FORM 10-Q/A

Quarterly report pursuant to sections 13 or 15(d) [amend]

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FILER

HPEV, INC.

CIK:**1399352**| IRS No.: **753076597** | State of Incorp.:**NV** | Fiscal Year End: **1231**
Type: **10-Q/A** | Act: **34** | File No.: **000-53443** | Film No.: **13526348**
SIC: **8200** Educational services

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WESLEY CHAPEL FL 33544

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

First Amended
Form 10-Q/A

(Mark One)

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

For the quarterly period ended September 30, 2012

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

For the transition period from ______________ to ______________.

Commission file number: 000-53443

HPEV, INC.

(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of incorporation or organization)	**75-3076597** (I.R.S. Employer Identification No.)
27420 Breakers Drive **Wesley Chapel, FL** (Address of principal executive offices)	**33544** (Zip Code)

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

(Z3 Enterprises, Inc)
(Former name, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes __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 _______	Accelerated filer ________
Non-accelerated filer _______ (Do not check if a smaller reporting company)	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__.

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

Indicate by check mark whether the registrant filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes___ No___

Applicable only to corporate issuers:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of November 1, 2012, there were 47,646,441 shares of common stock, $0.001 par value, issued and outstanding.

EXPLANATORY NOTE

The purpose of this Amendment No. 1 to HPEV, Inc's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012, filed with the Securities and Exchange Commission on November 15, 2012, is to furnish Exhibit 101 to the Form 10-Q in accordance with Rule 405 of Regulation S-T. Exhibit 101 to this report provides the consolidated financial statements and related notes from the Form 10-Q formatted in XBRL (eXtensible Business Reporting Language).

No other changes have been made to the Form 10-Q. This Amendment No. 1 to the Form 10-Q does not reflect events that may have occurred subsequent to the original filing date, and does not modify or update in any way disclosures made in the original Form 10-Q.

Pursuant to Rule 406T of Regulation S-T, the interactive data files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

ITEM 6. EXHIBITS

The following exhibits are included herein:

Exhibit 31.1 *	Certification of Chief Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Exchange Act.
Exhibit 31.2*	Certification of Chief Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Exchange Act.
Exhibit 32*	Certification pursuant to 18 U.S.C. §1350.
Exhibit 101. INS	XBRL Instance Document
Exhibit 101.SCH	XBRL Taxonomy Extension Schema
Exhibit 101.CAL	XBRL Taxonomy Extension Calculation Linkbase
Exhibit 101.DEF	XBRL Taxonomy Extension Definition Linkbase
Exhibit 101.LAB	XBRL Taxonomy Extension Label Linkbase

Exhibit 101.PRE	XBRL Taxonomy Extension Presentation Linkbase

*These exhibits were previously included or incorporated by reference in HPEV, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012, filed with the Securities and Exchange Commission on November 15, 2012.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HPEV, INC.

Date: January 11, 2013

By: /s/ Timothy Hassett
Timothy Hassett, CEO and Chairman

Date: January 11, 2013

By: /s/ Quentin Ponder
Quentin Ponder, CFO and Director

4. LOSS PER SHARE

Earnings Per Share [Abstract]

LOSS PER SHARE

9 Months Ended Sep. 30, 2012

NOTE 4 - LOSS PER SHARE

Components of loss per share for the three and nine months ended September 30, 2012 and 2011 are as follows:

	For the Three Months Ended September 30, 2012	For the Three Months Ended September 30, 2011	For the Nine Months Ended September 30, 2012	From inception (March 24, 2011) through September 30, 2011
Net (loss) attributable to common stockholders	$ (1,027,195)	$ (484,003)	$ (235,758)	$ (1,763,603)
Weighted Average Shares Outstanding	47,646,441	48,259,875	47,864,741	43,984,354
Basic Loss Per Share	$ (0.02)	$ (0.01)	$ (0.00)	$ (0.04)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	9 Months Ended Sep. 30, 2012

Accounting Policies [Abstract]

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of HPEV, Inc. is presented to assist in understanding the Company's consolidated financial statements. The consolidated financial statements and notes are representations of the Company's management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America, and have been consistently applied in the preparation of the consolidated financial statements.

Accounting Method

The Company's financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Principles of Consolidation

These consolidated financial statements include the accounts of HPEV-DE and its parent HPEV (formerly known as Z3 Enterprises). On April 20, 2012, the Company officially changed its name to HPEV, Inc.

All significant inter-company transactions and balances have been eliminated.

Year end

The Company's year-end is December 31.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments and short-term debt instruments with original maturities of three months or less to be cash equivalents.

Revenue Recognition

The Company recognizes revenue on arrangements in accordance with Securities and Exchange Commission Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" and No. 104, "Revenue Recognition". In all cases, revenue is recognized only when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is performed and collectability is reasonably assured. For the quarters ended September 30, 2012 and 2011, and for the period from inception to September 30, 2012, the Company did not report any revenues.

Earnings Per Share

The Company has adopted the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 260-10 which provides for calculation of "basic" and "diluted" earnings per share. Basic earnings per share includes no dilution and is computed by dividing net income or loss available to common stockholders by the weighted average common shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of an entity.

