxley Act of 2002, we identified the following material weaknesses in our internal control over financial reporting as of September 30, 2012:

1. The Company has not established adequate financial reporting monitoring activities to mitigate the risk of management override, specifically because there are few employees and only one officer with management functions and therefore there is lack of segregation of duties. In addition, the Company has installed accounting software that does not prevent erroneous or unauthorized changes to previous reporting periods and does not provide an adequate audit trail of entries made in the accounting software. However, although our controls are not effective, these significant weaknesses did not result in any material misstatements in our financial statements.
2. There is a strong reliance on outside consultants to review and adjust the annual and quarterly financial statements, to monitor new accounting principles, and to ensure compliance with GAAP and SEC disclosure requirements.
3. There is a strong reliance on the external attorneys to review and edit the annual and quarterly filings and to ensure compliance with SEC disclosure requirements.

Because of the material weaknesses noted above, management has concluded that we did not maintain effective internal control over financial reporting as of September 30, 2012, based on Internal Control over Financial Reporting - Guidance for Smaller Public Companies issued by COSO.

Remediation of Material Weaknesses in Internal Control over Financial Reporting

As a small business, without a viable business and revenues, the Company does not have the resources to install a dedicated staff with deep expertise in all facets of SEC disclosure and GAAP compliance. As is the case with many small businesses, the Company will continue to work with its external consultants and attorneys as it relates to new accounting principles and changes to SEC disclosure requirements. The Company has found that this approach worked well in the past and believes it to be the most cost effective solution available for the foreseeable future.

The Company will conduct a review of existing sign-off and review procedures as well as document control protocols for critical accounting spreadsheets. The Company will also increase management's review of key financial documents and records.

As a small business, the Company does not have the resources to fund sufficient staff to ensure a complete segregation of responsibilities within the accounting function. However, Company management does review, and will increase the review of, financial statements on a monthly basis, and the Company's external consultant updates analysis on a quarterly basis. These actions, in addition to the improvements identified above, will mitigate any risk of a potential material misstatement occurring.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended September 30, 2012 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are currently not a party to any legal or administrative proceedings and are not aware of any pending or threatened legal or administrative proceedings against us in all material aspects. We may from time to time become a party to various legal or administrative proceedings arising in the ordinary course of our business. We are delinquent in payments to suppliers and vendors which have turned their accounts receivable balances over to collection agencies in order to collect their past due balances.

Item 1A. Risk Factors

We require capital for our operations as we are currently significantly undercapitalized and if we are unable to raise capital in the near future we will cease operations.

If we do not raise capital in the immediate future, we will be required to lay off additional employees and cease operations. We are currently evaluating several options for financing, but there are no guarantees that we will raise capital or that if we do raise the capital it will be on acceptable terms.

Our limited operating history makes it difficult for us to evaluate our future business prospects and make decisions based on those estimates of our future performance.

We did not begin operations of our business until February 2007. We have a limited operating history and have generated limited revenue. As a consequence, it is difficult, if not impossible, to forecast our future results based upon our historical data. Reliance on the historical results may not be representative of the results we will achieve. Because of the uncertainties related to our lack of historical operations, we may be hindered in our ability to anticipate and timely adapt to increases or decreases in revenues or expenses. If we make poor budgetary decisions as a result of unreliable historical data, we could be less profitable or incur losses, which may result in a decline in our stock price.

AMP's results of operations have not resulted in profitability and we may not be able to achieve profitability going forward.

AMP has incurred a net loss amounting to \$20,214,873 for the period from inception (February 20, 2007) through September 30, 2012. In addition, as of September 30, 2012, AMP has a working capital deficiency of \$ 3,932,868. If we incur additional significant operating losses, our stock price, may decline, perhaps significantly.

Our management is developing plans to alleviate the negative trends and conditions described above. Our business plan is speculative and unproven. There is no assurance that we will be successful in executing our business plan or that even if we successfully implement our business plan, that we will be able to curtail our losses now or in the future. Further, as we are a new enterprise, we expect that net losses will continue and our working capital deficiency will exacerbate.

Our business, prospects, financial condition and operating results will be adversely affected if we cannot reduce and adequately control the costs and expenses associated with operating our business, including our material and production costs.

We incur significant costs and expenses related to procuring the materials, components and services required to develop and produce our electric vehicles. As a result, our current cost projections are considerably higher than the projected revenue stream that such vehicles will produce. As a result we are continually working on initiatives to reduce our cost structure so that we may effectively compete with other EV entries from major competitors. If we are not able to reduce our costs effectively, we will not be able to sustain our current pricing and therefore may lose sales to lower priced competitors and we may not be able to achieve profitability.

We currently do not have long-term supply contracts with guaranteed pricing, which exposes us to fluctuations in component, materials and equipment prices. Substantial increases in these prices would increase our operating costs and could adversely affect our business, prospects, financial condition and operating results.

Because we currently do not have long-term supply contracts with guaranteed pricing, we are subject to fluctuations in the prices of the raw materials, parts and components and equipment we use in the production of our vehicles. Substantial increases in the prices for such raw materials, components and equipment would increase our operating costs, and could reduce our margins if we cannot recoup the increased costs through increased vehicle prices. Any attempts to increase the announced or expected prices of our vehicles in response to increased costs could be viewed negatively by our customers and could adversely affect our business, prospects, financial condition and operating results.

