AMP Holding Inc.
Form 10-Q
May 15, 2012

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

FORM 10-Q

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

For the quarterly period ended March 31, 2012

or

o 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 x 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 x

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

Large accelerated filer o	Accelerated filer o
Non-accelerated filer o	Smaller reporting company x

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

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 May 11, 2012)

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

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

Assets	March 31, 2012 (Unaudited)	December 31, 2011
Current assets:		
Cash	$51,190	$89,488
Accounts receivable	5,019	5,019
Inventory	122,000	122,000
Prepaid expenses and deposits	39,335	51,210
	217,544	267,717
Property, plant and equipment:		
Software	27,721	27,721
Leasehold improvements	19,225	19,225
Equipment	149,371	149,371
Vehicles and prototypes	189,746	189,746
	386,063	386,063
Less accumulated depreciation	220,089	203,886
	165,974	182,177
	$383,518	$449,894
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	$1,290,465	$1,367,367
Accounts payable, related parties	274,588	211,640
Customer deposits	25,000	25,000
Shareholder advances	305,000	312,000
Convertible debentures	825,574	-
Current portion of long-term debt	21,857	20,641
	2,742,484	1,936,648
Long-term debt	66,738	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		

March 31, 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 March 31, 2012 and		
38,734,650 shares issued and outstanding at December 31, 2011	38,912	38,735
Additional paid-in capital	12,201,983	12,063,860
Stock based compensation	3,592,902	3,439,870
Accumulated deficit during the development stage	(18,259,501)	(17,098,769)
	(2,425,704)	(1,556,304)
	$383,518	$449,894

See accompanying notes to financial statements.

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AMP Holding Inc.
(A Development Stage Company)
Statements of Operations
For the Three Months Ended March 31, 2012 and 2011
and for the Period From Inception,
February 20, 2007 to March 31, 2012

	Three Months Ended March 31, 2012 (Unaudited)	Three Months Ended March 31, 2011 (Unaudited)	Since Date of Inception, February 20, 2007 to March 31, 2012 (Unaudited)
Sales	$ -	$ 82,500	$ 330,742
Expenses:			
Payroll and payroll taxes	550,922	625,407	6,104,536
Employee benefits	44,617	65,852	540,696
Stock based compensation	153,032	332,780	3,610,642
Batteries and motors and supplies	(6,713)	412,040	2,487,936
Vehicles, development and testing	57,786	-	322,201
Legal and professional	111,638	169,546	1,542,509
Advertising	35,142	87,528	872,039
Consulting	62,179	101,006	1,106,521
Engineering, temporary labor	870	16,581	247,919
Travel and entertainment	29,737	34,534	428,864
Depreciation	16,203	11,742	245,581
Rent	38,347	28,050	341,776
Insurance	17,327	27,659	286,039
Facilities, repairs & maintenance	6,042	12,808	168,277
Utilities	10,349	9,469	105,690
Interest and bank fees	24,469	1,288	50,909
Loss on sale of assets	-	-	13,090
Other	8,785	9,167	115,018
	1,160,732	1,945,457	18,590,243
Net loss during the development stage	$ (1,160,732)	$ (1,862,957)	$ (18,259,501)
Basic and diluted loss per share	$ (0.03)	$ (0.07)	$ (0.64)
Weighted average number of common shares outstanding	38,765,755	28,278,353	28,739,640

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 March 31, 2012

	Common Stock		Series A Preferred Stock		Additional	Stock	Accumulated Deficit During the	Total Stockholders'
	Number of Shares	Amount	Number of Shares	Amount	Paid-in Capital	Based Compensation	Development Stage	Equity (Deficit)
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	-	-	-	-	78,300	-	-	78,300
Conversion of account payable	177,515	177	-	-	59,823	-	-	60,000
Share based compensation for the three months ended March 31, 2012	-	-	-	-	-	153,032	-	153,032
Net loss from operations for the three months	-	-	-	-	-	-	(1,160,732)	(1,160,732)

ended March 31, 2012								
	38,912,165	$38,912	-	$-	$12,201,983	$3,592,902	$(18,259,501)	$(2,425,704)

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.