Fair Value of Financial Instruments

The fair value of the Company’ s assets and liabilities, which qualify as financial instruments under Financial Accounting Standards Board (FASB) guidance regarding disclosures about fair value of financial instruments, approximate the carrying amounts presented in the accompanying consolidated balance sheets.

Effective January 1, 2008, the Company adopted Statement of Financial Accounting Standards (“SFAS”) No. 157 *Fair Value Measurements* (“SFAS 157”), superseded by ASC 820-10, which defines fair value, establishes a framework for measuring fair value and expands required disclosure about fair value measurements of assets and liabilities. The impact of adopting ASC 820-10 was not significant to the Company’ s consolidated financial statements. ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820-10 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1 – Valuation based on quoted market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation based on quoted market prices for similar assets and liabilities in active markets.
- Level 3 – Valuation based on unobservable inputs that are supported by little or no market activity, therefore requiring management’ s best estimate of what market participants would use as fair value.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability. The valuation of our derivative liability is determined using Level 1 inputs, which consider (i) time value, (ii) current market and (iii) contractual prices.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of September 30, 2012. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments. These financial instruments include cash, accounts payable and accrued expenses, loan payable and notes payable – related party.

Income Taxes

The Company provides for federal and state income taxes payable, as well as for those deferred because of the timing differences between reporting income and expenses for financial statement purposes versus tax purposes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recoverable or settled. The effect of a change in tax rates is recognized as income or expense in the period of the change. A valuation allowance is established, when necessary, to reduce deferred income tax assets to the amount that is more likely than not to be realized.

Upon inception, the Company adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48"), superseded by ASC 740-10. The Company did not recognize a liability as a result of the implementation of ASC 740-10. A reconciliation of the beginning and ending amount of unrecognized tax benefits has not been provided since there is no unrecognized benefit as of the date of adoption. The Company did not recognize interest expense or penalties as a result of the implementation of ASC 740-10. If there were an unrecognized tax benefit, the Company would recognize interest related to unrecognized tax benefits in interest expense and penalties in other operating expenses.

Employee Stock Based Compensation

The FASB issued SFAS No.123 (revised 2004), *Share-Based Payment*, which was superseded by ASC 718-10. ASC 718-10 provides investors and other users of financial statements with more complete and neutral financial information, by requiring that the compensation cost relating to share-based payment transactions be recognized in financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. ASC 718-10 covers a wide range of share-based compensation arrangements, including share options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans. As of September 30, 2012, the Company has not implemented an employee stock based compensation plan.

Non-Employee Stock Based Compensation

The Company accounts for stock based compensation awards issued to non-employees for services, as prescribed by ASC 718-10, at either the fair value of the services rendered or the instruments issued in exchange for such services, whichever is more readily determinable, using the measurement date guidelines enumerated in EITF 96-18, *Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services*, which was superseded by ASC 505-50. The Company issues compensatory shares for services including, but not limited to, executive, management, accounting, operations, corporate communication, financial and administrative consulting services.

Use of Estimates

The process of preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Research and development

Costs of research and development are expensed in the period in which they are incurred.

Recent accounting standards

The Company has evaluated the recent accounting pronouncements through ASU 2012-07 and believes that none of them will have a material effect on the Company' s financial statements.

Reclassification

Upon completion of the Company' s September 30, 2012 financial statements, accounting reclassification adjustments were made for certain warrants which were issued as a cost of financing. Warrants valued at $99,229 and previously included in professional fees were reclassified from professional fees and included in interest expense for the three and six months ended June 30, 2012 and from inception (March 24, 2011) to June 30, 2012. There was no impact on the net loss for the periods then ended.

CONSOLIDATED BALANCE SHEETS (Unaudited) (USD $)	Sep. 30, 2012	Dec. 31, 2011
ASSETS		
Cash	$ 19	$ 78,361
Prepaid expenses	800,069	911,589
Finance costs	108,924	0
Total current assets	909,012	989,950
Intangible assets	69,757	44,564
Total assets	978,769	1,034,514
LIABILITIES AND STOCKHOLDERS' EQUITY		
Bank overdraft	0	410
Accrued interest payable	5,380	0
Accounts payable	376,328	103,701
Accounts payable - related party	66,500	0
Loans payable	436,222	0
Notes payable - related party	939,274	884,594
Total current liabilities	1,823,704	988,705
Total liabilities	1,823,704	988,705
Stockholders' equity		
Preferred stock $.001 par value: 15,000,000 shares authorized, 0 shares issued and outstanding as of September 30, 2012 and December 31, 2011	0	0
Common stock; $.001 par value; 100,000,000 shares authorized, 47,646,441 and 48,613,125 shares issued and outstanding as of September 30, 2012 and December 31, 2011	47,646	48,613
Additional paid-in capital	4,467,362	13,121,411
Common stock receivable	0	(8,000,000)
Accumulated deficit during development stage	(5,359,973)	(5,124,215)
Total stockholders' equity (deficit)	(844,935)	45,809
Total liabilities and stockholders' equity (deficit)	$ 978,769	$ 1,034,514

1. DESCRIPTION OF BUSINESS	9 Months Ended Sep. 30, 2012
Organization, Consolidation and Presentation of Financial Statements [Abstract]	
DESCRIPTION OF BUSINESS	**NOTE 1 – DESCRIPTION OF BUSINESS**

HPEV, Inc., a Nevada corporation (formerly known as Bibb Corporation and Z3 Enterprises, Inc.) (hereinafter referred to as "HPEV" or the" Company"), was incorporated in the State of Nevada on July 22, 2002.