We depend upon key personnel and need additional personnel.

Our success depends on the continuing services of James E. Taylor, Chairman and Stephen Burns, CEO. The loss of Mr. Taylor or Mr. Burns could have a material and adverse effect on our business operations. Additionally, the success of the Company's operations will largely depend upon its ability to successfully attract and maintain competent and qualified key management personnel. As with any company with limited resources, there can be no guarantee that the Company will be able to attract such individuals or that the presence of such individuals will necessarily translate into profitability for the Company. Our inability to attract and retain key personnel may materially and adversely affect our business operations. We currently have \$442,260 of accrued payroll included in accounts payable as of September 30, 2012.

We must effectively manage the growth of our operations, or our company will suffer.

To manage our growth, we believe we must continue to implement and improve our operational, manufacturing, and research and development departments. We may not have adequately evaluated the costs and risks associated with this expansion, and our systems, procedures, and controls may not be adequate to support our operations. In addition, our management may not be able to achieve the rapid execution necessary to successfully offer our products and services and implement our business plan on a profitable basis. The success of our future operating activities will also depend upon our ability to expand our support system to meet the demands of our growing business. Any failure by our management to effectively anticipate, implement, and manage changes required to sustain our growth would have a material adverse effect on our business, financial condition, and results of operations.

Our business requires substantial capital, and if we are unable to maintain adequate financing sources our profitability and financial condition will suffer and jeopardize our ability to continue operations.

We require substantial capital to support our operations. If we are unable to maintain adequate financing or other sources of capital are not available, we could be forced to suspend, curtail or reduce our operations, which could harm our revenues, profitability, financial condition and continued product development and general business prospects.

We face intense competition. Many of our competitors have greater financial or other resources, longer operating histories and greater name recognition than we do and one or more of these competitors could use their greater resources and/or name recognition to gain market share at our expense or could make it very difficult for us to establish market share.

In the electric vehicle market in the United States, we compete with large manufacturers, including GM, Toyota (Rav 4), Tesla, Nissan, EVI, and Smith Electric who have more significant financial resources, established market positions, long-standing relationships with customers and dealers, and who have more significant name recognition, technical, marketing, sales, manufacturing, distribution, financial and other resources than we do. Each of these companies is currently selling a hybrid or electric vehicle or is working to develop, market and sell advanced technology vehicles in the United States market. The resources available to our competitors to develop new products and introduce them into the marketplace exceed the resources currently available to us. As a result, our competitors may be able to compete more aggressively and sustain that competition over a longer period of time that we can. This intense competitive environment may require us to make changes in our products, pricing, licensing, services, distribution, or marketing to develop a market position. Each of these competitors has the potential to capture market share in our target markets, which could have an adverse effect on our position in our industry and on our business and operating results.

If we are unable to keep up with advances in electric vehicle technology, we may suffer a decline in our competitive position.

There are companies in the electric vehicle industry that have developed or are developing vehicles and technologies that compete or will compete with our vehicles. We cannot assure that our competitors will not be able to duplicate our technology or provide products and services similar to ours more efficiently. If for any reason we are unable to keep pace with changes in electric vehicle technology, particularly battery technology, our competitive position may be adversely affected. We plan to upgrade or adapt our vehicles and introduce new models in order to continue to provide electric vehicles that incorporate the latest technology. However, there is no assurance that our research and development efforts will keep pace with those of our competitors.

Our electric vehicles compete for market share with vehicles powered by other vehicle technologies that may prove to be more attractive than ours.

Our target market currently is serviced by manufacturers with existing customers and suppliers using proven and widely accepted fuel technologies. Additionally, our competitors are working on developing technologies that may be introduced in our target market. If any of these alternative technology vehicles can provide lower fuel costs, greater efficiencies, greater reliability or otherwise benefit from other factors resulting in an overall lower total cost of ownership, this may negatively affect the commercial success of our vehicles or make our vehicles uncompetitive or obsolete.

We currently have a limited prospective customer base and expect that a significant portion of our future sales will be from a limited number of customers and the loss of any of these high volume customers could materially harm our business.

A significant portion of our projected future revenue is expected to be generated from a limited number of vehicle customers. Additionally, much of our business model is focused on building relationships with our largest customers. Currently we have no contracts with customers that include long-term commitments or minimum volumes that ensure future sales of vehicles. As such, a customer may take actions that affect us for reasons that we cannot anticipate or control, such as reasons related to the customer's financial condition, changes in the customer's business strategy or operations or as the result of the perceived performance or cost-effectiveness of our vehicles. The loss of or a reduction in sales or anticipated sales to our most significant customers could have an adverse effect on our business, prospects, financial condition and operating results.

Changes in the market for electric vehicles could cause our products to become obsolete or lose popularity.