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AMP Holding Inc.
(A Development Stage Company)
Statements of Cash Flows
For the Three Months Ended March 31, 2012 and 2011
and for the Period From Inception,
February 20, 2007 to March 31, 2012

	Three Months Ended March 31, 2012 (Unaudited)	Three Months Ended March 31, 2011 (Unaudited)	Since Date of Inception, February 20, 2007 to March 31, 2012 (Unaudited)
Cash flows from operating activities:			
Net loss during the development stage	$ (1,160,732)	$ (1,862,957)	$ (18,259,501)
Adjustments to reconcile net loss from operations to cash used by operations:			
Depreciation	16,203	11,742	245,581
Loss on sale of assets	-	-	13,090
Stock based compensation	153,032	332,780	3,610,642
Amortized discount on convertible debentures	3,874	-	3,874
Legal and consulting services	60,000	-	197,000
Effects of changes in operating assets and liabilities:			
Accounts receivable	-	23,429	(5,019)
Inventory	-	-	(122,000)
Prepaid expenses and deposits	11,875	(425)	(39,335)
Accounts payable	(76,902)	342,300	1,290,465
Accounts payable, related parties	62,948	24,807	274,588
Customer deposits	-	(27,393)	25,000
Net cash used by operations	(929,702)	(1,155,717)	(12,765,615)
Cash flows from investing activities:			
Capital expenditures	-	-	(347,897)
Proceeds on sale of assets	-	-	32,900
Net cash used by investing activities	-	-	(314,997)
Cash flows from financing activities:			
Proceeds from debentures and notes payable	900,000	-	1,060,000
Payments on notes payable	-	-	(150,000)
Proceeds from long-term debt	-	-	50,000
Payments on long-term debt	(1,596)	(1,520)	(9,769)
Shareholder advances	(7,000)	-	305,000
Issuance of common and preferred stock	-	980,366	11,876,571
Net cash provided by financing activities	891,404	978,846	13,131,802

Change in cash and cash equivalents	(38,298)	(176,871)	51,190
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 December 31, 2011	89,488		
Cash and cash equivalents at March 31, 2012	$ 51,190		$ 51,190

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.

AMP Holding Inc.
(A Development Stage Company)

Notes to Financial Statements

March 31, 2012 and 2011
and for the Period From Inception,
February 20, 2007 to March 31, 2012
(Unaudited)

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 quarter 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

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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 $35,000 and $88,000 for the three months ended March 31, 2012 and 2011, respectively, and $872,000 for the period from inception to March 31, 2012 consisting primarily of travel and related expenses for attendance at car shows and industry expositions.

AMP Holding Inc.
(A Development Stage Company)

Notes to Financial Statements

March 31, 2012 and 2011
and for the Period From Inception,
February 20, 2007 to March 31, 2012
(Unaudited)

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 March 31, 2012 cumulative deferred tax assets of approximately $3,842,000 are fully reserved, and no provision or liability for federal or state income taxes has been included in the financial statements. Net operating losses of approximately $3,600,000 are available for carryover to be used against taxable income generated through 2030, net operating losses of approximately $6,700,000 are available for carryover to be used against taxable income generated through 2031, and net operating losses of approximately $1,000,000 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 $641,000 and $1,119,000 for the three months ended March 31, 2012 and 2011, respectively and $10,255,000 for the period from inception to March 31, 2012 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.

Joseph Paresi resigned as Chairman of the Board of Directors on April 13, 2012.