On March 29, 2011, the Company (under the name Z3 Enterprises) entered into a Share Exchange Agreement to acquire 100 shares, constituting all of the issued and outstanding shares of HPEV Inc., a Delaware corporation ("HPEV-DE"), in consideration for the issuance of 22,000,000 shares of Company common stock. Upon closing of the Share Exchange on April 15, 2011, HPEV-DE became a wholly owned subsidiary of the Company.

For accounting purposes, the acquisition of HPEV-DE by the Company was recorded as a reverse acquisition of a public company and recapitalization of the Company based on factors demonstrating that HPEV-DE represents the accounting acquirer.

HPEV-DE was incorporated under the laws of the State of Delaware on March 24, 2011 to commercialize the technology from patents developed by two of its shareholders. Activities during its start-up stage were nominal.

Subsequent to the closing of the Share Exchange, the Company changed its business focus to the commercialization of HPEV-DE technologies in a variety of markets by licensing its thermal dispersion technologies to engine, generator and vehicle component manufacturers, among others. The Company also plans to license its hybrid electric vehicle conversion system to fleet owners, vehicle dealers and service centers.

On May 5, 2011, a total of 7 patents (1 granted, 6 pending) were assigned to HPEV-DE by Thermal Motors Innovations, LLC, a company controlled by the developers of the patents. On March 13, 2012, HPEV-DE was awarded a patent for a composite heat structure application in submersible motors. On April 2, 2012, HPEV-DE received a Notice of Allowance regarding a patent covering the incorporation of a totally enclosed heat pipe technology in bearings and related structures. On April 3, 2012, the Company received notice that one of its patents-pending - a totally enclosed heat pipe cooled motor – had been awarded. On June 14, 2012, the Company received notice that another one of its patents-pending – a heat pipe application for hermetic motors – had been awarded. Three additional patents are pending and two additional patents-pending remain to be assigned to HPEV-DE. Therefore, as of September 30, 2012, HPEV-DE, has been assigned the rights to five patents and three patents-pending with two remaining to be assigned. *See Note 9 – Intellectual Property.*

The patents and patents-pending assigned to HPEV-DE cover thermal dispersion technologies and their applications as well as an electric load assist. The utilization of thermal technologies should increase the horsepower of electric motors and enhance the lifespan and effectiveness of heat-producing vehicle components. The electric load assist is based on the Company' s parallel vehicle platform which makes it possible for hybrid electric vehicles to utilize power in any combination from the gas or diesel engine and an electric motor installed on-board.

On April 5, 2012, a Certificate of Amendment to the Articles of Incorporation was filed with the Nevada Secretary of State noting the change in the Company name to HPEV, Inc.; the increase in authorized common stock to 100,000,000 shares; the increase in preferred stock to 15,000,000 shares; and the authorization of the Board to divide or change the powers, preferences, qualifications, limitations and rights of the preferred shares by resolution.

On April 5, 2012, the Board of Directors voted to amend the bylaws and establish the new registered agent in the State of Nevada as InCorp Services. It voted to change the number and titles of corporate officers and to enable the alteration, amendment or repeal of the bylaws either by approval of a majority of shareholders or by the approval of the Board. It also removed clauses that restricted the duties and authority of the Board committees as well as removed a clause regarding the resignation of Officers. Finally, it appointed Timothy Hassett, Chief Executive Officer; Quentin Ponder, Chief Financial Officer (he remains Treasurer); Theodore Banzhaf, President; and Judson Bibb, Vice President (he remains Secretary).

On April 6, 2012, the Board of Directors amended other articles and sections of the bylaws. Specifically, they voted to increase the number of directors, to enable the filling of vacancies on the board of directors by majority vote of the remaining directors or director and to appoint Timothy Hassett and Quentin Ponder to serve as Chairman of the Board and Vice Chairman, respectively.

On April 20, 2012, the Financial Industry Regulatory Authority (FINRA) approved the name change from Z3 Enterprises, Inc. to HPEV, Inc and the symbol change from BIBB to WARM. The changes took effect on April 23, 2012.

As operations have consisted of general administrative and pre-production activities, the Company is considered a development stage company in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 915.