The modern electric vehicle industry is in its infancy and has experienced substantial change in the last few years. To date, demand for and interest in electric vehicles has been slower than forecasted by industry experts. As a result, growth in the electric vehicle industry depends on many factors, including, but not limited to:

- continued development of product technology, especially batteries
- the environmental consciousness of customers
- the ability of electric vehicles to successfully compete with vehicles powered by internal combustion engines
- limitation of widespread electricity shortages; and
- whether future regulation and legislation requiring increased use of non-polluting vehicles is enacted

We cannot assume that growth in the electric vehicle industry will continue. Our business may suffer if the electric vehicle industry does not grow or grows more slowly than it has in recent years or if we are unable to maintain the pace of industry demands. Due to the competitiveness of the industry and its capital requirements, several EV manufacturers and EV suppliers have ceased operations.

The unavailability, reduction, elimination or adverse application of government subsidies, incentives and regulations could have an adverse effect on our business, prospects, financial condition and operating results.

We believe that, currently, the availability of government subsidies and incentives is an important factor considered by our customers when purchasing our vehicles, and that our growth depends in part on the availability and amounts of these subsidies and incentives. Any reduction, elimination or discriminatory application of government subsidies and incentives because of budgetary challenges, policy changes, the reduced need for such subsidies and incentives due to the perceived success of electric vehicles or other reasons may result in the diminished price competitiveness of the alternative fuel vehicle industry.

We may be unable to keep up with changes in electric vehicle technology and, as a result, may suffer a decline in our competitive position.

Our current products are designed for use with, and are dependent upon, existing electric vehicle technology. As technologies change, we plan to upgrade or adapt our products in order to continue to provide products with the latest technology. However, our products may become obsolete or our research and development efforts may not be sufficient to adapt to changes in or to create the necessary technology. As a result, our potential inability to adapt and develop the necessary technology may harm our competitive position.

The failure of certain key suppliers to provide us with components could have a severe and negative impact upon our business.

We rely on a small group of suppliers to provide us with components for our products. If these suppliers become unwilling or unable to provide components, there are a limited number of alternative suppliers who could provide them. Changes in business conditions, wars, governmental changes, and other factors beyond our control or which we do not presently anticipate could affect our ability to receive components from our suppliers. Further, it could be difficult to find replacement components if our current suppliers fail to provide the parts needed for these products. A failure by our major suppliers to provide these components could severely restrict our ability to manufacture our products and prevent us from fulfilling customer orders in a timely fashion.

Product liability or other claims could have a material adverse effect on our business.

The risk of product liability claims, product recalls, and associated adverse publicity is inherent in the manufacturing, marketing, and sale of electrical vehicles. Although we have product liability insurance for our consumer and commercial products, that insurance may be inadequate to cover all potential product claims. We also carry liability insurance on our automotive products. Any product recall or lawsuit seeking significant monetary damages either in excess of our coverage, or outside of our coverage, may have a material adverse effect on our business and financial condition. We may not be able to secure additional product liability insurance coverage on acceptable terms or at reasonable costs when needed. A successful product liability claim against us could require us to pay a substantial monetary award. Moreover, a product recall could generate substantial negative publicity about our products and business and inhibit or prevent commercialization of other future product candidates. We cannot provide assurance that such claims and/or recalls will not be made in the future.

We may have to devote substantial resources to implementing a retail product distribution network.

Dealers are often hesitant to provide their own financing to contribute to a product distribution network. As a result, we anticipate that we may have to provide financing or other consignment sale arrangements for dealers who would like to participate as our planned regional distribution centers. The further expansion of our product distribution network will require a significant capital investment and will require extensive amounts of time from our management. A capital investment such as this presents many risks, foremost among them being that we may not realize a significant return on our investment if the network is not profitable. Our inability to collect receivables from dealers could cause us to suffer losses. Lastly, the amount of time that our management will need to devote to this project may divert them from performing other functions necessary to assure the success of our business.

Vehicle dealer and distribution laws could adversely affect our ability to sell our commercial electric vehicles.

Sales of our vehicles are subject to international, state and local vehicle dealer and distribution laws. To the extent such laws prevent us from selling our vehicle to customers located in a particular jurisdiction or require us to retain a local dealer or distributor or establish and maintain a physical presence in a jurisdiction in order to sell vehicles in that jurisdiction, our business, prospects, financial condition and operating results could be adversely affected.

Regulatory requirements may have a negative impact upon our business.

While our products are subject to substantial regulation under federal, state, and local laws, we believe that our products are or will be materially in compliance with all applicable laws. However, to the extent the laws change, or if we introduce new products in the future, some or all of our products may not comply with applicable federal, state, or local laws. Further, certain federal, state, and local laws and industrial standards currently regulate electrical and electronics equipment. Although standards for electric vehicles are under development and as such, may not be widely accepted as industry standards, our products may become subject to federal, state, and local regulation in the future. Compliance with these regulations could be burdensome, time consuming, and expensive.

Our automotive products are subject to environmental and safety compliance with various federal and state regulations, including regulations promulgated by the EPA, NHTSA, and various state boards, and compliance certification is required for each new model year. The cost of these compliance activities and the delays and risks associated with obtaining approval can be substantial. The risks, delays, and expenses incurred in connection with such compliance could be substantial.

Our success may be dependent on protecting our intellectual property rights.

We rely on trade secret protections to protect our proprietary technology. Our success will, in part, depend on our ability to obtain trademarks and patents. We presently do not hold patents registered with the United States Patent and Trademark Office. Although we have entered into confidentiality agreements with our employees and consultants, we cannot be certain that others will not gain access to these trade secrets. Others may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets.