The Company is in the development stage for EV conversions for commercial trucks. 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. The Company has signed development agreements with Navistar (OEM) & FedEx (parcel delivery company) for this specific purpose. On March 30, 2012 the Company signed an agreement with FedEx to convert two of FedEx's delivery vehicles to 100% electric. The purpose of the agreement is to supply demonstration vehicles for FedEx evaluation. A successful demonstration project may provide the potential to sell additional vehicle conversions to FedEx in the future. On April 10, 2012 the Company entered into a development and supply agreement with Navistar International Corp. The Company has received a purchase order to develop and deliver two all electric heavy duty commercial step vans by the summer of 2012. If the vans meet Navistar's specifications, Navistar may order additional vans to be converted going forward

2. CONVERTIBLE DEBENTURES AND LONG-TERM DEBT

From January 6, 2012 through February 27, 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 $900,000 (the "2012 Notes"). The Company received the proceeds in connection with these financings between January 6, 2012 and February 27, 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.

In addition to the 2012 Notes, the 2012 Investors also received common stock purchase warrants (the "2012 Warrants") to acquire 900,000 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 $78,300 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 three years.

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 $23,658 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 $22,844 at March 31, 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 $13,941 at December 31, 2011. 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	$19,045
2013	21,416
2014	23,147
2015	14,822
2016	10,165
	$88,595

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 (a related party) 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 March 31, 2012. On September 30, 2011, the same shareholder advanced $62,000 to the Company for working capital needs. In consideration of such advance, the Company issued a Promissory Note with interest at 6% per annum due October 31, 2011. The maturity date for this note was extended to March 31, 2012. On December 9, 2011, a shareholder advanced $7,000 to the Company for working capital needs. In consideration of such advance, the Company issued a Promissory Note with interest at 6% per annum due March 31, 2012. This note was paid in full on March 15, 2012. The notes are unsecured and are currently payable upon demand.

On October 31, 2011, a shareholder advanced $200,000 to the Company for working capital needs. In consideration of such advance, the Company issued a Promissory Note with interest at 15% per annum due March 31, 2012. This note is secured by substantially all assets of the Company up to the face value of the note. On November 30, 2011 a common stock purchase warrant to acquire 100,000 shares of common stock exercisable for a term of two years at $0.50 per share was issued to the stockholder and the interest rate was reduced to 10%.

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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	$107,944
2013	147,876
2014	152,312
2015	156,881
2016	161,588
2017 and thereafter	294,050
	$1,020,651

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 for the three months ended March 31, 2012 and 2011 was $38,347 and $28,050, respectively, and was $341,776 for the period from inception to March 31, 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.

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

	Number of Shares	Weighted Average Exercise Price per Share	Weighted Average Grant Date Fair Value per Share	Weighted Average Remaining Exercise Term in Months
Outstanding at January 1, 2010	-	$ -	$ -	-
Granted	4,940,000	0.56	0.33	81
Exercised	-	-	-	-
Forfeited or expired	-	-	-	-
Outstanding at December 31, 2010	4,940,000	$ 0.56	$ 0.33	77
Exercisable at December 31, 2010	1,854,625	$ 0.53	$ 0.32	75
Granted	3,425,000	0.63	0.28	54
Exercised	(29,750)	0.41	0.26	0
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	(150,000)	0.53	0.27	59
Outstanding at March 31, 2012	8,185,250	$ 0.59	$ 0.31	55
Exercisable at March 31, 2012	4,919,250	$ 0.57	$ 0.31	57

The Company recorded $100,206, $855,246, $588,202 and $1,561,394 compensation expense for stock options to directors, officers and employees for the three months ended March 31, 2012, for the year ended December 31, 2011, the year ended December 31, 2010 and the period from inception (February 20, 2007) to March 31, 2012, respectively. As of March 31, 2012, unrecognized compensation expense of $981,879 is related to non-vested options granted to directors, officers and employees which is anticipated to be recognized over the next 52 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 March 31, 2012	880,000	$ 0.66	$ 0.23	17
Exercisable at March 31, 2012	825,000	$ 0.65	$ 0.22	17

The Company recorded $19,300, $83,265, $82,900 and $185,465 compensation expense for stock options to consultants for the three months ended March 31, 2012, the year ended December 31, 2011, the year ended December 31, 2010 and the period from inception (February 20, 2007) to March 31, 2012, respectively. As of March 31, 2012, unrecognized compensation expense of $13,333 is related to non-vested options granted to consultants which is anticipated to be recognized over the next 17 months, commensurate with the vesting schedules.