4. LOSS PER SHARE (Details) (USD $)	3 Months Ended		6 Months Ended	9 Months Ended
	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2011	Sep. 30, 2012
Loss Per Share Details				
Net (loss) attributable to common stockholders	$ (1,027,195)	$ (484,003)	$ (1,763,603)	$ (235,758)
Weighted Average Shares Outstanding	47,646,411	48,259,875	43,984,354	47,864,741
Basic Loss Per Share	$ (0.02)	$ (0.01)	$ (0.04)	$ 0.00

2. GOING CONCERN	9 Months Ended Sep. 30, 2012
Organization, Consolidation and Presentation of Financial Statements [Abstract]	
GOING CONCERN	**NOTE 2 - GOING CONCERN** The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the recoverability of assets and the satisfaction of liabilities in the normal course of business. Since the reverse merger of HPEV, Inc. and Z3 Enterprises, Inc. on April 15, 2011, cash outlays have been $1,024,570 from operating activities and $69,720 from investing activities which have been financed primarily through loans. The net book loss (which includes the tax loss carryforward of Z3 Enterprises prior to the reverse merger) is approximately $5,359,973 during the period from March 24, 2011 (Date of Inception) through September 30, 2012. The Company has not fully commenced its operations and is still in the development stages, raising substantial doubt about the Company' s ability to continue as a going concern. The Company' s ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing from shareholders or other sources to meet its obligations and repay its liabilities arising from normal business operations when they come due. At this time, the Company is seeking additional sources of capital through the issuance of debt, equity, or joint venture agreements, but there can be no assurance the Company will be successful in accomplishing its objectives. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might result from this uncertainty. It is possible management may decide that the Company cannot continue with its business operations as outlined in the current business plan because of a lack of financial resources and may be forced to seek other potential business opportunities that may be available.

CONSOLIDATED BALANCE SHEETS (Parenthetical) (USD $)	Sep. 30, 2012	Dec. 31, 2011
Stockholders' Equity (Deficit):		
Preferred stock par value	$ 0.001	$ 0.001
Preferred stock shares authorized	15,000,000	15,000,000
Preferred stock shares issued	0	0
Preferred stock shares outstanding	0	0
Common stock par value	$ 0.001	$ 0.001
Common stock shares authorized	100,000,000	100,000,000
Common stock shares issued	47,646,441	48,613,125
Common stock shares outstanding	47,646,441	48,613,125

12. SUBSEQUENT EVENTS	9 Months Ended Sep. 30, 2012
Subsequent Events [Abstract]	
SUBSEQUENT EVENTS	**NOTE 12 - SUBSEQUENT EVENTS** As of October 24, 2012, the Company was in default to Spirit Bear on the first loan for $100,000. The note was due 180 days after the issuance date which was April 27, 2012. On October 26, 2012, the Company reached agreement with Spirit Bear to extend the term of the loan to November 30, 2012.

Document and Entity Information	9 Months Ended Sep. 30, 2012	Nov. 01, 2012
Document And Entity Information		
Entity Registrant Name	HPEV, INC.	
Entity Central Index Key	0001399352	
Document Type	10-Q	
Document Period End Date	Sep. 30, 2012	
Amendment Flag	false	
Current Fiscal Year End Date	--12-31	
Is Entity a Well-known Seasoned Issuer?	No	
Is Entity a Voluntary Filer?	No	
Is Entity's Reporting Status Current?	Yes	
Entity Filer Category	Smaller Reporting Company	
Entity Common Stock, Shares Outstanding		47,646,441
Document Fiscal Period Focus	Q3	
Document Fiscal Year Focus	2012	

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Policies)	9 Months Ended Sep. 30, 2012
Accounting Policies [Abstract]	
Accounting Method	**Accounting Method** The Company' s financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.
Principles of Consolidation	**Principles of Consolidation** These consolidated financial statements include the accounts of HPEV-DE and its parent HPEV (formerly known as Z3 Enterprises). On April 20, 2012, the Company officially changed its name to HPEV, Inc. All significant inter-company transactions and balances have been eliminated.
Year end	**Year end** The Company' s year-end is December 31.
Cash and Cash Equivalents	**Cash and Cash Equivalents** For purposes of the statement of cash flows, the Company considers all highly liquid investments and short-term debt instruments with original maturities of three months or less to be cash equivalents.
Revenue Recognition	**Revenue Recognition** The Company recognizes revenue on arrangements in accordance with Securities and Exchange Commission Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" and No. 104, "Revenue Recognition". In all cases, revenue is recognized only when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is performed and collectability is reasonably assured. For the quarters ended September 30, 2012 and 2011, and for the period from inception to September 30, 2012, the Company did not report any revenues.
Earnings Per Share	**Earnings Per Share** The Company has adopted the Financial Accounting Standards Board' s ("FASB") Accounting Standards Codification ("ASC") 260-10 which provides for calculation of "basic" and "diluted" earnings per share. Basic earnings per share includes no dilution and is computed by dividing net income or loss available to common stockholders by the weighted average common shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of an entity.
Fair Value of Financial Instruments	**Fair Value of Financial Instruments** The fair value of the Company' s assets and liabilities, which qualify as financial instruments under Financial Accounting Standards Board (FASB) guidance regarding disclosures about fair value of financial instruments, approximate the carrying amounts presented in the accompanying consolidated balance sheets. Effective January 1, 2008, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 157 *Fair Value Measurements* ("SFAS 157"), superseded by ASC 820-10, which defines fair value, establishes a framework for measuring fair value and expands required disclosure about fair value measurements of assets and liabilities. The impact of adopting ASC 820-10 was not significant to the Company' s consolidated financial statements. ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an

orderly transaction between market participants on the measurement date. ASC 820-10 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1 – Valuation based on quoted market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation based on quoted market prices for similar assets and liabilities in active markets.
- Level 3 – Valuation based on unobservable inputs that are supported by little or no market activity, therefore requiring management' s best estimate of what market participants would use as fair value.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability. The valuation of our derivative liability is determined using Level 1 inputs, which consider (i) time value, (ii) current market and (iii) contractual prices.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of September 30, 2012. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments. These financial instruments include cash, accounts payable and accrued expenses, loan payable and notes payable – related party.