We may be exposed to liability for infringing upon the intellectual property rights of other companies.

Our success will, in part, depend on our ability to operate without infringing on the proprietary rights of others. Although we have conducted searches and are not aware of any patents and trademarks which our products or their use might infringe, we cannot be certain that infringement has not or will not occur. We could incur substantial costs, in addition to the great amount of time lost, in defending any patent or trademark infringement suits or in asserting any patent or trademark rights, in a suit with another party.

Our electric vehicles make use of lithium-ion battery cells, which, if not appropriately managed and controlled, on rare occasions have been observed to catch fire or vent smoke and flames. If such events occur in our electric vehicles, we could face liability for damage or injury, adverse publicity and a potential safety recall, any of which could adversely affect our business, prospects, financial condition and operating results.

The battery packs in our electric vehicles use lithium-ion cells, which have been used for years in laptop computers and cell phones. On rare occasions, if not appropriately managed and controlled, lithium-ion cells can rapidly release the energy they contain by venting smoke and flames in a manner that can ignite nearby materials. Highly publicized incidents of lithium batteries involved in thermal incidents have focused consumer attention on the safety of these cells and could potentially lead to adverse law suits. Any such adverse publicity could adversely affect our business, prospects, financial condition and operating results.

Our facilities could be damaged or adversely affected as a result of disasters or other unpredictable events. Any prolonged disruption in the operations of our facility would adversely affect our business, prospects, financial condition and operating results.

We engineer and assemble our electric vehicles in a facility in Loveland, Ohio. Any prolonged disruption in the operations of our facility, whether due to technical, information systems, communication network accidents, weather conditions or other natural disaster or otherwise, whether short or long-term, would adversely affect our business, prospects, financial condition and operating results.

We have not paid dividends in the past and do not expect to pay dividends in the future. Any return on investment may be limited to the value of our common stock.

We have never paid cash dividends on our common stock and do not anticipate paying cash dividends in the foreseeable future. The payment of dividends on our common stock will depend on earnings, financial condition and other business and economic factors affecting the company at such time as the board of directors may consider relevant. If we do not pay dividends, our common stock may be less valuable because a return on investment will only occur due to stock price appreciation.

Our stock price and trading volume may be volatile, which could result in substantial losses for our stockholders.

The equity trading markets may experience periods of volatility, which could result in highly variable and unpredictable pricing of equity securities. The market price of our common stock could change in ways that may or may not be related to our business, our industry or our operating performance and financial condition. In addition, the trading volume in our common stock may fluctuate and cause significant price variations to occur. We have experienced significant volatility in the price of our stock over the past few years. We cannot assure you that the market price of our common stock will not fluctuate or decline significantly in the future. In addition, the stock markets in general can experience considerable price and volume fluctuations.

We have not voluntarily implemented various corporate governance measures, in the absence of which, shareholders may have more limited protections against interested director transactions, conflict of interest and similar matters.

Recent Federal legislation, including the Sarbanes-Oxley Act of 2002, has resulted in the adoption of various corporate governance measures designed to promote the integrity of the corporate management and the securities markets. Some of these measures have been adopted in response to legal requirements. Others have been adopted by companies in response to the requirements of national securities exchanges, such as the NYSE or the NASDAQ, on which their securities are listed. Prospective investors should bear in mind our current lack of Sarbanes Oxley measures in formulating their investment decisions.

We may be exposed to potential risks relating to our internal controls over financial reporting and our ability to have those controls attested to by our independent auditors.

As directed by Section 404 of the Sarbanes-Oxley Act of 2002 ("SOX 404"), the Securities and Exchange Commission adopted rules requiring smaller reporting companies, such as our company, to include a report of management on the company's internal controls over financial reporting in their annual reports for fiscal years ending on or after December 15, 2007. We were required to include the management report in annual reports starting with the year ending December 31, 2009. Previous SEC rules required a non-accelerated filer to include an attestation report in its annual report for years ending on or after June 15, 2010. Section 989G of the Dodd-Frank Act added SOX Section 404(c) to exempt from the attestation requirement smaller issuers that are neither accelerated filers nor large accelerated filers under Rule 12b-2. Under Rule 12b-2, subject to periodic and annual reporting criteria, an "accelerated filer" is an issuer with market value of \$75 million, but less than \$700 million; a "large accelerated filer" is an issuer with market value of \$700 million or greater. As a result, the exemption effectively applies to companies with less than \$75 million in market capitalization. Item 4 of this filing, *Controls and Procedures*, indicates the company's controls and procedures were not effective.

The trading of our common stock is limited under the SEC's penny stock regulations, which will adversely affect the liquidity of our common stock.

The trading price of our common stock is currently less than \$5.00 per share and, as a result, our common stock is considered a "penny stock", and trading in our common stock would be subject to the requirements of Rule 15g-9 under the Exchange Act. Under this rule, broker/dealers who recommend low-priced securities to persons other than established customers and accredited investors must satisfy special sales practice requirements. Generally, the broker/dealer must make an individualized written suitability determination for the purchaser and receive the purchaser's written consent prior to the transaction.