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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	900,000	0.50	0.09	36
Exercised	-	-	-	-
Forfeited or expired	-	-	-	-
Outstanding at March 31, 2012	6,641,225	$ 0.76	$ 0.11	17
Exercisable at March 31, 2012	6,641,225	$ 0.76	$ 0.11	17

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

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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 March 31, 2012	4,561,256	$ 0.60	$ 0.22	40
Exercisable at March 31, 2012	4,236,256	$ 0.59	$ 0.21	39

The Company recorded $33,525, $373,876, $497,527 and $904,928 compensation expense for stock warrants to the placement agent and consultants for the three months ended March 31, 2012, the year ended December 31, 2011, the year ended December 31, 2010 and the period from inception (February 20, 2007) to March 31, 2012, respectively. As of March 31, 2012, unrecognized compensation expense of $107,250 is related to non-vested warrants granted to consultants which is anticipated to be recognized over the next 41 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.

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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	-	-	-	-
Exercised	-	-	-	-
Forfeited or expired	-	-	-	-
Outstanding at March 31, 2012	3,000,000	$ 1.95	$ 0.11	46
Exercisable at March 31, 2012	3,000,000	$ 1.95	$ 0.11	46

The Company recorded $0, $143,680, $182,000 and $325,680 compensation expense for stock warrants to directors and officers for the three months ended March 31, 2012, the year ended December 31, 2011, the year ended December 31, 2010 and the period from inception (February 20, 2007) to March 31, 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 ASU 2011-4, “Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS.” This Update provides guidance which is expected to result in common fair value measurement and disclosure requirements between U.S.

GAAP and IFRS. It changes the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. It is not intended for this Update to result in a change in the application of the requirements in Topic 820. Some of the amendments clarify the FASB's intent about the application of existing fair value measurement requirements. Other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The amendments in this Update are to be applied prospectively. The amendments are effective during interim and annual periods beginning after December 15, 2011. Early application by public entities is not permitted. We do not anticipate any material impact from this Update.

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 three months ended March 31, 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 March 31, 2012 cumulative deferred tax assets of approximately $3,842,000 are fully reserved, and no provision or liability for federal or state income taxes has been included in the financial statements. Net operating losses of approximately $3,600,000 are available for carryover to be used against taxable income generated through 2030, net operating losses of approximately $6,700,000 are available for carryover to be used against taxable income generated through 2031, and net operating losses of approximately $1,000,000 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 March 31, 2012 Compared to Three Months Ended March 31, 2011

Revenue. We did not generate revenue for the quarter ended March 31, 2012. Revenue was $82,500 for the quarter ended March 31, 2011 and consisted of a limited number of customer vehicle conversions.

Expenses. Our expenses for the quarter ended March 31, 2012 were $1,160,732 and included payroll and payroll taxes ($550,922), stock based compensation ($153,032), legal and professional ($111,638) and consulting ($62,179). Batteries, motors and supplies expense was negative $6,713 for the quarter ended March 31, 2012 as purchases were offset by sales of drivetrains, batteries, and catalytic converters amounting to $18,800. Our expenses for the quarter ended March 31, 2011 were $1,945,457 and included payroll and payroll taxes ($625,407), stock based compensation ($332,780), batteries, motors and supplies ($412,040), legal and professional ($169,546) and consulting ($101,006). 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 quarters ended March 31, 2012 and 2011 were $1,160,732 and $1,862,957, respectively.

