**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 June 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** | **26-1394771** |
| (State or other jurisdiction of incorporation or organization) | (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 ☐ | Accelerated filer ☐ |
| Non-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** | **38,912,165** |
| (Class) | (Outstanding at August 10, 2012) |

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# PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements

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

| Assets | June 30, 2012 (Unaudited) | December 31, 2011 |
|---|---|---|
| Current assets: | | |
| Cash | $ 34,011 | $ 89,488 |
| Accounts receivable | 5,019 | 5,019 |
| Inventory | 122,000 | 122,000 |
| Prepaid expenses and deposits | 39,335 | 51,210 |
| | 200,365 | 267,717 |
| Property, plant and equipment: | | |
| Software | 27,721 | 27,721 |
| Leasehold improvements | 19,225 | 19,225 |
| Equipment | 178,124 | 149,371 |
| Vehicles and prototypes | 189,746 | 189,746 |
| | 414,816 | 386,063 |
| Less accumulated depreciation | 236,771 | 203,886 |
| | 178,045 | 182,177 |
| | | |
| | $ 378,410 | $ 449,894 |
| | | |
| Liabilities and Stockholders' Equity (Deficit) | | |
| | | |
| Current liabilities: | | |
| Accounts payable | $ 1,567,638 | $ 1,367,367 |
| Accounts payable, related parties | 293,904 | 211,640 |
| Customer deposits | 25,000 | 25,000 |
| Shareholder advances | 43,000 | 312,000 |
| Convertible debentures | 1,384,407 | - |
| Current portion of long-term debt | 23,096 | 20,641 |
| | 3,337,045 | 1,936,648 |
| | | |
| Long-term debt | 63,889 | 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 June 30, 2012 and December 31, 2012 | - | - |
| Common stock, par value of $.001 per share 250,000,000 shares authorized, 38,912,165 shares issued and outstanding at June 30, 2012 and 38,734,650 shares issued and outstanding at December 31, 2011 | 38,912 | 38,735 |
| Additional paid-in capital | 12,210,296 | 12,063,860 |
| Stock based compensation | 3,659,796 | 3,439,870 |
| Accumulated deficit during the development stage | (18,931,528) | (17,098,769) |
| | (3,022,524) | (1,556,304) |
| | | |
| | $ 378,410 | $ 449,894 |

See accompanying notes to financial statements.

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

| | Three Months Ended | | Six Months Ended | | Since Date of Inception, February 20, 2007 to |
|---|---|---|---|---|---|
| | June 30, 2012 (Unaudited) | June 30, 2011 (Unaudited) | June 30, 2012 (Unaudited) | June 30, 2011 (Unaudited) | June 30, 2012 (Unaudited) |
| Sales | $ 222,098 | $ 107,535 | $ 222,098 | $ 190,035 | $ 552,840 |
| Expenses: | | | | | |
| Payroll and payroll taxes | 398,223 | 715,762 | 949,145 | 1,341,169 | 6,502,759 |
| Employee benefits | 42,243 | 68,086 | 86,860 | 133,938 | 582,939 |
| Stock based compensation | 66,894 | 866,581 | 219,926 | 1,199,361 | 3,677,536 |
| Batteries and motors and supplies | 130,220 | 338,816 | 123,507 | 750,856 | 2,618,156 |
| Vehicles, development and testing | - | - | 57,786 | - | 322,201 |
| Legal and professional | 42,520 | 111,729 | 154,158 | 281,275 | 1,585,029 |
| Advertising | 23,276 | 81,861 | 58,418 | 169,389 | 895,315 |
| Consulting | 12,289 | 125,140 | 74,468 | 226,146 | 1,118,810 |
| Engineering, temporary labor | - | 2,274 | 870 | 18,855 | 247,919 |
| Travel and entertainment | 19,169 | 76,273 | 48,906 | 110,807 | 448,033 |
| Depreciation | 16,682 | 16,180 | 32,885 | 27,922 | 262,263 |
| Rent | 38,625 | 28,200 | 76,972 | 56,250 | 380,401 |
| Insurance | 20,426 | 37,015 | 37,753 | 64,674 | 306,465 |
| Facilities, repairs & maintenance | 6,673 | 20,291 | 12,715 | 33,099 | 174,950 |
| Utilities | 8,514 | 5,365 | 18,863 | 14,834 | 114,204 |
| Interest and bank fees | 61,402 | 1,244 | 85,871 | 2,532 | 112,311 |
| Loss on sale of assets | - | - | - | - | 13,090 |
| Other | 6,969 | 23,509 | 15,754 | 32,676 | 121,987 |
| | 894,125 | 2,518,326 | 2,054,857 | 4,463,783 | 19,484,368 |
| Net loss during the development stage | $ (672,027) | $ (2,410,791) | $ (1,832,759) | $ (4,273,748) | $ (18,931,528) |
| Basic and diluted loss per share | $ (0.02) | $ (0.07) | $ (0.05) | $ (0.14) | $ (0.80) |
| Weighted average number of common shares outstanding | 38,912,165 | 32,192,843 | 38,838,960 | 30,235,598 | 23,564,089 |

See accompanying notes to financial statements.

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**AMP Holding Inc.**
(A Development Stage Company)
Statements of Stockholders' Equity (Deficit)
From Inception, February 20, 2007
to June 30, 2012

| | Common Stock | | Series A Preferred Stock | | Additional Paid-in Capital | Stock Based Compensation | Accumulated Deficit During the Development Stage | Total Stockholders' Equity (Deficit) |
|---|---|---|---|---|---|---|---|---|
| | Number of Shares | Amount | Number of Shares | Amount | | | | |
| Beginning capital - inception | - | $ - | - | $ - | $ - | $ - | $ - | $ - |
| Issuance of common stock, and fulfillment of stock subscriptions receivable | 7,210 | 900,000 | - | - | - | - | - | 900,000 |
| Net loss from operations, period of inception, February 20, 2007 to December 31, 2007 | - | - | - | - | - | - | (456,145) | (456,145) |
| | 7,210 | $ 900,000 | - | $ - | $ - | $ - | $ (456,145) | $ 443,855 |
| Issuance of common stock, and fulfillment of stock subscriptions receivable | 4,305 | 875,000 | - | - | - | - | - | 875,000 |
| March 10, 2008 stock dividend | 62,720 | - | - | - | - | - | - | - |
| Share based compensation for the year ended December 31, 2008 | - | 9,757 | - | - | - | - | - | 9,757 |
| Net loss from operations for the year ended December 31, 2008 | - | - | - | - | - | - | (1,383,884) | (1,383,884) |
| | 74,235 | $ 1,784,757 | - | $ - | $ - | $ - | $ (1,840,029) | $ (55,272) |
| January 1, 2009 stock re-pricing agreement | 18,025 | - | | | | | | - |
| Issuance of common stock, and fulfillment of stock subscriptions receivable | 168,210 | 753,511 | - | - | 49,989 | - | - | 803,500 |
| Share based compensation to December 28, 2009 | - | 7,983 | - | - | - | - | - | 7,983 |
| Shares issued out of stock option plan on December 31, 2009 | 3,220 | - | - | - | - | - | - | - |
| Net effect of purchase accounting adjustments | 17,508,759 | (2,528,479) | - | - | 2,528,479 | - | - | - |
| Conversion of convertible notes | - | - | 8,375 | 8 | 264,992 | - | - | 265,000 |
| Net loss from operations for the year ended December 31, 2009 | - | - | - | - | - | - | (1,524,923) | (1,524,923) |
| | 17,772,449 | $ 17,772 | 8,375 | $ 8 | $ 2,843,460 | $ - | $ (3,364,952) | $ (503,712) |
| Conversion of 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) |
| | 27,712,401 | $ 27,713 | 9,000 | $ 9 | $ 6,647,857 | $ 1,436,979 | $ (8,393,058) | $ (280,500) |
| 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) |
| | 38,734,650 | $ 38,735 | - | $ - | $12,063,860 | $ 3,439,870 | $(17,098,769) | $ (1,556,304) |
| Issuance of detached warrants in conection with convertible debentures | - | - | - | - | 86,613 | - | - | 86,613 |
| Conversion of account payable | 177,515 | 177 | - | - | 59,823 | - | - | 60,000 |
| Share based compensation for the six months ended June 30, 2012 | - | - | - | - | - | 219,926 | - | 219,926 |
| Net loss from operations for the six months ended June 30, 2012 | - | - | - | - | - | - | (1,832,759) | (1,832,759) |
| | 38,912,165 | $ 38,912 | - | $ - | $12,210,296 | $ 3,659,796 | $(18,931,528) | $ (3,022,524) |

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.

See accompanying notes to financial statements.