SEC regulations also require additional disclosure in connection with any trades involving a "penny stock," including the delivery, prior to any penny stock transaction, of a disclosure schedule explaining the penny stock market and its associated risks. These requirements severely limit the liquidity of securities in the secondary market because few broker or dealers are likely to undertake these compliance activities. In addition to the applicability of the penny stock rules, other risks associated with trading in penny stocks could also be price fluctuations and the lack of a liquid market. An active and liquid market in our common stock may never develop due to these factors.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

From January 6, 2012 through August 3, 2012, the Company entered into Securities Purchase Agreements and Security Agreements with several accredited investors (the "2012 Investors") providing for the sale by the Company to the 2012 Investors of Secured Convertible Debentures in the aggregate amount of \$1,939,250 (the "2012 Notes"). In addition to the 2012 Notes, the 2012 Investors also received common stock purchase warrants (the "2012 Warrants") to acquire 1,939,250 shares of common stock of the Company. The 2012 Warrants are exercisable for three years at an exercise price of \$0.50. The Company received the proceeds in connection with these financings between January 6, 2012 and August 3, 2012 with the most recent \$100,000 invested on August 3, 2012. Further, a shareholder, director and officer, converted secured and unsecured loans provided to the Company from September 30, 2011 to June 5, 2012 in the aggregate amount of \$389,250 into the 2012 Notes and 2012 Warrants.

The 2012 Notes mature one year from their respective effective dates (the "Maturity Dates") and interest associated with the 2012 Notes is 10% per annum, which is payable on the Maturity Dates. The 2012 Notes are convertible into shares of common stock of the Company, at the 2012 Investors' option, at a conversion price of \$0.50. Upon the closing of any financing in an amount greater than \$3,000,000 (the "Financing"), the Company, in its sole discretion, may require that the 2012 Notes be converted into securities of the Company at the same terms of the Financing. The 2012 Notes and the 2012 Warrants carry standard anti-dilution provisions but in no event may the conversion price be reduced below \$0.25. Further, the 2012 Investors will have the right to participate in the next financing on a pro-rata basis up to \$1,000,000.

In November 2012, the Company entered into a Note and Warrant Amendment and Conversion Agreement whereby the holders and the 2012 Investors converted all principal and interest under the 2012 Notes into 10,227,070 shares of common stock. Further, the exercise price of the 2012 Warrants was reduced to \$0.25 per share.

On August 20, 2012, the Company entered into an Investment Agreement ("Investment Agreement") with Kodiak Capital Group, LLC ("Kodiak"). Pursuant to the Investment Agreement, Kodiak has committed to purchase up to \$7,500,000 of the Company's common stock during the period commencing upon the effective date of a registration statement registering the shares of common stock underlying the equity line (the "Equity Line") and continuing for 24 months. The aggregate number of shares issuable by the Company and purchasable by Kodiak under the Investment Agreement will be determined by the purchase prices for the common stock, as determined under the terms of the Investment Agreement. Upon execution of the Investment Agreement, the Company issued to Kodiak 1,875,000 commitment shares of newly-issued common stock.

Contemporaneously with the execution and delivery of the Investment Agreement, the Company and Kodiak executed and delivered a Registration Rights Agreement ("Registration Rights Agreement") pursuant to which the Company has agreed to provide certain registration rights under the 1933 Act, and the rules and regulations promulgated thereunder, and applicable state securities laws.

The Company may draw on the facility from time to time, as and when it determines appropriate in accordance with the terms and conditions of the Investment Agreement. The amount that the Company is entitled to put in any one notice shall be up to \$75,000, at the Company's election. Kodiak's purchase price for each put is set at ninety percent (90%) of the lowest posted closing bid price of the Company's common stock during the five (5) trading days after the date of the put notice. The Company will not be entitled to put shares to Kodiak unless (a) there is an effective registration statement under the Securities Act to cover the sale of the shares to Kodiak, (b) the Company's common stock continues to be quoted on the OTC Bulletin Board, or becomes listed on a national securities exchange, and (c) the issuance of the shares would not cause Kodiak's beneficial ownership to exceed 9.99% of our outstanding shares.

Pursuant to the terms of the Registration Rights Agreement, the Company has agreed to use its best efforts to file a registration statement with the SEC to register the sale to Kodiak of shares of common stock issued or issuable under the Investment Agreement.

In March 2012, the Company settled outstanding legal and consulting services totaling \$60,000 by issuing 177,515 shares of common stock.

In September 2012, the Company settled outstanding legal services totaling \$40,000 by issuing 400,000 shares of common stock.

This issuance of these above securities is exempt from the registration requirements under Rule 4(2) of the Securities Act of 1933, as amended, and/or Rule 506 as promulgated under Regulation D.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On August 24, 2012, Martin J. Rucidlo was engaged by the Company to serve as the President of the Company. Mr. Rucidlo replaced Stephen S. Burns who resigned as President. Mr. Burns continues to serve as a director as well as Chief Executive Officer, Secretary and Treasurer of the Company. On August 24, 2012, Mr. Rucidlo entered into a letter agreement (the "Agreement") with the Company pursuant to which he was appointed as the President of the Company in consideration of an annual salary of \$125,000. As additional compensation, the Company granted Mr. Rucidlo options to purchase 300,000 shares of the Company's common stock at an exercise price of \$0.21 per share. The options will expire three years from the vesting period with 90,000 options vesting upon the signing of the Agreement and 105,000 options vesting each of the following two years on the anniversary date of the Agreement for a total of 300,000 shares.