Operating Activities

Our operating activities from continuing operations resulted in net cash used by operations of $929,702 for the quarter ended March 31, 2012 compared to net cash used by operations of $1,155,717 for the quarter ended March 31, 2011. The net cash used by operations for the quarter ended March 31, 2012 reflects a net loss of $1,160,732 offset by stock based compensation of $153,032, legal and consulting services valued at $60,000 accepted as consideration for the issuance of common stock, amortized discount on convertible debentures of $3,874, and depreciation of $16,203, an increase in accounts payable, related parties of $62,948 and a decrease in accounts payable of $76,902 and prepaid expenses and deposits of $11,875. The net cash used by operations for the quarter ended March 31, 2011 reflects a net loss of $1,862,957, offset by stock based compensation of $332,780, depreciation of $11,742, increase in accounts payable of $342,300, accounts payable, related parties of $24,807, and decrease in accounts receivable of $23,429; a decrease in customer deposits of $27,393 and an increase in deposits of $425.

Investing Activities

There were no investing activities for the quarters ended March 31, 2012 and 2011.

Financing Activities

Financing activities for the three months ended March 31, 2012 resulted in a cash inflow of $891,404 and included cash inflows from the issuance of convertible debentures of $900,000, reduced by repayment of a $7,000 shareholder advance and payments on long-term debt of $1,596. Financing activities resulted in a cash inflow of $978,846 for the three months ended March 31, 2011 and included cash inflows from the issuance of common stock of $980,366 reduced by cash outflows for payments on long-term debt of $1,520.

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

We require funds to enable us to address our minimum current and ongoing expenses, expand marketing and promotion activity connected with the development and marketing of our products and to generate market share. Our cash on hand will not be sufficient to satisfy all of our cash requirements as we continue to progress and expand. We estimate that we will require between $7,000,000 and $10,000,000 to carry out our business plan for the next twelve months. Because we cannot anticipate when we will be able to generate significant revenues from sales, we will need to raise additional funds to continue to finalize engineering design and validation, develop new business, respond to competitive pressures and respond to unanticipated requirements or expenses. If we are not able to generate significant revenues from the sale of our products, we will not be able to maintain our operations or achieve a profitable level of operations.

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

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

Liquidity and Capital Resources

As of March 31, 2012, we had current assets of $217,544 including cash of $51,190 and current liabilities of $2,742,484. 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 March 2012 is very low. This resulted in a delay in payment of a portion of AMP's payroll for the month of March 2012 and will impact the payment of our outstanding accounts payable balance. If we do not raise capital in the immediate future, we will be required to lay off additional employees and cease operations by May 31, 2012. We are currently evaluating several options for financing, but there are no guarantees that we will raise capital or that if we do raise the capital it will be on acceptable terms.

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 or that if we do enter into such agreement that it will be on favorable terms.

Off-Balance Sheet Arrangements

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

Federal Tax Credit Qualification by the IRS

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

Distribution 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. In December, 2011 AMP was informed by NLE that the anticipated repeal of the value added tax for electric vehicles in Iceland has not yet been approved, thereby pushing the development phase beyond the 2012 calendar year.

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.

U-Go Stations Cayman LTD (subsequent event)

On March 5, 2012 the Company signed a memorandum of understanding (MOU) with U-Go Stations Cayman LTD. to distribute all-electric SUVs to the Caribbean Islands.

The purpose of this MOU is to identify the roles and responsibilities of each party as they relate to the distribution and sale of electric vehicles to the territories provide below. In particular, this MOU is intended to establish a working relationship between the parties, which shall be subject to the parties executing a definitive agreement.

U-Go Stations Cayman LTD. (hereinafter "U-Go Cayman") a wholly-owned subsidiary of, U-Go Stations LLC, a Pennsylvania corporation (hereinafter "U-Go"), having an address at1818 Market Street 13th Floor, Philadelphia PA 19103 and JE Automotive Leasing, (hereinafter "JE") having an address of 256 Crewe Road, P.O. Box 10084 Grand Cayman KY 1-1001 Cayman Islands is both actively promoting the sale of electric vehicles and currently developing convenient EV charging infrastructure in the Caribbean.