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

| | Three Months Ended | | Six Months Ended | | Since Date of Inception, February 20, 2007 to |
|---|---|---|---|---|---|
| | June 30, 2012 (Unaudited) | June 30, 2011 (Unaudited) | June 30, 2012 (Unaudited) | June 30, 2011 (Unaudited) | June 30, 2012 (Unaudited) |
| Cash flows from operating activities: | | | | | |
| Net loss during the development stage | $ (672,027) | $ (2,410,791) | $ (1,832,759) | $ (4,273,748) | $ (18,931,528) |
| Adjustments to reconcile net loss from operations to cash used by operations: | | | | | |
| Depreciation | 16,682 | 16,180 | 32,885 | 27,922 | 262,263 |
| Loss on sale of assets | - | - | - | - | 13,090 |
| Stock based compensation | 66,894 | 866,581 | 219,926 | 1,199,361 | 3,677,536 |
| Amortized discount on convertible debentures | 27,896 | - | 31,770 | - | 31,770 |
| Legal and consulting services | - | - | 60,000 | - | 197,000 |
| Effects of changes in operating assets and liabilities: | | | | | |
| Accounts receivable | - | 5,594 | - | 29,023 | (5,019) |
| Inventory | - | (82,000) | - | (82,000) | (122,000) |
| Prepaid expenses and deposits | - | (5,325) | 11,875 | (5,750) | (39,335) |
| Accounts payable | 277,173 | (297,536) | 200,271 | 44,764 | 1,567,638 |
| Accounts payable, related parties | 19,316 | (44,649) | 82,264 | (19,842) | 293,904 |
| Customer deposits | - | (25,000) | - | (52,393) | 25,000 |
| Net cash used by operations | (264,066) | (1,976,946) | (1,193,768) | (3,132,663) | (13,029,681) |
| Cash flows from investing activities: | | | | | |
| Capital expenditures | (28,753) | (86,348) | (28,753) | (86,348) | (376,650) |
| Proceeds on sale of assets | - | - | - | - | 32,900 |
| Net cash used by investing activities | (28,753) | (86,348) | (28,753) | (86,348) | (343,750) |
| Cash flows from financing activities: | | | | | |
| Proceeds from debentures and notes payable | 539,250 | - | 1,439,250 | - | 1,599,250 |
| Payments on notes payable | - | - | - | - | (150,000) |
| Proceeds from long-term debt | - | - | - | - | 50,000 |
| Payments on long-term debt | (1,610) | (1,532) | (3,206) | (3,052) | (11,379) |
| Shareholder advances | (262,000) | - | (269,000) | - | 43,000 |
| Issuance of common and preferred stock | - | 3,529,651 | - | 4,510,017 | 11,876,571 |
| Net cash provided by financing activities | 275,640 | 3,528,119 | 1,167,044 | 4,506,965 | 13,407,442 |
| Change in cash and cash equivalents | (17,179) | 1,464,825 | (55,477) | 1,287,954 | 34,011 |
| Cash and cash equivalents at inception, February 20, 2007 | | | | | - |
| Cash and cash equivalents at December 31, 2010 | | | | 385,293 | |
| Cash and cash equivalents at March 31, 2011 | | 208,422 | | | |
| Cash and cash equivalents at June 30, 2011 | | $ 1,673,247 | | $ 1,673,247 | |
| Cash and cash equivalents at December 31, 2011 | | | 89,488 | | |
| Cash and cash equivalents at March 31, 2012 | 51,190 | | | | |
| Cash and cash equivalents at June 30, 2012 | $ 34,011 | | $ 34,011 | | $ 34,011 |

Supplemental disclosure of non-cash activities:
Vehicles valued at $61,284 were contributed as consideration for issuance of common stock during the period from inception, February 20, 2007, to December 31, 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 $78,300 were recorded as an increase to additional

paid-in capital in January and February 2012.

See accompanying notes to financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINICPLES

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 deminimus, 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 that are popular with both fleets and consumers. The largest vehicle segment in the U.S. is the SUV segment and we have one of the only electric full size SUV solutions available. 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 the first half of 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.

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.

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

***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 $23,000 and $82,000 for the three months ended June 30, 2012 and 2011, and $58,000 and $169,000 for the six months ended June 30, 2012 and 2011, and $895,000 for the period from inception to June 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 June 30, 2012 cumulative deferred tax assets of approximately $4,049,400 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 $1,610,000 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 2008 - 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 $535,000 and $1,137,000 for the three months ended June 30, 2012 and 2011, and $1,176,000 and $2,256,000 for the six months ended June 30, 2012, and 2011, and $10,790,000 for the period from inception to June 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 in 2012 and 2011, 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.

From July 2, 2012 through July 31, 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 $500,000 (the "2012 Notes"). The Company received the proceeds in connection with these financings between July 2, 2012 and August 8, 2012. 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.

On August 10, 2012, the Company and James E. Taylor (“Taylor”) entered into an Agreement (the “Release”) pursuant to which Taylor resigned as the CEO of the Company and continues to serve as the Chairman of the Board of Directors of the Company. Additionally, under the terms of the Release the Company and Taylor settled the amount of fees owing to Taylor for serving as the Company’s CEO. For serving as the Chairman of the Board of Directors, the Company issued to Taylor a stock option to acquire 300,000 shares of common stock at an exercise price of $0.15. In consideration for Taylor’s execution of the Release, the Company agreed to pay Taylor the amount of $87,500 in back pay and $43,333 in past Board of Directors fees (collectively, the “Amount”). Upon raising adequate capital, the Company agreed to use its best efforts to develop a payment schedule with respect to the Amount owed to Taylor. The Company will not make any other payments to or on behalf of Taylor, whether in the form of bonuses, severance, paid time off, profit sharing, or otherwise.

## 2. CONVERTIBLE DEBENTURES AND LONG-TERM DEBT

From January 6, 2012 through June 30, 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 $1,439,250 (the "2012 Notes"). The Company received the proceeds in connection with these financings between January 6, 2012 and June 30, 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.

In addition to the 2012 Notes, the 2012 Investors also received common stock purchase warrants (the “2012 Warrants”) to acquire 1,439,250 shares of common stock of the Company. The 2012 Warrants are exercisable for three years at an exercise price of $0.50. 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 $86,613 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.

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.

Long-term debt consists of three notes payable. The first is a $22,048 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 $21,173 at June 30, 2012. The second is a $14,937 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 $13,194 at June 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 | $17,435 |
| 2013 | 21,416 |
| 2014 | 23,147 |
| 2015 | 14,822 |

| | |
|---|---|
| 2016 | 10,165 |
| | $86,985 |

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 and prepaid rent of $11,875. Aggregate maturities of lease obligations are as follows:

| | |
|---|---|
| 2012 | $ 72,319 |
| 2013 | 147,876 |
| 2014 | 152,312 |
| 2015 | 156,881 |
| 2016 | 161,588 |
| 2017 and thereafter | 294,050 |
| | $985,026 |

The Company also leases office space for approximately $1,000 per month on a month to month agreement. Through January 2012 the Company also leased two apartments for approximately $2,200 per month on month to month agreements. 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 $38,625 and $28,200 for the three months ended June 30, 2012 and 2011, and $76,972 and $56,250 for the six months ended June 30, 2012 and 2011, and $380,401 for the period from inception to June 30, 2012.

## 5. STOCK BASED COMPENSATION

***Options to directors, officers and employees***

The Company maintains, as adopted by the board of directors, the 2010 Incentive Stock Plan and the 2011 Incentive Stock Plan (the plans) providing for the issuance of up to 3,000,000 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 plan, 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.

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 | - | - | - | - |
| Exercised | - | - | - | - |
| Forfeited or expired | (1,950,000) | 0.58 | 0.29 | 56 |
| Outstanding at June 30, 2012 | 6,385,250 | $ 0.59 | $ 0.31 | 50 |
| Exercisable at June 30, 2012 | 5,225,250 | $ 0.58 | $ 0.30 | 48 |

The Company recorded $141,392, $855,246, $588,202 and $1,602,581 compensation expense for stock options to directors, officers and employees for the six months ended June 30, 2012, for the year ended December 31, 2011, the year ended December 31, 2010 and the period from inception (February 20, 2007) to June 30, 2012, respectively. As of June 30, 2012, unrecognized compensation expense of $413,032 is related to non-vested options granted to directors, officers and employees which is anticipated to be recognized over the next 12 months, commensurate with the vesting schedules.