Income Taxes

Income Taxes

The Company provides for federal and state income taxes payable, as well as for those deferred because of the timing differences between reporting income and expenses for financial statement purposes versus tax purposes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recoverable or settled. The effect of a change in tax rates is recognized as income or expense in the period of the change. A valuation allowance is established, when necessary, to reduce deferred income tax assets to the amount that is more likely than not to be realized.

Upon inception, the Company adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48"), superseded by ASC 740-10. The Company did not recognize a liability as a result of the implementation of ASC 740-10. A reconciliation of the beginning and ending amount of unrecognized tax benefits has not been provided since there is no unrecognized benefit as of the date of adoption. The Company did not recognize interest expense or penalties as a result of the implementation of ASC 740-10. If there were an unrecognized tax benefit, the Company would recognize interest related to unrecognized tax benefits in interest expense and penalties in other operating expenses.

Employee Stock Based Compensation

Employee Stock Based Compensation

The FASB issued SFAS No.123 (revised 2004), *Share-Based Payment*, which was superseded by ASC 718-10. ASC 718-10 provides investors and other users of financial statements with more complete and neutral financial information, by requiring that the compensation cost relating to share-based payment transactions be recognized in financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. ASC 718-10 covers a wide range of share-based compensation arrangements, including share options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans. As of September 30, 2012, the Company has not implemented an employee stock based compensation plan.

Non-Employee Stock Based Compensation

Non-Employee Stock Based Compensation

The Company accounts for stock based compensation awards issued to non-employees for services, as prescribed by ASC 718-10, at either the fair value of the services rendered or the instruments issued in exchange for such services, whichever is more readily determinable, using the measurement date guidelines enumerated in EITF 96-18, *Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services*, which was superseded by ASC 505-50. The Company issues compensatory shares for services including, but not limited to, executive, management, accounting, operations, corporate communication, financial and administrative consulting services.

Use of Estimates

Use of Estimates

The process of preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Research and development

Research and development

Costs of research and development are expensed in the period in which they are incurred.

Recent accounting standards

Recent accounting standards

The Company has evaluated the recent accounting pronouncements through ASU 2012-07 and believes that none of them will have a material effect on the Company' s financial statements.

Reclassification

Reclassification

Upon completion of the Company' s September 30, 2012 financial statements, accounting reclassification adjustments were made for certain warrants which were issued as a cost of financing. Warrants valued at $99,229 and previously included in professional fees were reclassified from professional fees and included in interest expense for the three and six months ended June 30, 2012 and from inception (March 24, 2011) to June 30, 2012. There was no impact on the net loss for the periods then ended.

CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited) (USD $)	3 Months Ended		6 Months Ended	9 Months Ended	18 Months Ended
	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2012
Income Statement [Abstract]					
Revenue	$ 0	$ 0	$ 0	$ 0	$ 0
Cost of goods sold	0	0	0	0	0
Gross profit	0	0	0	0	0
Operating expenses					
Director stock compensation	0	0	0	(2,650,000)	0
Consulting fees	501,923	358,425	1,433,655	1,408,002	3,012,582
Professional fees	19,480	85,342	269,417	162,984	701,463
Research and development	4,744	35,715	37,325	453,875	568,230
General and administrative	4,561	4,521	23,206	64,427	106,228
Loss on Deposit	0	0	0	0	100,000
Loss on Intangible Property	0	0	0	0	75,000
Total operating (income) expenses	530,708	484,003	1,763,603	(560,712)	4,562,503
Other expense					
Interest expense	180,714	0	0	282,871	282,871
Finance cost	315,773	0	0	513,599	513,599
Net loss	$ (1,027,195)	$ (484,003)	$ (1,763,603)	$ (235,758)	$ (5,359,973)
Basic loss per common share	$ (0.02)	$ (0.01)	$ (0.04)	$ 0.00	
Basic weighted average common shares outstanding	47,646,411	48,259,875	43,984,354	47,864,741	

7. RELATED PARTY TRANSACTIONS	9 Months Ended Sep. 30, 2012
Related Party Transactions [Abstract]	
RELATED PARTY TRANSACTIONS	**NOTE 7 – RELATED PARTY TRANSACTIONS** As a consequence of the reverse merger, the Company took over obligations consisting of accounts payable of $11,637 (non-related party) and a note payable balance of $313,687 due to Phoenix Productions and Entertainment Group, Inc., a significant shareholder of the Company' s common stock. The terms of the loan agreement do not require payment of interest and repayment of the loan is to begin 15 days after receipt of initial revenues related to projects funded by PPEG loans. Maturity of the loan is perpetual or upon mutual agreement of both parties or if conditions are breached or in default. Subsequent to the reverse merger, Phoenix Productions and Entertainment Group, Inc. made loans to the Company of $598,407 leaving a balance due as of September 30, 2012 and December 31, 2011 of $911,894 and $862,094, respectively. During the period from inception (March 24, 2011) to September 30, 2012, Judson Bibb, Director, Secretary and Vice President, advanced $22,910 in interest-free, unsecured, due-on-demand funds. As of September 30, 2012 and December 31, 2011 $22,910 and $22,500, respectively, remains due and payable. During the quarter ended September 30, 2012. Quentin Ponder, Director and Chief Financial Officer, loaned the Company a total of $5,470 in interest-free, unsecured, due-on-demand loans. As of September 30, 2012, $4,470 remains due and payable.