U-Go Stations Cayman LTD. works with businesses on Grand Cayman in the development of an electric vehicle (EV) charging station infrastructure through partnerships whereby U-Go Cayman owns, operates and maintains public charging stations and shares revenue with the real estate owner where the stations are located. U-Go is committed to the development of green technology infrastructure with interests also in photovoltaic solar and solar canopy systems. U-Go Cayman principal, John Felder, has been providing automotive sales and service to the Caribbean for over seven years and is responsible for the introduction of the Caribbean's first electric vehicle. U-Go Cayman has recently announced plans for the first Caribbean solar panel charging station for electric vehicles, which is located in Georgetown, Grand Cayman.

Plans are to deliver the first Electric SUV to U-Go for use in their EV auto show that is scheduled for the summer of 2012 in Grand Cayman. During the show U-Go plans to begin taking customer orders for AMP's EVs.

Subject to a Definitive Agreement, U-Go is to have exclusive territory control of the following Islands initially: Grand Cayman, Cayman Brac, Little Cayman, Jamaica, St. John, St. Thomas, St. Kitt, Bermuda, The Bahamas, and Barbados (the "Territory"). U-Go shall have "Right of First Refusal" for any other candidates seeking to become a distributor of AMP in a Caribbean Island. In exchange U-Go agrees to use its best efforts to develop and promote the sale of AMP Products in the Territory including but not limited to:

- promote the sale of AMP Products throughout the Territory;
- promote the AMP Brand throughout the Territory;
- advertise AMP Products and the AMP Brand throughout the Territory in appropriate advertising media and in a manner ensuring proper and adequate publicity for AMP Products; and
- manage customer relationships and provide best in class after sales service to Customers of AMP Products in the Territory.

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 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 Chief Financial Officer concluded that, as of March 31, 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 Chief Financial Officer have conducted an assessment of our internal control over financial reporting as of March 31, 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 March 31, 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 March 31, 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 auditors 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 auditor conducts reviews on a quarterly basis. These actions, in addition to the improvements identified above, will minimize any risk of a potential material misstatement occurring.

On January 12, 2011, Paul V. Gonzales and AMP Holding Inc. entered into an Employment Agreement pursuant to which Mr. Gonzales agreed to serve as the Chief Financial Officer of the Company. Also, on January 12, 2011, Paul J. Wichmann was hired by the Company as Finance Director. Both of these additions to the Company’s staff should help to alleviate various internal control issues.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2012 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

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

Our cash balance at the end of March, 2012 is very low. This resulted in a delay in payment of a portion of AMP's payroll for the month of March 2012 and will impact the payment of our outstanding accounts payable balance. If we do not raise capital in the immediate future, we will be required to lay off additional employees and cease operations by May 31, 2012 if not sooner. We are currently evaluating several options for financing, but there are no guarantees that we will raise capital or that if we do raise the capital it will be on acceptable terms.

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

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

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

AMP has incurred a net loss amounting to $18,259,501 for the period from inception (February 20, 2007) through March 31, 2012. In addition, as of March 31, 2012, AMP has a working capital deficiency of $2,524,940. If we incur additional significant operating losses, our stock price, may decline, perhaps significantly.

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

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

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

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

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

We depend upon key personnel and need additional personnel.

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

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

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

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

We require substantial capital to support our operations. If we are unable to maintain adequate financing or other sources of capital are not available, we could be forced to suspend, curtail or reduce our operations, which could harm our revenues, profitability, financial condition and 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, which could have an adverse effect on our position in our industry and on our business and operating results.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sales of our vehicles are subject to international, state and local vehicle dealer and distribution laws. To the extent such laws prevent us from selling our vehicle to customers located in a particular jurisdiction or require us to retain a local dealer or distributor or establish and maintain a physical presence in a jurisdiction in order to sell vehicles in that jurisdiction, our business, prospects, financial condition and operating results could be adversely affected. Anticipated repeal of value added tax for electric vehicles in Iceland has not yet been approved, thereby pushing out the development phase of the Distribution Agreement. The current forecast for approval is May 2012.