***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 June 30, 2012 | 880,000 | $ 0.66 | $ 0.23 | 14 |
| Exercisable at June 30, 2012 | 880,000 | $ 0.66 | $ 0.23 | 14 |

The Company recorded $32,633, $83,265, $82,900 and $198,797 compensation expense for stock options to consultants for the six months ended June 30, 2012, the year ended December 31, 2011, the year ended December 31, 2010 and the period from inception (February 20, 2007) to June 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***

Since December 2010, 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. 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 | 950,000 | 0.50 | 0.09 | 36 |
| Exercised | - | - | - | - |
| Forfeited or expired | - | - | - | - |
| Outstanding at June 30, 2012 | 6,691,225 | $ 0.76 | $ 0.11 | 14 |
| Exercisable at June 30, 2012 | 6,691,225 | $ 0.76 | $ 0.11 | 14 |

The Company recorded $0, $546,824, $86,350 and $633,174 compensation expense for stock warrants to accredited investors for the six months ended June 30, 2012, the year ended December 31, 2011, the year ended December 31, 2010 and the period from inception (February 20, 2007) to June 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***

The Company has 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.

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 June 30, 2012 | 4,561,256 | $ 0.60 | $ 0.22 | 37 |
| Exercisable at June 30, 2012 | 4,273,756 | $ 0.59 | $ 0.21 | 36 |

The Company recorded $45,901, $373,876, $497,527 and $917,304 compensation expense for stock warrants to the placement agent and consultants for the six months ended June 30, 2012, the year ended December 31, 2011, the year ended December 31, 2010 and the period from inception (February 20, 2007) to June 30, 2012, respectively. As of June 30, 2012, unrecognized compensation expense of $94,875 is related to non-vested warrants granted to consultants which is anticipated to be recognized over the next 36 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***

The Company has 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. Additionally, under the terms of a Promissory Note issued to an officer and director, 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 two years.

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 June 30, 2012 | 3,489,250 | $ 1.75 | $ 0.09 | 42 |
| Exercisable at June 30, 2012 | 3,489,250 | $ 1.75 | $ 0.09 | 42 |

The Company recorded $0, $143,680, $182,000 and $325,680 compensation expense for stock warrants to directors and officers for the six months ended June 30, 2012, the year ended December 31, 2011, the year ended December 31, 2010 and the period from inception (February 20, 2007) to June 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.

## 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.

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 six months ended June 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 June 30, 2012 cumulative deferred tax assets of approximately $4,049,400 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 $1,610,000 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 deminimus, 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 our 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 June 30, 2012 Compared to Three Months Ended June 30, 2011**

Revenue. Revenue was $222,098 for the three months ended June 30, 2012 for the delivery of four converted prototype vehicles. Revenue was $107,535 for the three months ended June 30, 2011 and consisted of one customer vehicle conversion and the sale of one converted vehicle.

Expenses. Our expenses for the three months ended June 30, 2012 were $894,125 and included payroll and payroll taxes ($398,223), stock based compensation ($66,894), batteries, motors and supplies ($130,220), legal and professional ($42,520) and consulting ($12,289). Our expenses for the three months ended June 30, 2011 were $2,518,326 and included payroll and payroll taxes ($715,762), stock based compensation ($866,581), batteries, motors and supplies ($338,816), legal and professional ($111,729) and consulting ($125,140). 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 June 30, 2012 and 2011 were $672,027 and $2,410,791, respectively.

Operating Activities

Our operating activities from continuing operations resulted in net cash used by operations of $264,066 for the three months ended June 30, 2012 compared to net cash used by operations of $1,976,946 for the three months ended June 30, 2011. The net cash used by operations for the three months ended June 30, 2012 reflects a net loss of $672,027 offset by stock based compensation of $66,894, amortized discount on convertible debentures of $27,896, and depreciation of $16,682, and an increase in accounts payable of $277,173 and accounts payable, related parties of $19,316. The net cash used by operations for the three months ended June 30, 2011 reflects a net loss of $2,410,791, offset by stock based compensation of $866,581 and depreciation of $16,180; a decrease in accounts receivable of $5,594; decreases in accounts payable of $297,536, accounts payable, related parties of $44,649 and customer deposits of $25,000; and increases in inventory of $82,000 and prepaid expenses and deposits of $5,325.

Investing Activities

Our investing activities for the three months ended June 30, 2012 resulted in net cash outflow of $28,753 for the acquisition of equipment. Our investing activities for the three months ended June 30, 2011 resulted in net cash outflow of $86,348 for the acquisition of prototype vehicles.

Financing Activities

Financing activities for the three months ended June 30, 2012 resulted in a net cash inflow of $275,640 and included cash inflows from the issuance of convertible debentures of $539,250, reduced by repayment of shareholder advances amounting to $262,000 and payments on long-term debt of $1,610. Financing activities for the three months ended June 30, 2011 resulted in a net cash inflow of $3,528,119 and included cash inflows from the issuance of common stock of $3,529,651 reduced by cash outflows for payments on long-term debt of $1,532.

**Six Months Ended June 30, 2012 Compared to Six Months Ended June 30, 2011**

Revenue. Revenue was $222,098 for the six months ended June 30, 2012 for the delivery of four converted prototype vehicles. Revenue was $190,035 for the six months ended June 30, 2011 and consisted of three customer vehicle conversions and the delivery of one converted prototype vehicle.

Expenses. Our expenses for the six months ended June 30, 2012 were $2,054,857 and included payroll and payroll taxes ($949,145), stock based compensation ($219,926), batteries, motors and supplies ($123,507), legal and professional ($154,158) and consulting ($74,468). Our expenses for the six months ended June 30, 2011 were $4,463,783 and included payroll and payroll taxes ($1,341,169), stock based compensation ($1,199,361), batteries, motors and supplies ($750,856), legal and professional ($281,275) and consulting ($226,146). The reason for the decrease in comparing the six 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 six months ended June 30, 2012 and 2011 were $1,832,759 and $4,463,783, respectively.

Operating Activities

Our operating activities from continuing operations resulted in net cash used by operations of $1,193,768 for the six months ended June 30, 2012 compared to net cash used by operations of $3,132,663 for the six months ended June 30, 2011. The net cash used by operations for the six months ended June 30, 2012 reflects a net loss of $1,832,759 offset by stock based compensation of $219,926, legal and consulting services valued at $60,000 accepted as consideration for the issuance of common stock, amortized discount on convertible debentures of $31,770, and depreciation of $32,885, an increase in accounts payable of $200,271, accounts payable, related parties of $82,264 and a decrease in prepaid expenses and deposits of $11,875. The net cash used by operations for the six months ended June 30, 2011 reflects a net loss of $4,273,748, offset by stock based compensation of $1,199,361 and depreciation of $27,922; a decrease in accounts receivable of $29,023; decreases in accounts payable, related parties of $19,842 and customer deposits of $52,393; and increases in inventory of $82,000, accounts payable of $44,764 and prepaid expenses and deposits of $5,750.

Investing Activities

Our investing activities for the six months ended June 30, 2012 resulted in net cash outflow of $28,753 for the acquisition of equipment. Our investing activities for the six months ended June 30, 2011 resulted in net cash outflow of $86,348 for the acquisition of prototype vehicles.

Financing Activities

Financing activities for the six months ended June 30, 2012 resulted in a net cash inflow of $1,167,044 and included cash inflows from the issuance of convertible debentures of $1,439,250, reduced by repayment of shareholder advances amounting to $269,000 and payments on long-term debt of $3,206. Financing activities for the six months ended June 30, 2011 resulted in a net cash inflow of $4,506,965 and included cash inflows from the issuance of common stock of $4,510,017 reduced by cash outflows for payments on long-term debt of $3,052.

Presently, due to the lack of revenue it is a challenge 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 products. Until then, the company is depended on funds received from investors. With the delivery of our first all electric stepvan to Navistar for testing on August 2, 2012, we anticipate a roll out of product in the next 12 months. 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 $4,000,000 and $6,000,000 to carry out our business plan for the next twelve months. Because we cannot anticipate when we will be able to generate sufficient revenue from sales, we will need to raise addition funds to continue operations. Until then we are dependent on investor financing.

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.

Without the sales of our electric vehicles we cannot be assured of continuing as a going concern.

**Liquidity and Capital Resources**

As of June 30, 2012, we had current assets of $200,365 and current liabilities of $3,337,045. As of December 31, 2011, we had current assets of $267,717 including cash of $89,488 and current liabilities of $1,936,648.

Our cash balance at the end of June 2012 is very low. A portion of executives' pay is past due. We are currently evaluating several options for financing, but there are no guarantees that we will be able to raise capital on acceptable terms.

**Credit Facility**

Presently we have no revolving Credit Facility established. There is no guarantee that we will be able to enter into an agreement to establish a line of credit 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.

**Agreements**

Northern Lights Energy of Iceland

On April 14, 2011, the Company entered into a Distribution Agreement with Northern Lights Energy ehf. ("NLE"), an Icelandic company that operates in the energy and transportation sectors, pursuant to which the Company will manufacture, assemble, produce, and sell Company products to NLE in exchange for granting NLE the exclusive right within the country of Iceland (the "Territory") to:

- promote the use of the Company's electric vehicles in the Territory, to develop and maintain a sales and service;
- network the Company products throughout the Territory to retail, business, fleet, institutional and governmental customers;
- promote the sale of Company products throughout the Territory;
- promote the Company brand throughout the Territory;
- advertise the Company's products throughout the Territory; and
- manage customer relationships and provide best in class after sales service to customers of Company products in the Territory.