6. WARRANTS AND OPTIONS	9 Months Ended Sep. 30, 2012

Notes to Financial Statements

WARRANTS AND OPTIONS

NOTE 6 – WARRANTS AND OPTIONS

Warrants

On June 4, 2012, the Company issued a warrant for 303,569 shares of common stock to McMahon Serepca, LLP with an exercise price of $0.275. The vesting period on these grants was immediate. The value of these warrants were estimated by using the Black-Scholes option pricing model with the following assumptions: expected life of 2.5 years; risk free interest rate of 0.62%; dividend yield of 0% and expected volatility of 225%. To account for such grants to non-employees, we recorded the issuance as interest expense in the amount of $99,229.

On August 6, 2012, the Company issued a warrant for 303,569 shares of common stock to McMahon Serepca, LLP with an exercise price of $0.39. The vesting period on these grants was immediate. The value of these warrants was estimated by using the Black-Scholes option pricing model with the following assumptions: expected life of 2.5 years; risk free interest rate of 0.62%; dividend yield of 0% and expected volatility of 218%. To account for such grants to non-employees, we recorded the issuance as interest expense in the amount of $110,029.

In April, May, June and July of 2012, Spirit Bear Limited made cash advances for and funded loans to the Company in the total amount of $186,222, creating direct financial obligations of the Company. On August 8, 2012, The Company and Spirit Bear reached a definitive agreement concerning the terms of the loans, including the Company' s obligations to repay Spirit Bear within 180 days from each date of funding, and the Company' s obligation to issue warrants to Spirit Bear to purchase 3.5714 shares of common stock per dollar of consideration provided by Spirit Bear, subject to certain adjustments, at the per share price of $.35, as partial consideration for the loans. The warrants granted to Spirit Bear totaled 665,374 shares. The value of these options was estimated by using the Black-Scholes option pricing model with the following assumptions: expected life of 2 years; risk free interest rate of 0.33%; dividend yield of 0% and expected volatility of 250%. These options were valued at $622,523 and the aggregate value was capitalized as financing cost and has been accreted and charged to financing cost expense in the amount of $513,599 as of September 30, 2012.

In the event payment is not made within 90 days of the receipt of each loan, the Company is required to provide penalty warrants. As of September 30, 2012, penalty warrants for the loan made in April total 261,888, penalty warrants for the loan made in May total 56,908, and penalty warrants for the loan made in June total 192. Total penalty warrants owed to Spirit Bear at the end of the third quarter total 318,988. The value of these options was estimated by using the Black-Scholes option pricing model with the following assumptions: expected life of 2 years; risk free interest rate of 0.62%; dividend yield of 0% and expected volatility of 245%. These options were charged to interest expense in the amount of $68,233 as of September 30, 2012.

On October 31, 2011 stock options to purchase 200,000 shares at $0.55 were issued to The Crone Law Group, these options were issued in order to satisfy a penalty services rendered and payments defrayed. The value of these options was estimated by using the Black-Scholes option pricing model with the following assumptions: expected life of 3 years; risk free interest rate of 0.41%; dividend yield of 0% and expected volatility of 289%. These options were valued at $108,420 and charged to professional fees.

The following is a summary of the status of all of the Company' s stock warrants as of September 30, 2012 and changes during the nine months ended on that date:

	Number of Warrants		Weighted-Average Exercise Price	Weighted-Average Remaining Life (Years)
Outstanding at December 31, 2011	-	$	-	-
Granted	1,591,500	$	0.33	2.71
Exercised	-	$	0.00	-
Cancelled	-	$	0.00	-
Outstanding at September 30, 2012	1,591,500	$	0.34	2.71
Exercisable at September 30, 2012	1,591,500	$	0.33	2.71

6. WARRANTS AND OPTIONS (Details) (USD $)	9 Months Ended Sep. 30, 2012
Warrants And Options Details	
Number of Warrants, Beginning	0
Number of Warrants, Granted	1,591,500
Number of Warrants, Exercised	0
Number of Warrants, Forfeited/Canceled	0
Number of Warrants, Ending	1,591,500
Number of Warrants, Exercisable	1,591,500
Weighted Average Exercise Price, Beginning	$ 0
Weighted Average Exercise Price, Granted	$ 0.33
Weighted Average Exercise Price, Exercised	$ 0
Weighted Average Exercise Price, Forfeited/Canceled	$ 0
Weighted Average Exercise Price, Ending	$ 0.34
Weighted Average Exercise Price, Exercisable	$ 0.33
Weighted Average Remaining Contractual Life (in years), Granted	2 years 8 months 23 days
Weighted Average Remaining Contractual Life (in years), Ending	2 years 8 months 23 days
Weighted Average Remaining Contractual Life (in years), Exercisable	2 years 8 months 23 days