Item 6. Exhibits

Exhibit No.	Description
3.1	Certificate of Designation for Series A Preferred Stock (1)
3.2	Certificate of Change (6)
3.3	Certificate of Correction (6)
3.4	Articles of Merger (7)
3.5	Certificate of Correction (Articles of Merger) (7)
3.6	Certificate of Amendment to the Certificate of Incorporation (9)
4.1	Form of Subscription Agreement by and between Title Starts Online, Inc. and the January 2010 Accredited Investors (2)
4.2	6% Promissory Note issued by Title Starts Online, Inc. on March 1, 2010 (3)
4.3	Form of Subscription Agreement by and between Title Starts Online, Inc. and the March 2010 Accredited Investors (4)
4.4	Form of Subscription Agreement by and between AMP Holding Inc. and Accredited Investors (11)
4.5	Form of Subscription Agreement by and between AMP Holding Inc. and May 2011 Accredited Investors (15)
4.6	Stock Option to acquire 500,000 shares of common stock issued to Joseph Paresi dated May 25, 2011 (16)
4.7	Stock Option to acquire 1,000,000 shares of common stock issued to Joseph Paresi dated May 25, 2011 (16)
4.8	Common Stock Purchase Warrant to acquire 500,000 shares of common stock issued to Joseph Paresi dated May 25, 2011 (16)
4.9	Stock Option to acquire 500,000 shares of common stock issued to James Taylor dated May 25, 2011 (16)
4.10	Common Stock Purchase Warrant to acquire 500,000 shares of common stock issued to James Taylor dated May 25, 2011 (16)
4.11	Stock Option to acquire 500,000 shares of common stock issued to Stephen Burns dated May 25, 2011 (16)
4.12	Common Stock Purchase Warrant to acquire 500,000 shares of common stock issued to Stephen Burns dated May 25, 2011 (16)
4.13	Promissory Note issued by AMP Holding Inc. on October 31, 2011 (17)
4.14	Security Agreement by and between AMP Holding Inc. and Stephen Burns dated October 31, 2011 (17)
4.15	Form of Securities Purchase Agreement (18)
4.16	Form of Secured Convertible Debenture (18)
4.17	Form of Common Stock Purchase Warrant (18)
4.18	Form of Security Agreement (18)
4.19	Promissory Note dated May 30, 2012 (20)
4.20	Promissory Note dated May 31, 2012 (20)
4.21	Promissory Note dated June 5, 2012 (20)
4.22	Letter Amendment dated June 5, 2012 (20)
4.23	Letter Amendment dated June 5, 2012 (20)
4.24	Letter Amendment dated June 5, 2012 (20)
4.25	Letter Agreement by and between Stephen Burns and AMP Holding Inc. (21)

4.26 Form of Note and Warrant Amendment and Conversion Agreement

10.1 Share Exchange Agreement dated as of December 28, 2009 by and among Advanced Mechanical Products, Inc., the shareholders of Advanced Mechanical Products, Inc. and Title Starts Online, Inc. (1)

10.2 Agreement and Release between Title Starts Online, Inc. and Mark DeFoor dated December 29, 2009 (1)

10.3	Conversion Agreement between Title Starts Online, Inc. and Bowden Transportation, Inc. dated December 28, 2009 (1)
10.4	Conversion Agreement between Title Starts Online, Inc. and Han Solutions II, LLC dated December 28, 2009 (1)
10.5	Conversion Agreement between Title Starts Online, Inc. and Ziu Zhang dated December 28, 2009 (1)
10.6	Director Agreement by and between AMP Holding Inc. and Nancy Dunlap dated August 23, 2010 (8)
10.7	Director Agreement by and between AMP Holding Inc, and James E. Taylor dated October 11, 2010 (10)
10.8	Employment Agreement by and between AMP Holding Inc. and James Taylor dated December 8, 2010 (12)
10.9	Employment Agreement by and between AMP Holding Inc. and Stephen S. Burns dated December 8, 2010 (12)
10.10	Director Agreement by and between AMP Holding Inc. and Joseph Paresi dated December 8, 2010 (12)
10.11	Employment Agreement by and between AMP Holding Inc. and Paul V. Gonzales dated January 12, 2011 (13)
10.12	Distribution Agreement by and between AMP Holding Inc. and Northern Lights Energy ehf. dated April 14, 2011 (14)
10.13	Agreement and General Release by and between AMP Holding Inc. and Joseph Paresi dated April 13, 2012 (19)
10.14	Investment Agreement dated as of August 20, 2012, by and between AMP Holding Inc., and Kodiak Capital Group, LLC. (22)
10.15	Registration Rights Agreement dated as of August 20, 2012, by and between AMP Holding Inc. and Kodiak Capital Group, LLC (22)
10.16	Letter Agreement by and between AMP Holding Inc. and Martin J. Rucidlo dated August 24, 2012 (23)
16.1	Letter from Schumacher & Associates, Inc. (5)
21.1	List of Subsidiaries(1)
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
EX-101.INS	XBRL INSTANCE DOCUMENT
EX-101.SCH	XBRL TAXONOMY EXTENSION SCHEMA DOCUMENT
EX-101.CAL	XBRL TAXONOMY EXTENSION CALCULATION LINKBASE
EX-101.DEF	XBRL TAXONOMY EXTENSION DEFINITION LINKBASE
EX-101.LAB	XBRL TAXONOMY EXTENSION LABELS LINKBASE
EX-101.PRE	XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE

- (1) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on January 4, 2010.
- (2) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on February 4, 2010.
- (3) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on March 4, 2010.
- (4) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on March 17, 2010.
- (5) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on March 18, 2010.
- (6) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on May 25, 2010.
- (7) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on May 25, 2010.
- (8) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on August 27, 2010.
- (9) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on September 10, 2010.

- (10) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on October 19, 2010.
- (11) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on December 6, 2010.
- (12) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on December 13, 2010.
- (13) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on January 14, 2011.
- (14) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on April 20, 2011.
- (15) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on May 12, 2011.
- (16) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on June 1, 2011.
- (17) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on November 4, 2011.
- (18) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on February 28, 2012.
- (19) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on April 19, 2012.
- (20) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on June 25, 2012.
- (21) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on July 11, 2012.
- (22) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on August 24, 2012.
- (23) Incorporated by reference to the Form 8-K Current Report filed with the Securities and Exchange Commission on August 30, 2012.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMP HOLDING INC.

Dated: November 15, 2012

By: /s/ Stephen Burns

Name: Stephen Burns

Title: Chief Executive Officer (Principal
Executive Officer)

Dated: November 15, 2012

By: /s/ Richard Calme

Name: Richard Calme

Title: Interim Chief Financial Officer (Principal
Financial and Accounting Officer)

NOTE AND WARRANT AMENDMENT AND CONVERSION AGREEMENT

THIS NOTE AND WARRANT AMENDMENT AND CONVERSION AGREEMENT (this "Agreement") is entered into this ___ day of _____, 2012, by and among AMP HOLDING INC., a Nevada corporation (the "Company"), and the party set forth on the signature page (the "Holder").

WITNESSETH:

WHEREAS, the Company has issued to the Holder that certain Secured Convertible Debentures in the principal amount set forth on the signature page (the "Notes") which has accrued interest in the amount as set forth on the signature page and that certain Common Stock Purchase Warrant (the "Warrant") to purchase shares of common stock of the Company as set forth on the signature page ("Warrant Shares"); and

WHEREAS, the parties hereto are entering into this Agreement to amend the Notes and the Warrant and to convert the Notes into shares of common stock (the "Common Stock") on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants contained herein and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Amendment of the Notes and the Warrant; Conversion of the Notes.

1.1. Amendment of the Notes. The Parties hereby amend Section 3(a) of the Notes to provide that the entire unpaid principal amount of the Notes and any accrued interest thereon shall be convertible into Common Stock at the amended Conversion Rate (as defined in the Notes) of \$0.20 per share.

1.2. Amendment of the Warrants. The parties hereby amend the Warrants to provide that the purchase price per share shall be reduced to \$0.25.

1.3. Automatic Conversion. Concurrent with the execution of this Agreement, as defined herein, the entire outstanding principal balance and all accrued interest of Holder's Notes shall automatically convert into that number of shares of Common Stock (such shares, hereinafter the "Conversion Shares") into shares of the Company's common stock at an amended Conversion Rate of \$0.20 per share. The number of shares of Common Stock to be issued upon conversion of the principal and interest under the Notes is as set forth on the signature page (the "Conversion Shares")

1.4. Surrender of Notes; Issuance of New Certificates. The Holder shall deliver his original Note(s) to the Company for cancellation in exchange for the Conversion Shares. Promptly following the Company's receipt of the original Notes from the Holder, the Company, at its expense, shall deliver to the Holder, in the Holder's name, a certificate representing the number of fully paid and non-assessable Conversion Shares into which the Note has been converted

1.5. Acknowledgement, Waiver of Rights. Upon the Date hereof, the Holder acknowledges that upon the conversion of the Notes, as provided herein, the Notes will be fully satisfied as to all amounts due thereunder and the Holder shall have no claims against the Company arising from the Notes. To the extent any of the Notes are secured, any security agreements or financing statements relating to the obligations secured by the Notes shall terminate and the Holder or his agent shall promptly thereafter affect all filings necessary to terminate the security interests created thereunder and to return any collateral to the Company. The Holder further acknowledges that any agent appointed under any agreement shall have no further responsibilities or obligations pursuant thereto in connection with the Notes.

2. Representations by Holder.

2.1 The Holder recognizes that the acquisition of the Conversion Shares involves a high degree of risk including, but not limited to, the following: (a) the Company remains a development stage business with limited operating history and requires substantial funds in addition to the proceeds of the Offering; (b) an investment in the Company is highly speculative, and only investors who can afford the loss of their entire investment should consider investing in the Company and the Units; (c) the Holder may not be able to liquidate its investment; (d) transferability of the Conversion Shares is extremely limited; (e) in the event of a disposition, the Holder could sustain the loss of its entire investment; (f) the Company has not paid any dividends since its inception and does not anticipate paying any dividends; and (g) the Company may issue additional securities in the future which have rights and preferences that are senior to those of the Conversion Shares.