NLE will buy and sell the Company products in its own name and for its own account. The term of the Distribution Agreement commenced upon the signing of the agreement and will continue through December 31, 2017. The Company did not issue or receive any material financial consideration (i.e., cash, stock, options, warrants, etc.) in exchange for entering into the Distribution Agreement. The Agreement contemplates three separate and interrelated phases.

*Demonstration Phase*
The demonstration phase (the “Demonstration Phase”) is to last for a period of six months commencing on the signing of the Agreement, during which the Company will provide NLE two Company vehicles (the “Demonstration Vehicles”) for use by NLE in the Territory solely for product testing by NLE, for display, demonstration or other marketing purposes reasonably acceptable to the Company. The two demonstration vehicles were shipped to NLE as planned. The Demonstration Vehicles will remain the sole property of the Company. During the Demonstration Phase and continuing throughout the Development Phase (defined below), NLE will use its best efforts to develop and expand the electric vehicle market in the Territory and will actively and diligently appoint and maintain experienced and competent public relations and advertising personnel and agencies to prepare market for Company products and to promote Company products and the Company brand within the Territory. NLE will explore using various media in its efforts to develop the market, including, but not limited to, the possibility of developing, in cooperation with the Company, a customized website and/or online experience to promote Company products and the Company brand within the Territory.

*Development Phase*
The second phase of the Agreement, the development phase (the “Development Phase”), is to commence on a mutually agreed upon date, but no later than October 1, 2011, and will continue through December 31, 2012. During the Development Stage, the Company will sell to NLE, and NLE will Purchase from the Company, 250 of the Company’s vehicles (the “Initial Inventory”). The Initial Inventory shall be comprised of one or more vehicle models mutually agreeable to the Company and NLE. From and after the commencement of the Development Phase, and continuing thereafter throughout the Term, NLE will be solely responsible for the servicing and maintenance of all Company products in the Territory. With the recent reduction of the import tax on EV’s and the ability to import used EV’s which have less government regulations attached to them, the Company now sees a more favorable opportunity for working with our distributor in Iceland.

*Sales and Marketing Phase*
The third phase of the Agreement, the sales and marketing phase (the “Sales and Marketing Phase”), is to commence at the end of the Development Phase and end on December 31, 2017. At or prior to the commencement of the Sales and Marketing Phase, NLE will prepare and submit to the Company for its approval, a business plan for the marketing, sales, and service of Company products within the Territory (the “Initial Business Plan”). The Initial Business Plan will include such information as the Company may reasonably require but, at a minimum, will contain a distribution, sales, marketing, and after sales plan outlining targets, strategies and plans for the following year. At all times throughout the Sales and Marketing Phase, NLE will devote to its activities under the Agreement sufficient assets and resources to effectively, ethically, and lawfully sell and promote the purchase and use of Company products by customers in the Territory and to otherwise carry out its obligations. To satisfy this commitment, NLE agrees, at a minimum, to appoint and maintain an experienced automotive team to execute the operations, sales, marketing and after sales for the Company’s products, including an adequate staff of sales personnel who are fully trained and knowledgeable about the Company’s products to support sales activities throughout the Territory and an adequate staff of trained engineers and service technicians to handle after sale services throughout the Territory; maintain an adequate selection and stock of the Company’s products as is necessary to fulfill customers’ demands and to ensure timely repair and/or replacement under warranty or non-warranty service; ensure that each customer’s purchase and delivery experience is satisfactory; appoint and maintain experienced and competent public relations and advertising personnel and agencies to promote the Company’s products and the Company brand throughout the Territory. During the Sales and Marketing Phase, the Company will sell to NLE, and NLE will purchase from the Company, 750 Company vehicles, or such greater number of the Company’s vehicles as the Parties may mutually agree. NLE will submit binding orders for purchase and delivery of at least 150 Company vehicles in each calendar year of the Sales and Marketing Phase.

Delivery Companies

On March 30, 2012 the Company signed an agreement with a national package delivery service to convert two of their delivery vehicles to 100% electric. The purpose of the agreement is to supply demonstration vehicles for their evaluation. A successful demonstration project may provide the potential to sell additional vehicle conversions to them in the future."

Navistar

On April 10, 2012 the Company entered into a development and supply agreement with Navistar International Corporation whereby the Company will develop all electric heavy duty commercial stepvans for Navistar.

The Company has delivered its first EV conversion stepvan commercial truck to Navistar for testing. Company personnel are on site to assist Navistar. Preliminary tests show the vehicle performing well against a competitor truck owned by Navistar. The target market is high mileage existing urban delivery trucks for re-power conversion to 100% electric as well as new vehicle supply via truck OEM’s.

**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 June 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 June 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 June 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 June 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*

On May 16, 2012, Paul V. Gonzales resigned as the Chief Financial Officer of the Company to pursue other interests. Richard Calme was appointed by the Company to serve as the Interim Chief Financial Officer.

There were no other changes in our internal control over financial reporting during the quarter ended June 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 some 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.**

Our cash balance at the end of June 2012 is very low. This resulted in a delay in payment of a portion of payroll and will impact the payment of our outstanding accounts payable. If we do not raise additional capital in the near future, we will be required to lay off additional employees. We are currently evaluating several options for financing, but there are no guarantees that we will raise capital 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, 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 operations have not resulted in profitability.**

The Company has incurred a net loss amounting to $18,931,528 for the period from inception (February 20, 2007) through June 30, 2012. In addition, as of June 30, 2012, the Company has a working capital deficiency of $3,136,680. If we incur additional significant operating losses, our stock price, may decline.

Management is developing plans to alleviate the negative trends and conditions described above. Our business plan is based on the profitability of our truck sales in the near term and exploring new, more profitable, markets for our other vehicles.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 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.

**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.**

The success of the Company's operations will largely depend upon its ability to successfully attract and retain competent and qualified key engineering and management personnel. A recent review of our salary structure shows us in line with other similar companies our size.

**We must effectively manage the growth of our operations.**

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 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, 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.

**It is important for the Company to keep up with advances in electric vehicle technology or 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 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. Recent reports show, demand for and interest in electric vehicles increasing, though not at the rate expected a few years ago. 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

The positive response we have gotten to the development of our conversion of stepvans to all electric is causing us temporarily to concentrate more on that technology than our SUVs, which will become more competitive as gasoline prices rise and the public becomes more confident in EV technology. 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.**

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,  in government subsidies may result in the diminished price competitiveness of our vehicles.

**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 Company continually upgrades or invents new technology to stay ahead of the competition. If our research and development efforts are not able to stay ahead of the competition it would harm our competitive position.

**The failure of certain key suppliers to provide us with components could have a  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.

**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 have patents pending with the United States Patent and Trademark Office. We have entered into confidentiality agreements with our employees and consultants to help protect the Company’s intellectual property. 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 9a 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 July 31, 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 8, 2012 with the most recent $100,000 invested on August 8, 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 March 2012 the Company settled outstanding invoices for legal and consulting services totaling $60,000 by issuing 177,515 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**

***Status of Current Obligations***

Cash
The cash balance at the end of June 30, 2012 is very low. A portion of back pay is owed to executives of the Company. Additional funds from the sale of Convertible Debentures could supplement our cash balance in the near term and allow the payment of outstanding payroll as well as the payment of a portion of overdue accounts payable. The Company is offering some vendors common stock to settle overdue accounts payable.

Payroll
The February 2012 payroll for Officers and Executives has been deferred and 50% of their pay was paid on March 30, 2012. The March, April, May, and June, 2012 payroll for Officers and Executives has also been delayed. Additionally, the Board of Directors agreed to defer their Board compensation until significant investor funds are received. Board compensation has not been paid since August 2011.

Should further investment capital not be raised to adequately fund payroll, it can be expected that further staff layoffs will be required.

Accounts Payable
The company has numerous delinquent current obligations to suppliers, employees and business contracts. As of June 30, 2012 the accounts payable balance is $1,567,638. 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.

***Key Personnel Changes***

On April 13, 2012, the Company entered into an Agreement and General Release (the “Agreement”) with Joseph Paresi, Chairman of the Board, pursuant to which Mr. Paresi resigned from all positions that he held at the Company. Under the terms of the Agreement, the Company is to pay to Mr. Paresi $30,000 in unpaid director fees and $1,235 in past expenses (the “Payment Amount”). The Payment Amount is to be paid in full upon the earlier of the Company raising $1,000,000 or the Company commencing the payment of Director compensation to James Taylor, CEO of the Company. Further, all parties have agreed that Mr. Paresi’s December 2010 Options and May 2011 Options have vested in accordance with the standard schedule and all remaining options that are unvested shall terminate.