4. LOSS PER SHARE (Tables)

9 Months Ended Sep. 30, 2012

Earnings Per Share [Abstract]

Components of loss per share

	For the Three Months Ended September 30, 2012	For the Three Months Ended September 30, 2011	For the Nine Months Ended September 30, 2012	From inception (March 24, 2011) through September 30, 2011
Net (loss) attributable to common stockholders	$ (1,027,195)	$ (484,003)	$ (235,758)	$ (1,763,603)
Weighted Average Shares Outstanding	47,646,441	48,259,875	47,864,741	43,984,354
Basic Loss Per Share	$ (0.02)	$ (0.01)	$ (0.00)	$ (0.04)

10. PREPAID EXPENSE	9 Months Ended Sep. 30, 2012
Deferred Costs, Capitalized, Prepaid, and Other Assets Disclosure [Abstract]	
PREPAID EXPENSE	**NOTE 10 - PREPAID EXPENSE** On May 11, 2011, 1,823,185 common shares valued at $0.75 per share were issued to Capital Group Communication, Inc. in exchange for investor relations services valued at $1,367,389. The services are for a 24 month term. As of September 30, 2012, the prepaid balance is $398,840. On March 23, 2012, 1,000,000 shares of restricted common stock valued at $1.07 per share were issued to Lagoon Labs, LLC in exchange for consultations with management as well as providing investor communications and public relations, with an emphasis on digital and social media. The services are for a 12 month term. As of September 30, 2012, the prepaid balance is $401,229.

8. NOTES PAYABLE

9 Months Ended
Sep. 30, 2012

Debt Disclosure [Abstract]

NOTES PAYABLE

NOTE 8 – NOTES PAYABLE

On March 7, 2012, the Company signed a loan agreement with Action Media Group, LLC (a former shareholder) for $250,000. The terms of the loan include: 3% annual interest and payment of principal and interest to begin at a mutually agreed upon date in the future. Maturity of the loan is perpetual or upon mutual agreement of both parties or if conditions are breached or in default.

Beginning on April 27, 2012, the Company received the first of two loans from Spirit Bear Limited totaling $135,000. The first loan was received on April 27 for $100,000 and the second on May 22 for $35,000. A third loan was received on June 28 for $1,222. It covered travel expenses by the president of the Company who was involved in the negotiations with Spirit Bear. A fourth loan was received on July 11, 2012 for $50,000.

Financing costs for the four loans from Spirit Bear totaled $622,523. Each loan is unsecured, bears an interest rate of 1.28% and has a term of the lesser of 180 days or 3 business days after the Company' s next equity financing. As of September 30, 2012, $513,599 has been amortized leaving a balance of $108,924 in financing costs.

The terms were subject to negotiations which were not completed until August 8, 2012. *See Note 12 – Subsequent Events*

9. INTELLECTUAL PROPERTY	9 Months Ended Sep. 30, 2012
Goodwill and Intangible Assets Disclosure [Abstract]	
INTELLECTUAL PROPERTY	**NOTE 9 - INTELLECTUAL PROPERTY** As of September 30, 2012, the Company' s wholly owned subsidiary, HPEV, Inc., has been assigned the rights to five patents and three patents-pending with two remaining to be assigned. Five issued patents and two patents-pending relate to the utilization of thermal dispersion technologies to remove heat from various types of electric motors, generators and a brake resistor. By removing heat in a more efficient manner, the thermal technologies should provide lower costs, improved performance benefits and longer product life. The other patent-pending is an electric load assist that makes it possible for hybrid electric vehicles to utilize power in any combination from the gas or diesel engine and an electric motor installed on-board. The direct cost for legal services related to the patents as of September 30, 2012 and December 31, 2011 was $69,757 and $44,564, respectively. This amount was capitalized as an intangible asset.

11. COMMON STOCK RECEIVABLE	9 Months Ended Sep. 30, 2012
Notes to Financial Statements	
COMMON STOCK RECEIVABLE	**NOTE 11 - COMMON STOCK RECEIVABLE** On September 2, 2011, the Company and Richard Glisky signed a Rescission Agreement (“the Agreement) to rescind an Agreement for the Acquisition of Harvest Hartwell CCP, LLC (HHCCP), a Michigan limited liability company. The Agreement for Acquisition was originally signed on September 30, 2010. As called for in the Rescission Agreement, the Company assigned 100% of its interests in HHCCP to the previous owner, Richard Glisky. Richard Glisky, in turn, assigned 1,920,000 shares of Company common stock back to the Company which the Company’ s intended to have cancelled. On February 23, 2012, 1,920,000 shares of the Company common stock was returned to the Company and canceled. Consequently, the Company had an $8,000,000 stock receivable removed from its books.