2.2 The Holder represents that the Holder is an “accredited investor” as such term is defined in Rule 501 of Regulation D (“Regulation D”) promulgated under the Securities Act of 1933, as amended (the “Securities Act”), and that the Holder is able to bear the economic risk of an investment in the Conversion Shares.

2.3 The Holder hereby acknowledges and represents that (a) the Holder has knowledge and experience in business and financial matters, prior investment experience, including investment in securities that are thinly traded on the OTCBB or the Holder has employed the services of a “purchaser representative” (as defined in Rule 501 of Regulation D), attorney and/or accountant to read all of the documents furnished or made available by the Company both to the Holder and to all other prospective investors in the Units to evaluate the merits and risks of such an investment on the Holder’s behalf; (b) the Holder recognizes the highly speculative nature of this investment; and (c) the Holder is able to bear the economic risk that the Holder hereby assumes.

2.4 The Holder hereby acknowledges receipt and careful review of this Agreement, the reports filed with the SEC under the Securities Exchange Act of 1934, including all exhibits thereto and the Risk Factors included in our Form 10-K Annual Report filed with the Securities and Exchange Commission on April 4, 2012, and any documents which may have been made available upon request as reflected therein (collectively referred to as the “Offering Materials”) and hereby represents that the Holder has been furnished by the Company with all information regarding the Company any additional information that the Holder has requested or desired to know, and has been afforded the opportunity to ask questions of and receive answers from duly authorized officers or other representatives of the Company concerning the Company. Notwithstanding the foregoing, the Holder hereby confirms that it has not received from the Company nor is it in possession of any material nonpublic information relating to the Company and its operations.

2.5 The Holder consents to the placement of a legend on any certificate or other document evidencing the Common Stock that such Common Stock have not been registered under the Securities Act or any state securities or “blue sky” laws and setting forth or referring to the restrictions on transferability and sale thereof contained in this Agreement. The Holder is aware that the Company will make a notation in its appropriate records with respect to the restrictions on the transferability of such Securities. The legend to be placed on each certificate shall be in form substantially similar to the following:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”) OR ANY STATE SECURITIES OR “BLUE SKY LAWS,” AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED ABSENT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR COMPLIANCE WITH RULE 144 PROMULGATED UNDER SUCH ACT, OR UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL, REASONABLY SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.”

3. Miscellaneous.

3.1. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any prior oral or written agreements between the parties hereto, and this Agreement may not be modified, amended or terminated except by a written agreement specifically referring to this Agreement signed by each party hereto.

3.2. Successors and Assigns; Third Party Beneficiaries. This Agreement shall be binding upon and shall inure to the benefit of each party hereto and their respective successors, assigns, heirs and administrators. Neither party hereto may assign its rights or obligations hereunder without the express written consent of the other party hereto. The New Investors shall be express third-party beneficiaries of this Agreement and shall have the right to enforce this Agreement against the Company and the Holder in their own right.

3.3. Additional Documents. Each party hereto shall cooperate, shall take such further action and shall execute and deliver such further documents as may be reasonably requested by the other party in order to carry out the provisions and purposes of this Agreement.

3.4. Specific Performance. Each party hereto hereby acknowledges that the obligations created herein are unique and that the other parties hereto and the New Investors would suffer irreparable harm in the event of any breach of this Agreement by any party hereto for which money damages would not be an adequate remedy. Accordingly, each party hereto and the New Investors shall have the right to specific performance of this Agreement and to obtain injunctive relief in the event of any breach or threatened breach of the terms hereof by any party hereto in addition to any other remedies available at law or in equity. No one shall be obligated to post any bond or other security in connection with any action seeking specific performance of this Agreement or any other equitable remedy.

3.5. Governing Law. This Agreement and all amendments thereof shall be governed by and construed in accordance with the laws of the State of New York, without reference to its conflicts of laws principles.

3.6. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date and year first above written.

COMPANY:

AMP HOLDING INC.

By: _____

Name: Stephen Burns

Title: CEO

HOLDER:

(Signature)

(Print Name)

Principal Amount of Notes: _____

Interest: _____

Warrants: _____

Principal Shares: _____

Interest Shares: _____

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Stephen Burns, Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AMP Holding Inc.;
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 registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant) and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial data information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: November 15, 2012

/s/ Stephen Burns

Stephen Burns,
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Richard Calme, Interim Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AMP Holding Inc.;
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 registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant) and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial data information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: November 15, 2012

/s/ Richard Calme

Richard Calme,
Interim Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly report of AMP Holding Inc. (the "Company") on Form 10-Q for the period ended September 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen Burns, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 15, 2012

/s/ Stephen Burns

Stephen Burns,
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO**

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly report of AMP Holding Inc. (the "Company") on Form 10-Q for the period ended September 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard Calme, Interim Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 15, 2012

/s/ Richard Calme

Richard Calme,
Interim Chief Financial Officer
(Principal Financial and Accounting Officer)