On May 16, 2012, Paul V. Gonzales resigned as the Chief Financial Officer of the Company to pursue other interests.

On August 10, 2012, the Company and James E. Taylor (“Taylor”) entered into an Agreement (the “Release”) pursuant to which Taylor resigned as the CEO of the Company and continues to serve as the Chairman of the Board of Directors of the Company. Additionally, under the terms of the Release the Company and Taylor settled the amount of fees owing to Taylor for serving as the Company’s CEO. For serving as the Chairman of the Board of Directors, the Company issued to Taylor a stock option to acquire 300,000 shares of common stock at an exercise price of $0.15. In consideration for Taylor’s execution of the Release, the Company agreed to pay Taylor the amount of $87,500 in back pay and $43,333 in past Board of Directors fees (collectively, the “Amount”). Upon raising adequate capital, the Company agreed to use its best efforts to develop a payment schedule with respect to the Amount owed to Taylor. The Company will not make any other payments to or on behalf of Taylor, whether in the form of bonuses, severance, paid time off, profit sharing, or otherwise.

**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) |
| 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 | Agreement between the Company and James E. Taylor dated August 10, 2012 |
| 10.15 | Stock Option granted to James E. Taylor dated August 10, 2012 |
| 10.16 | Letter Agreement dated August 10, 2012 between James E. Taylor and the Company |
| 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.

## 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: August 14, 2012 | By: /s/ Stephen S. Burns<br>Name: Stephen S. Burns<br>Title: President and Chief Executive Officer (Principal Executive Officer |
| Dated: August 14, 2012 | By: /s/ Richard Calme<br>Name: Richard Calme<br>Title: Interim Chief Financial Officer (Principal Financial Officer) |

**EXHIBIT 10.14**

# AGREEMENT

This **AGREEMENT** (this “Release”) is entered into this 10th, day of August 2012, by and between AMP Holding Inc., on behalf of itself and its subsidiary corporation (the “Company”) and James E. Taylor (“Taylor”), (each a “Party” or collectively the “Parties”). In consideration of the promises and commitments made in this Release, the sufficiency and fairness of which is hereby acknowledged, the Company and Taylor agree as follows:

WHEREAS, the Company and Taylor desire to clarify the amount of fees owing to Taylor for serving as the Chief Executive Officer.

WHEREAS, Taylor desires to resign as the CEO of the Company and to continue to serve as the Chairman of the Board of Directors of the Company.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, it is agreed as follows:

## ARTICLE 1: CHANGE IN ROLE

1.1 Resignation. Taylor’s final date of employment as Chief Executive Officer was May 31, 2012. Taylor has no further rights, duties or obligations relating to the Company or Released Parties (as defined below) other than as set forth in this Agreement. Taylor acknowledges that any and all agreements relating to the Company or Released Parties, are hereby cancelled by the Parties. This Agreement shall replace all other agreements relating to the Company and Released Parties.

1.2 Appointment as Chairman. Taylor hereby agrees to serve as Chairman of the Board of Directors pursuant to the Letter Agreement attached hereto as Exhibit A. For serving as the Chairman of the Board of Directors, Company shall issue Taylor a stock option to acquire 300,000 shares of common stock, which is attached hereto as Exhibit B.

## ARTICLE 2: OBLIGATIONS OF THE PARTIES

2.1 This Agreement will be deemed in force and effect upon the date of this Agreement. In consideration for Taylor’s execution of this Agreement and the release set forth herein, the Company shall pay to Taylor the amount of $87,500 (1/2 February + March thru May, 2012) in back pay and $43,333.29 in past Board of Directors fees (September, 2011 thru July 2012) (collectively, the “Amount”). Upon raising adequate capital, the Company shall use its best efforts to develop a payment schedule with respect to the Amount owed to Taylor. The Company shall not make any other payments to or on behalf of Taylor, whether in the form of bonuses, severance, paid time off, profit sharing contributions, or otherwise.

2.2 Taylor’s existing stock options will vest in accordance with the schedule attached hereto as Exhibit C.

## ARTICLE 3: RELEASED PARTIES

The Parties intend this Release to benefit and release the Company and all entities and individuals which are affiliates of the Company including, without limitation any corporation or entity hereafter controlled by, or under the control of, any of the above described affiliates or other known affiliates of the Company, their heirs, predecessors, successors, administrators, assigns, and subsidiaries, and each of their respective officers, directors, agents, attorneys, and employees and their heirs, successors, administrators, assigns (collectively, the "Released Parties").

## ARTICLE 4: RELEASE OF ALL PARTIES

Taylor agrees and understands that Taylor is receiving in exchange for Taylor's promises contained in this Agreement, something of value to Taylor. Taylor has determined that this is a fair exchange. In order for Taylor to receive this consideration, Taylor knowingly and voluntarily releases Released Parties from every possible claim that Taylor can legally waive. This waiver should be construed as broadly as possible to release all possible claims, debts, obligations, demands, judgments, or causes of action of any kind whatsoever, whether known or unknown, that may be waived. However, for additional clarity, the following is a list of some of the types of claims included in this Release: all claims in tort (for negligent or intentional acts), in contract, by statute, for constitutional violation, for wrongful discharge, discrimination, harassment, retaliation, or claims of personal injury, for compensatory, punitive, or other damages, expenses, reimbursements, or costs of any kind, including but not limited to, any and all claims, demands, rights, and/or causes of action arising out of employment with the Company or Released Parties, or relating to purported employment discrimination or violations of civil rights, including, but not limited to, those arising under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Civil Rights Acts of 1866 and/or 1871, the Family and Medical Leave Act ("FMLA"), the Age Discrimination in Employment Act of 1967 ("ADEA"), the Older Workers Benefit Protection Act, the Americans with Disabilities Act of 1990 ("ADA"), public and private whistle blower laws, Taylor Order 11246, the Equal Pay Act of 1963, the Rehabilitation act of 1973, the Taylor Retirement Income Security Act of 1974 ("ERISA"), or other benefits laws, or any other applicable federal, state or local employment discrimination statute or ordinance or any other claim, whether statutory or based on common law, arising by reason of Taylor's employment with the Company or the Released Parties, the separation from that employment or circumstances related thereto or by reason of any other matters, cause, or thing whatsoever, from the beginning of time to the signing of this Release, and specifically releases any claims that the Released Parties have any obligation to rehire Taylor at any time.

## ARTICLE 5: POST EMPLOYMENT COOPERATION

5.1 Protection of Interests. Taylor has had access to and has been associated with one or more of the following assets of the Company: (i) trade secrets, (ii) valuable confidential business or professional information, (iii) prospective or existing clients, suppliers and other business associates of the Company, (iv) the goodwill of the Company's clients, contractors, employees and other business associates, (v) extraordinary or specialized training or education, and (vi) other Confidential Information (defined below), and Taylor might have future access to such assets;

Non-Piracy and Non-Solicitation. Taylor will or has become familiar with the employees and personnel associated with the Company. Taylor acknowledges that but for his agreement to comply with the terms and conditions of this Agreement, Taylor would not have had or have any ongoing relationship with the Company. Accordingly, Taylor hereby agrees that Taylor shall not, either as an individual on his own account, or as a partner or joint venturer, or as an employee, agent, or under the authority of any person or business entity, investor, or as an officer, director or stockholder or an employer, without the Company Chief Executive Officer's prior written consent, directly or indirectly, influence or attempt to influence any employee of the Company to terminate his or her relationship with the Company for 1 year from the date of this Agreement. At no time in the future will Taylor disclose or use any Confidential Information of the Company (including, but not limited to, knowledge of compensation, benefits, performance reviews, communications by Company Agents or alleged communications by Company Agents) for any reason in any manner unless agreed to by the Company Chief Executive Officer or otherwise at the company Chief Executive Officer's direction or request for the benefit of the Company.

Intentionally left blank.

Confidentiality. Taylor agrees that, Taylor shall protect and shall not disclose the Company's Confidential Information. For the purposes of this Agreement, "Confidential Information" shall mean information possessed by the Company relating to the Company's business, personnel, operations, finances, billing, and clients. Confidential Information shall be deemed to include, but not be limited to, information relating to disclosures, processes, systems, techniques, government filings, materials, devices, costs, fees, payroll, finances, compensation structures, business plans, marketing plans, client or potential client information, trade secrets, business operations, human resources issues, legal claims, matters discussed at management meetings or matters discussed with the Company Chief Executive Officer, or other office matters, and other information that the Company has expressly described to Taylor as confidential. Information or collections of information shall be considered included in the definition of Confidential Information if not known by the trade generally. Confidential Information shall include information, whether verbal or written, was disclosed to Taylor whether intentionally or inadvertently, prior to, during, or after employment. The obligations of Taylor hereunder shall continue in effect indefinitely.