2. GOING CONCERN (Details Narrative) (USD $)	3 Months Ended		6 Months Ended	9 Months Ended	18 Months Ended
	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2012
Going Concern Details Narrative					
Net income	$ 1,027,195	$ 484,003	$ 1,763,603	$ 235,758	$ 5,359,973

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) (USD $)	6 Months Ended Sep. 30, 2011	9 Months Ended Sep. 30, 2012	18 Months Ended Sep. 30, 2012
Cash flows from operating activities:			
Net loss	$ (1,763,603)	$ (235,758)	$ (5,359,973)
Adjustments to reconcile net loss to net cash used by operating activities:			
Stock issued to founder	0	0	22,000
Stock issued for services	0	1,201,520	1,201,520
Stock options issued for penalty	0	0	108,420
Warrants issued for loan penalty	0	68,233	68,223
Warrants issued for interest	0	209,258	209,258
Stock compensation	1,451,877	0	1,600,802
Amortization of financing cost	0	513,599	513,599
Director stock compensation from shareholder	0	(2,650,000)	0
Impairment of intangible asset and deposit	0	0	175,000
Changes in operating assets and liabilities:			
Increase in accrued interest	0	5,380	5,380
Increase in accounts payable related party	0	66,500	66,500
Increase (decrease) in accounts payable	47,267	272,627	364,691
Net cash used by operating activities	(264,459)	(548,641)	(1,024,570)
Cash flows from investing activities:			
Increase of intangible assets	0	(25,193)	(69,757)
Cash acquired through reverse merger	37	0	37
Net cash provided by (used by) investing activities	37	(25,193)	(69,720)
Cash flows from financing activities:			
Proceeds from sale of common stock	0	5,000	55,000
Proceeds from notes payable	0	436,222	436,222
Proceeds from notes payable - related party	316,717	55,470	602,877
Payments from notes payable- related party	(3,000)	(1,200)	(200)
Bank overdraft	0	0	410
Net cash provided by financing activities	313,717	495,492	1,094,309
Net increase (decrease) in cash and cash equivalents	49,295	(78,342)	19
Cash, beginning of period	0	78,361	0
Cash, end of period	49,295	19	19
Supplemental Schedule of non-cash activities			
Shares issued for services	(1,082,514)	(800,069)	(1,711,658)
Prepaid expense acquired under reverse merger	(375,003)	0	(375,003)
Intangible asset acquired under reverse merger	(75,000)	0	(75,000)
Deposit acquired under reverse merger	(100,000)	0	(100,000)
Common stock receivable acquired under reverse merger	8,000,000	8,000,000	0
Accounts payable acquired under reverse merger	11,637	0	11,637
Notes payable acquired under reverse merger	336,187	0	336,187

Warrants granted as finance cost	$ 0	$ (108,924)	$ (108,924)

5. CAPITAL STOCK

	9 Months Ended
	Sep. 30, 2012

Equity [Abstract]

CAPITAL STOCK

NOTE 5 – CAPITAL STOCK

Common Stock

The Company has 100,000,000 common shares and 15,000,000 preferred shares authorized and 47,646,441 common shares were issued and outstanding as of September 30, 2012. No preferred shares were issued and outstanding as of September 30, 2012.

Stock issuances during the nine months ended September 30, 2012 consisted of the following:

On February 11, 2012, the Board of Directors authorized the issuance of 1,000,000 shares of restricted common stock valued at $1.07 as of the date of the agreement, to Lagoon Labs, LLC in exchange for consultations with management as well as providing investor communications and public relations, with an emphasis on digital and social media, for 12 months. The shares were issued on March 23, 2012. *See Note 10 – Prepaid Expense.*

On February 17, 2012, 83,350 shares belonging to IFMT, Inc. were returned to the transfer agent and canceled. The shares were originally issued as part of the Usee transaction which was subsequently terminated. Prior to the reverse merger with HPEV, Inc., the Company entered into an acquisition agreement with Usee, Inc. and Usee CA, Inc. Upon further due diligence investigation, the Company cancelled the agreement and all the shares were required to be returned.

On April 5, 2012, a Certificate of Amendment to the Articles of Incorporation was filed with the Nevada Secretary of State noting the increase in authorized common stock to 100,000,000 shares.

On April 13, 2012, Judson Bibb returned the 5,000,000 shares he had received from Phoenix Productions and Entertainment Group (PPEG) back to PPEG resulting in a reversal of the expense in the quarter ending March 31, 2012.

On June 8, 2012, the Board of Directors authorized the issuance of 26,666 shares of restricted common stock valued at $0.75 to Wayne Wilcox of Geartech Heavy Duty in lieu of payment for work performed on a component of the initial hybrid conversion vehicle. The Board of Directors also authorized the issuance of 10,000 shares of restricted common stock valued at $0.50 to an accredited investor in exchange for $5,000 in funding.

6. WARRANTS AND OPTIONS (Tables)

9 Months Ended Sep. 30, 2012

Notes to Financial Statements

Summary of the status of all of the Company’s stock warrants

	Number of Warrants		Weighted-Average Exercise Price	Weighted-Average Remaining Life (Years)
Outstanding at December 31, 2011	-	$	-	-
Granted	1,591,500	$	0.33	2.71
Exercised	-	$	0.00	-
Cancelled	-	$	0.00	-
Outstanding at September 30, 2012	1,591,500	$	0.34	2.71
Exercisable at September 30, 2012	1,591,500	$	0.33	2.71