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 develpment and as such, may not be widely accepted as industry standards, our products may become subject to federal, state, and local regulation in the future. Compliance with these regulations could be burdensome, time consuming, and expensive.

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

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

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

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

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

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

The battery packs in our electric vehicles use lithium-ion cells, which have been used for years in laptop computers and cell phones. On rare occasions, if not appropriately managed and controlled, lithium-ion cells can rapidly release the energy they contain by venting smoke and flames in a manner that can ignite nearby materials. Highly publicized incidents of litium 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 February 27, 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 $900,000 (the "2012 Notes"). In addition to the 2012 Notes, the 2012 Investors also received common stock purchase warrants (the “2012 Warrants”) to acquire 900,000 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 February 27, 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. 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 March and April 2012 is very low. This resulted in a delay in payment of a portion of the company's payroll for the months of March and April and will impact the payment of our outstanding accounts payable balance. Additional funds from the Company's outstanding 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 balances.

Payroll

The December 31, 2011 payroll was paid on January 10, 2012 while the officers and executive payroll for December 2011was further delayed until February 2, 2012 due to timing of receipt of funds. The February 2012 payroll for Officers and Executives has been deferred and 50% of their pay was paid on March 30, 2012. The March 2012 and April 2012 payroll for Officers and Executives has also been delayed. At the end of April the executives payroll will be 2 ½ months in arrears. The remaining workforce was paid approximately 70% of their March 2012 pay. The remaining 30% was paid at the end of April, and their April pay was paid 5 days late. Additionally, the Board of Directors agreed to defer their Board pay 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 and executive resignations will occur.

Accounts Payable

The company has numerous delinquent current obligations to suppliers, employees and business contracts. As of March 31, 2012 the accounts payable balance is $1,290,465. 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 AMP company stock in exchange of foregoing the balance due to them. Several suppliers have turned over their accounts receivable account to collection agengies. Current purchases are being made on a COD basis.

Key Personnel Changes

Effective January 1, 2012, Lerick Chissus, Director of Supply Chain Management left the company to pursue other opportunities. His function is being performed by the Company’s purchasing manager.

Effective February 1, 2012 Al Pizzimenti, Director of Vehicle Engineering is on temporary leave until additional investor funds are received. Al as agreed to consult “on call” as needed pending full time recall.

Effective March 1, 2012, Don Wires, Director of New Technology Engineering retired from full-time employment with the Company. He has agreed to perform an advisory role post-retirement and reduce his work schedule to one day per week.

Additionally, six full time staff engineers, one part time staff engineer and one sales employee either voluntarily left the company, were terminated or laid off during 2011 and early 2012. None of these employees have been replaced at this time.

Effective March 29, 2012, Maggie M. Moran and Nancy M. Dunlap resigned as members of the Board of Directors for personal reasons.

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 has 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.

Vehicle Development Agreements

The Company is in the development stage for EV conversions for commercial trucks. 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. The Company has signed development agreements with Navistar (OEM) & FedEx (parcel delivery company) for this specific purpose.

Federal Express

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

Navistar

On April 10, 2012 the Company entered into a development and supply agreement with Navistar International Corporation whereby AMP will develop all electric heavy duty commercial step vans for Navistar. AMP is required to delivery two vans by summer 2012 and, if the vans are acceptable to Navistar, Navistar may order additional vans from AMP going forward.

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)
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)
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.

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: May 15, 2012	By:	/s/ James E. Taylor Name: James E. Taylor Title: Chief Executive Officer and Vice Chairman of the Board of Directors (Principal Executive Officer
Dated: May 15, 2012	By:	/s/ Paul V. Gonzales Name: Paul V. Gonzales Title: Chief Financial Officer (Principal Financial Officer)