Remedies. Taylor further acknowledges and agrees with the Company that the particular matters referred to in this Agreement are of such nature that in the event of a threatened or actual violation thereof, proof of damages would be extremely difficult. Therefore, in the event of the breach or threatened breach by Taylor of the covenants contained in this Release, Taylor agrees that the Company shall be entitled to injunctions, both preliminary and final, without bond or security, enjoining and restraining such breach or threatened breach and such remedies shall be in addition to all other remedies which may be available to the Company either at law or in equity. The Company and Taylor agree and acknowledge that a violation of the covenants contained herein shall cause the Company to suffer irreparable damages, including the potential inability of the Company to prove specific money damages and Taylor agrees that he is estopped from subsequently asserting in any action to enforce the provisions of the covenants contained herein that the Company has an adequate remedy at law and therefore is not entitled to injunctive relief.

## ARTICLE 6: REVIEW OF RELEASE

Taylor is advised to consult with an attorney prior to signing this Release. Taylor understands that whether or not he does consult with an attorney is his decision.

## ARTICLE 7: MISCELLANEOUS

Survival. If any provision of this Release were declared or determined by any court of competent jurisdiction to be illegal, invalid, or unenforceable, the legality, validity, and enforceability of the remaining parts, terms or provisions shall not be effected thereby, and said illegal, unenforceable, or invalid part, term or provision, shall be deemed not to be part of this Release.

Duplicate Originals. This Release may be executed in several counterparts, each of which shall be deemed an original.

Headings. The headings contained in this Release are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Release or any provisions hereof.

Representations. In determining whether to execute this Release, Taylor has not relied on any representations by the Company other than the written representations contained in this Release.

Effectuating Release. Taylor hereby agrees to execute any additional documents that may reasonably be required to facilitate or effectuate this Release. The Parties are unaware of the existence of any such need at this time.

Review and Understanding. Taylor acknowledges that Taylor has read its terms and understands the terms of this Release.

For Settlement Purposes. This Release is entered into in full accord and satisfaction and compromise of the claims or potential claims of Taylor and is not in any way to be construed as an admission of any wrongdoing or liability on the part of the Released Parties or an admission that Released Parties violated any law or breached any agreement. The Company expressly denies any liability or violation and intends merely to avoid the costs associated with any potential litigation. Further, even if there were a determination that the Company had violated any law or regulation, or breached any agreement, Taylor would be entitled to no additional amount.

Voluntary. Taylor agrees that Taylor executed this Release voluntarily and without duress, coercion, or undue influence.

Binding. This Release is binding on Taylor and Taylor's heirs, administrators, executors, successors and assigns.

Breach. Taylor's material breach of this Agreement shall result in the immediate cessation of the Company's severance obligations, and Taylor shall repay to the Company all amounts received. The Company shall retain the right to seek an injunction to enforce any provision of this Agreement.

Entire Agreement. This Release contains the entire agreement between the parties. Any prior agreements or understandings are replaced by this Agreement. By signing this Release, Taylor acknowledges that Taylor has reviewed, understands, and agrees with each of the terms of this Release and hereby effects this Release.

7.12 Governing Law and Jurisdiction. The laws of the State of Ohio apply to this Agreement, without deference to the principles of conflicts of law. Both jurisdiction and venue for any litigation pursuant to this Agreement shall be proper in the courts of Ohio.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the date first above written.

**AMP HOLDING INC.**

By: /s/ Stephen S. Burns
Name: Stephen S. Burns
Title: President
Date: August 10, 2012

By: /s/James E. Taylor
Date: August 10, 2012

**Exhibit A – Letter Agreement**

**Exhibit B – Stock Option**

**Exhibit C – Vesting Schedule**

**EXHIBIT 10.15**

**AMP HOLDING INC.**
**NONSTATUTORY STOCK OPTION AGREEMENT**

**This Nonstatutory Stock Option Agreement** ("**Agreement**") is made and entered into as of the date set forth below, by and between AMP HOLDING INC., a Nevada corporation (the "**Company**"), and the following director of the Company ("**Optionee**"):

In consideration of the covenants herein set forth, the parties hereto agree as follows:

1. Option Information.

| | | |
|---|---|---|
| (a) | Date of Option: | August 10, 2012 |
| (b) | Optionee: | James Taylor |
| (c) | Number of Shares: | 300,000 |
| (d) | Exercise Price: | $0.15 |

2. Acknowledgements.

(a) Optionee is a director of the Company.

(b) The Board of Directors (the "**Board**" which term shall include an authorized committee of the Board of Directors) and shareholders of the Company have heretofore adopted a 2011 Incentive Stock Plan (the "**Plan**"), pursuant to which this Option is being granted; and

(c) The Board has authorized the granting to Optionee of a nonstatutory stock option ("**Option**") to purchase shares of common stock of the Company ("**Stock**") upon the terms and conditions hereinafter stated and pursuant to an exemption from registration under the Securities Act of 1933, as amended (the "**Securities Act**") provided by Rule 701 thereunder.

3. Shares; Price. Company hereby grants to Optionee the right to purchase, upon and subject to the terms and conditions herein stated, the number of shares of Stock set forth in Section 1(c) above (the "**Shares**") for cash (or other consideration as is authorized under the Plan and acceptable to the Board of Directors of the Company, in their sole and absolute discretion) at the price per Share set forth in Section 1(d) above (the "**Exercise Price**"), such price being not less than eighty-five percent (85%) of the fair market value per share of the Shares covered by this Option as of the date hereof.

4. Term of Option; Continuation of Service. This Option shall expire, and all rights hereunder to purchase the Shares shall terminate, five (5) years from the date hereof. This Option shall earlier terminate subject to Sections 7 and 8 hereof upon, and as of the date of, the termination of Optionee's as director if such termination occurs prior to the end of such five (5) year period. Nothing contained herein shall confer upon Optionee the right to the continuation of his or her role as director by the Company or to interfere with the right of the Company to terminate such role or to increase or decrease the compensation of Optionee from the rate in existence at the date hereof.

5. Vesting of Option. Subject to the provisions of Sections 7 and 8 hereof, this Option shall become exercisable during the term of Optionee's engagement as a director in three (3) equal installments of thirty three percent (33.3%) of the Shares covered by this Option, the first installment to be exercisable immediately and the balance to be exercisable in equal tranches on the first and second anniversary of the date of this Option. The installments shall be cumulative (i.e., this option may be exercised, as to any or all shares covered by an installment, at any time or times after an installment becomes exercisable and until expiration or termination of this option).

6. Exercise. This Option shall be exercised by delivery to the Company of (a) written notice of exercise stating the number of Shares being purchased (in whole shares only) and such other information set forth on the form of Notice of Exercise attached hereto as Appendix A, (b) a check or cash in the amount of the Exercise Price of the Shares covered by the notice (or such other consideration as has been approved by the Board of Directors consistent with the Plan) and (c) a written investment representation as provided for in Section 13 hereof. Notwithstanding anything to the contrary contained in this Option, this Option may be exercised by presentation and surrender of this Option to the Company at its principal executive offices with a written notice of the holder's intention to effect a cashless exercise, including a calculation of the number of shares of Common Stock to be issued upon such exercise in accordance with the terms hereof (a "Cashless Exercise"). In the event of a Cashless Exercise, in lieu of paying the Exercise Price in cash, the holder shall surrender this Option for that number of shares of Common Stock determined by multiplying the number of Shares to which it would otherwise be entitled by a fraction, the numerator of which shall be the difference between the then current Market Price per share of the Common Stock and the Exercise Price, and the denominator of which shall be the then current Market Price per share of Common Stock. For example, if the holder is exercising 100,000 Options with a per Warrant exercise price of $0.75 per share through a cashless exercise when the Common Stock's current Market Price per share is $2.00 per share, then upon such Cashless Exercise the holder will receive 62,500 shares of Common Stock. Market Price is defined as the average of the last reported sale prices on the principal trading market for the Common Stock during the five (5) trading days immediately preceding such date. This Option shall not be assignable or transferable, except by will or by the laws of descent and distribution, and shall be exercisable only by Optionee during his or her lifetime, except as provided in Section 8 hereof.

7. Termination/Resignation of Director. If Optionee shall cease to serve as a director by the Company for any reason, whether voluntarily or involuntarily, other than by his or her death, Optionee (or if the Optionee shall die after such termination, but prior to such exercise date, Optionee's personal representative or the person entitled to succeed to the Option) shall have the right at any time within three (3) months following such termination or the remaining term of this Option, whichever is the lesser, to exercise in whole or in part this Option to the extent, but only to the extent, that this Option was exercisable as of the date of termination and had not previously been exercised; provided, however: (i) if Optionee is permanently disabled (within the meaning of Section 22(e)(3) of the Code) at the time of termination, the foregoing three (3) month period shall be extended to six (6) months; or (ii) if Optionee is terminated "for cause", or by the terms of the Plan or this Option Agreement or by any agreement between the Optionee and the Company, this Option shall automatically terminate as to all Shares covered by this Option not exercised prior to termination.

Unless earlier terminated, all rights under this Option shall terminate in any event on the expiration date of this Option as defined in Section 4 hereof.

8. Death of Optionee. If the Optionee shall die while serving as a director of the Company, Optionee's personal representative or the person entitled to Optionee's rights hereunder may at any time within six (6) months after the date of Optionee's death, or during the remaining term of this Option, whichever is the lesser, exercise this Option and purchase Shares to the extent, but only to the extent, that Optionee could have exercised this Option as of the date of Optionee's death; provided, in any case, that this Option may be so exercised only to the extent that this Option has not previously been exercised by Optionee.

9. No Rights as Shareholder. Optionee shall have no rights as a shareholder with respect to the Shares covered by any installment of this Option until the effective date of issuance of the Shares following exercise of this Option, and no adjustment will be made for dividends or other rights for which the record date is prior to the date such stock certificate or certificates are issued except as provided in Section 10 hereof.

10. Recapitalization. Subject to any required action by the shareholders of the Company, the number of Shares covered by this Option, and the Exercise Price thereof, shall be proportionately adjusted for any increase or decrease in the number of issued shares resulting from a subdivision or consolidation of shares or the payment of a stock dividend, or any other increase or decrease in the number of such shares effected without receipt of consideration by the Company; provided however that the conversion of any convertible securities of the Company shall not be deemed having been "effected without receipt of consideration by the Company".

In the event of a proposed dissolution or liquidation of the Company, a merger or consolidation in which the Company is not the surviving entity, or a sale of all or substantially all of the assets or capital stock of the Company (collectively, a "**Reorganization**"), unless otherwise provided by the Board, this Option shall terminate immediately prior to such date as is determined by the Board, which date shall be no later than the consummation of such Reorganization. In such event, if the entity which shall be the surviving entity does not tender to Optionee an offer, for which it has no obligation to do so, to substitute for any unexercised Option a stock option or capital stock of such surviving of such surviving entity, as applicable, which on an equitable basis shall provide the Optionee with substantially the same economic benefit as such unexercised Option, then the Board may grant to such Optionee, in its sole and absolute discretion and without obligation, the right for a period commencing thirty (30) days prior to and ending immediately prior to the date determined by the Board pursuant hereto for termination of the Option or during the remaining term of the Option, whichever is the lesser, to exercise any unexpired Option or Options without regard to the installment provisions of Section 5; provided, however, that such exercise shall be subject to the consummation of such Reorganization.

Subject to any required action by the shareholders of the Company, if the Company shall be the surviving entity in any merger or consolidation, this Option thereafter shall pertain to and apply to the securities to which a holder of Shares equal to the Shares subject to this Option would have been entitled by reason of such merger or consolidation, and the installment provisions of Section 5 shall continue to apply.

In the event of a change in the shares of the Company as presently constituted, which is limited to a change of all of its authorized Stock without par value into the same number of shares of Stock with a par value, the shares resulting from any such change shall be deemed to be the Shares within the meaning of this Option.

To the extent that the foregoing adjustments relate to shares or securities of the Company, such adjustments shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. Except as hereinbefore expressly provided, Optionee shall have no rights by reason of any subdivision or consolidation of shares of Stock of any class or the payment of any stock dividend or any other increase or decrease in the number of shares of stock of any class, and the number and price of Shares subject to this Option shall not be affected by, and no adjustments shall be made by reason of, any dissolution, liquidation, merger, consolidation or sale of assets or capital stock, or any issue by the Company of shares of stock of any class or securities convertible into shares of stock of any class.

The grant of this Option shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes in its capital or business structure or to merge, consolidate, dissolve or liquidate or to sell or transfer all or any part of its business or assets.

11. Taxation upon Exercise of Option. Optionee understands that, upon exercise of this Option, Optionee will recognize income, for Federal and state income tax purposes, in an amount equal to the amount by which the fair market value of the Shares, determined as of the date of exercise, exceeds the Exercise Price. The acceptance of the Shares by Optionee shall constitute an agreement by Optionee to report such income in accordance with then applicable law and to cooperate with Company in establishing the amount of such income and corresponding deduction to the Company for its income tax purposes. Withholding for federal or state income and employment tax purposes will be made, if and as required by law, from Optionee's then current compensation, or, if such current compensation is insufficient to satisfy withholding tax liability, the Company may require Optionee to make a cash payment to cover such liability as a condition of the exercise of this Option.

12. Modification, Extension and Renewal of Options. The Board or Committee, as described in the Plan, may modify, extend or renew this Option or accept the surrender thereof (to the extent not theretofore exercised) and authorize the granting of a new option in substitution therefore (to the extent not theretofore exercised), subject at all times to the Plan and the Code. Notwithstanding the foregoing provisions of this Section 12, no modification shall, without the consent of the Optionee, alter to the Optionee's detriment or impair any rights of Optionee hereunder.

13. Investment Intent; Restrictions on Transfer.

(a) Optionee represents and agrees that if Optionee exercises this Option in whole or in part, Optionee will in each case acquire the Shares upon such exercise for the purpose of investment and not with a view to, or for resale in connection with, any distribution thereof; and that upon such exercise of this Option in whole or in part, Optionee (or any person or persons entitled to exercise this Option under the provisions of Sections 7 and 8 hereof) shall furnish to the Company a written statement to such effect, satisfactory to the Company in form and substance. If the Shares represented by this Option are registered under the Securities Act, either before or after the exercise of this Option in whole or in part, the Optionee shall be relieved of the foregoing investment representation and agreement and shall not be required to furnish the Company with the foregoing written statement.

(b) Optionee further represents that Optionee has had access to the financial statements or books and records of the Company, has had the opportunity to ask questions of the Company concerning its business, operations and financial condition, and to obtain additional information reasonably necessary to verify the accuracy of such information

(c) Unless and until the Shares represented by this Option are registered under the Securities Act, all certificates representing the Shares and any certificates subsequently issued in substitution therefor and any certificate for any securities issued pursuant to any stock split, share reclassification, stock dividend or other similar capital event shall bear legends in substantially the following form:

THESE SECURITIES HAVE NOT BEEN REGISTERED OR OTHERWISE QUALIFIED UNDER THE SECURITIES ACT OF 1933 (THE 'SECURITIES ACT') OR UNDER THE APPLICABLE OR SECURITIES LAWS OF ANY STATE. NEITHER THESE SECURITIES NOR ANY INTEREST THEREIN MAY BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE SECURITIES LAWS OF ANY STATE, UNLESS PURSUANT TO EXEMPTIONS THEREFROM.

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ISSUED PURSUANT TO THAT CERTAIN NONSTATUTORY STOCK OPTION AGREEMENT DATED ____________ BETWEEN THE COMPANY AND THE ISSUEE WHICH RESTRICTS THE TRANSFER OF THESE SHARES WHICH ARE SUBJECT TO REPURCHASE BY THE COMPANY UNDER CERTAIN CONDITIONS.

and/or such other legend or legends as the Company and its counsel deem necessary or appropriate. Appropriate stop transfer instructions with respect to the Shares have been placed with the Company's transfer agent.

14. Stand-off Agreement. Optionee agrees that, in connection with any registration of the Company's securities under the Securities Act, and upon the request of the Company or any underwriter managing an underwritten offering of the Company's securities, Optionee shall not sell, short any sale of, loan, grant an option for, or otherwise dispose of any of the Shares (other than Shares included in the offering) without the prior written consent of the Company or such managing underwriter, as applicable, for a period of at least one year following the effective date of registration of such offering.

15. Intentionally Left Blank.

16. Notices. Any notice required to be given pursuant to this Option or the Plan shall be in writing and shall be deemed to be delivered upon receipt or, in the case of notices by the Company, five (5) days after deposit in the U.S. mail, postage prepaid, addressed to Optionee at the address last provided by Optionee for his or her records.

17. Agreement Subject to Plan; Applicable Law. This Option is made pursuant to the Plan and shall be interpreted to comply therewith. A copy of such Plan is available to Optionee, at no charge, at the principal office of the Company. Any provision of this Option inconsistent with the Plan shall be considered void and replaced with the applicable provision of the Plan. This Option has been granted, executed and delivered in the State of Ohio, and the interpretation and enforcement shall be governed by the laws thereof and subject to the exclusive jurisdiction of the courts therein.

**In Witness Whereof**, the parties hereto have executed this Option as of the date first above written.

**COMPANY:**

AMP HOLDING INC.,
a Nevada corporation

By: /s/Stephen Burns
Name: Stephen Burns
Title: President

**OPTIONEE:**

By: /s/James E. Taylor
(*signature*)
Name: James E. Taylor

**EXHIBIT 10.16**

AMP Holding Inc.
100 Commerce Drive
Loveland, Ohio 45140

August 10, 2012

James E. Taylor

Letter of Appointment – Board of Directors

Dear Mr. Taylor:

This letter shall amend and restate that certain letter agreement entered October 11, 2010. We are pleased to offer you the role of Chairman of the Board of Directors (the “Board”) of AMP Holding Inc. (the “Company”). This letter contains the terms of your appointment as Chairman of the Board of Directors of the Company that was agreed to on June 1, 2012.

1. Your Duties:

a) You will be expected to attend and chair all meetings (either in person or by teleconference) of the Board of the Company, of which we expect to hold approximately four per annum as well as sign all written consents if you deem appropriate. In addition, you will be expected to perform such other duties as are reasonably contemplated by your holding office as Chairman of the Company or which may reasonably be assigned to you by the Board from time to time.

b) As Chairman you will:

i) Perform to the best of your abilities and knowledge the duties reasonably assigned to you by the Board from time to time, whether during or outside business hours and at such places as the Board reasonably requires;

ii) Use all reasonable efforts to promote the interests of the Company;

iii) Attend directors’ meetings;

iv) Act in the best interests of the Company; and

v) Work closely with the Chairman of the Board of Directors and the Chief Executive Officer.

c) As you will appreciate, however, your time commitment will ultimately be a product of the matters confronting the Company from time to time and matters properly requiring your attention as a director of the Company.

2.Remuneration:

a)Fees

i)The Company will pay you an annual fee of US$80,000.

ii)The Company shall pay the annual fee in equal monthly instalments in arrears on the last day of each month. Your first and last instalments of the annual fee will be apportioned if necessary. The fee will be paid by wire to your nominated bank account.

iii)Your fees shall be subject to adjustment periodically as determined by the Board.

b)Options: The Company shall grant you options to purchase 300,000 shares of the Company’s common stock as set forth in the Option Agreement attached hereto.

3.Expenses: Subject to you providing the Company with receipts or other evidence of payment, the Company will pay for or reimburse you for all travelling, hotel and other expenses that are preapproved in writing by the Company and are reasonably incurred by you in connection with attending and returning from Board, Committee, Company, meetings or otherwise in connection with the Company's business. Reasonable travel and out of pocket expenses used in connection with the business of the Group shall include:

a)Domestic and international travel (economy class under 4 hours and business class over 4 hours); and

b)Hotel accommodation.

4.Termination of Appointment:

a)Your appointment as the Director may be terminated at any time by the vote of the stockholders of the Company in accordance with the certificate of incorporation and bylaws of the Company.

b)You acknowledge and agree that if the shareholders of the Company terminate your appointment, you will have no claim of any kind against the Company by reason of the termination.

c)You are at liberty to terminate the appointment at any time by notice in writing to the Company.

5.What happens after termination of appointment?

If your appointment is terminated for any reason or you resign for any reason:

a)The Company may set off any amounts you owe the Company against any amounts the Company owes to you as a Director at the date of termination except for amounts the Company is not entitled by law to set off;

b)You must return all the Company's property (including property leased by the Company) to the Company on termination including all written or machine readable material, software, computers, credit cards, keys and vehicles; and

c)You must not record any confidential information in any form after termination.

6.Prohibited Activities:

a)You undertake to the Company that you will not during the term of your appointment engage in a business or an activity that would place you in a position of conflict in respect of the performance of your duties.

b)Except as permitted in this Agreement or as approved by the Company, you will not (i) use any Confidential Information (as defined below) or (ii) disseminate or in any way disclose the Confidential Information to any person, firm, business or governmental agency or department. You may use the Confidential Information to perform your Duties for the benefit of Company. You shall treat all Confidential Information with the same degree of care as you accord to your own confidential information, but in no case shall you use less than reasonable care. You shall immediately give notice to Company of any unauthorized use or disclosure of the Confidential Information. You shall assist Company in remedying any the unauthorized use or disclosure of the Confidential Information. You agree not to communicate any information to Company in violation of the proprietary rights of any third party.

"Confidential Information" means (a) any technical and non-technical information related to the Company's business and current, futur proposed products and services of Company, including for example and without limitation, Company innovations, intellectual property information concerning research, development, design details and specifications, financial information, procurement requirements, engineerin manufacturing information, customer lists, business forecasts, sales information, marketing plans and business plans, and provided, in each that each is marked as "confidential" or "proprietary" and (b) any information that Company has received from others that may be made kno you and that Company is obligated to treat as confidential or proprietary, and provided, in each case, that each is marked as "confidentia "proprietary".

7.Notices and Other Communications:

a)Service of Notices

A notice, demand, consent, approval or communication under this letter (collectively a "Notice") must be:

i)In writing and in English directed to the address advised by the recipient for notices, as varied by any notice; and

ii)Hand delivered or sent by prepaid post or facsimile to that address.

b)Effective on Receipt: A Notice given in accordance with section 7a takes effect when received (or at a later time specified in the Notice), and is taken to be received:

i)If hand delivered, on delivery;

ii)If sent by prepaid post, two Business Days after the date of posting (or seven Business Days after the date of posting if posted to or from outside The United States of America);

iii)If sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice;

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the Business Day after that delivery, receipt or transmission.

8.Miscellaneous

a)Alterations: This letter may be altered only in writing signed by each party.

b)Approvals and consents: Except where this letter expressly states otherwise, a party may, in its discretion, give conditionally or unconditionally or withhold any approval or consent under this letter.

c)Assignment: This letter may NOT be assigned by either party.

d)Costs: Each party must pay its own costs of negotiating, preparing and executing this letter.

e)Survival: Any indemnity in this letter is independent and survives termination of this letter. Any other provision by its nature intended to survive termination of this letter survives termination of this letter.

f)Counterparts: This letter may be executed in counterparts. All executed counterparts constitute one document.

g)No Merger: The rights and obligations of the parties under this letter do not merge on completion of any transaction contemplated by this letter.

h)Entire Agreement: This letter constitutes the entire agreement between the parties in connection with its subject matter and supersedes all previous agreements or understandings between the parties in connection with its subject matter.

i)Further Action: Each party must do, at its own expense, everything reasonably necessary (including executing documents) to give full effect to this letter and the transactions contemplated by it.

j)Waiver: A party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise of a right, power or remedy does not prevent another or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy must be in writing and signed by the party giving the waiver.

k)Relationship: Except where this letter expressly states otherwise, it does not create a relationship of employment, agency or partnership between the parties.

l)Confidentiality: A party may only use the confidential information of another party for the purposes of this letter, and must keep the existence of this letter and the terms of it and the confidential information of another party confidential information except where:

i)The information is public knowledge (but not because of a breach of this letter) or the party has independently created the information; or

ii)Disclosure is required by law or a regulatory body (including a relevant stock exchange).

m)Announcements: A public announcement in connection with this letter or a transaction contemplated by it must be agreed by the parties before it is made, except if required by law or a regulatory body (including a relevant stock exchange).

9. Insurance: The Company has directors' and officers' liability insurance under which you are covered in the US and elsewhere for all usual risks during the term of your appointment as the Director. The Company will maintain that cover for the full term of your appointment.

10. Contract for Services: This is a contract for services and is not a contract of employment.

11. Governing Law: This Agreement shall be governed by the laws of the Commonwealth of Ohio (without giving effect to choice of law principles or rules thereof that would cause the application of the laws of any jurisdiction other than the Commonwealth of Ohio) and the invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Please sign the attached copy of this letter to indicate that you have read, understood and accept the terms of your appointment.

Yours Sincerely,

AMP Holding Inc.

By: /s/ Stephen S. Burns
Name: Stephen S. Burns
Title: President and Director

Agreed to and accepted by:

/s/ James E. Taylor
James E. Taylor

**EXHIBIT 31.1**

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

I, Stephen S. Burns, President and 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: August 14, 2012

/s/ Stephen S. Burns
Stephen S. Burns,
President and Chief Executive Officer
(Principal Executive Officer)

**EXHIBIT 31.2**

**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: August 14, 2012

/s/ Richard Calme
Richard Calme,
Interim Chief Financial Officer
(Principal Financial 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 June 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen S. Burns, President and 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: August 14, 2012

/s/ Stephen S. Burns
Stephen S. Burns,
President and Chief Executive Officer
(Principal Executive Officer)

**EXHIBIT 32.2**

**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 June 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: August 14, 2012

/s/ Richard Calme
Richard Calme,
Interim Chief Financial Officer
(Principal Financial Officer)