

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q/A

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

Filing Date: **2013-01-14** | Period of Report: **2012-09-30**
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FILER

REO PLUS, INC.

CIK: **1494582** | IRS No.: **270788438** | State of Incorporation: **TX** | Fiscal Year End: **1231**
Type: **10-Q/A** | Act: **34** | File No.: **333-170054** | Film No.: **13527591**
SIC: **6510** Real estate operators (no developers) & lessors

Mailing Address
3014 MCCULLOCH CIR.
HOUSTON TX 77056

Business Address
3014 MCCULLOCH CIR.
HOUSTON TX 77056
713-599-1910

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

**FORM 10-Q/A
(Amendment No. 1)**

(MARK ONE)

**QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2012

**TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 333-170054

REO PLUS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Texas

27-0788438

(State or other jurisdiction of incorporation or
organization)

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

3014 McCulloch Circle, Houston, Texas 77056

(Address of principal executive offices)

713-478-3832

(Registrant's telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T ( 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting

company

(Do not check if smaller reporting company)

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

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 1,869,000 common shares as of January 7, 2013

**AMENDMENT NO. 1 TO THE QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2012**

EXPLANATORY NOTE

We are filing this Amendment No. 1 (the "Amendment") to our Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 (the "Quarterly Report") to furnish Exhibit 101 to the Form 10-Q in accordance with Rule 405 of Regulation S-T. Other than for these changes, the Quarterly Report is not being amended in any respect. This Amendment speaks as of the original filing date of 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 Act of 1934, as amended, and otherwise are not subject to liability under those sections.

PART II – OTHER INFORMATION

Item 6. Exhibits.

(a) The following exhibits are filed with this Quarterly Report or are incorporated herein by reference:

Exhibit

Number Description

31.01*	Certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
31.02*	Certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
32.01*	Certification Pursuant to 18 U.S.C. Section 1350, as pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.02*	Certification Pursuant to 18 U.S.C. Section 1350, as pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase
101.DEF**	XBRL Taxonomy Extension Definition Linkbase
101.LAB**	XBRL Taxonomy Extension Labels Linkbase
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase

* Previously filed

** XBRL information is furnished and not filed or a part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

REO PLUS, INC.
(Registrant)

By: /s/ Richard J. Church
Richard J. Church,
President and Treasurer (Principal
Executive Officer, Principal Financial Officer and Principal
Accounting Officer)

January 14, 2013

**Note 5. Income Tax Benefit:
Schedule of Effective Income
Tax Rate Reconciliation
(Details) (USD \$)**

	9 Months Ended	
	Sep. 30, 2012	Sep. 30, 2011
<u>Income Tax Reconciliation, Income Tax Expense (Benefit), at Federal Statutory Income Tax Rate</u>	\$ (0.1800)	\$ (0.1757)
<u>Effective Income Tax Rate Reconciliation, Change in Deferred Tax Assets Valuation Allowance</u>	18.00%	17.57%
<u>Effective Income Tax Rate Reconciliation, Change in Enacted Tax Rate</u>	0.00%	0.00%

**Note 3. Investment in
Affiliate: Schedule of
Investments in and Advances
to Affiliates (Details) (USD \$)**

Jan. 02, 2010

<u>Investments in and Advances to Affiliates, Amount of Equity</u>	\$ 27,500
<u>Long-term Debt, Gross</u>	190,000
<u>Acquisition Costs, Cumulative</u>	217,500
<u>Deemed dividend for investment acquired from a controlling shareholder.</u>	(176,700)
<u>Business Acquisition, Cost of Acquired Entity, Purchase Price</u>	\$ 40,800

**Note 4. Notes Payable,
Stockholders (Tables)**

**3 Months Ended
Sep. 30, 2012**

[Tables/Schedules \(Detail
level 3\):](#)

[Schedule of Accounts Payable,
Stockholders](#)

At September 30, 2012, notes payable stockholders consist of the following:

Note payable to an individual, bearing interest at 5% per annum; unsecured, principal and interest due February 5, 2013	\$ 85,960
Note payable to an individual, bearing interest at 5% per annum; unsecured, principal and interest due April 30, 2013	35,000
Note payable to an individual, bearing interest at 5% per annum; unsecured, principal and interest due September 27, 2013	40,000
Note payable to a corporation, bearing interest at 5% per annum; unsecured, principal and interest due February 5, 2013	<u>20,000</u>
	<u>\$ 180,960</u>

**Note 4. Long-term Debt
(Ananda): Schedule of
Maturities of Long-term
Debt (Details) (USD \$)**

Sep. 30, 2012 Dec. 31, 2011

<u>Notes Payable, Noncurrent</u>	\$ 417,123	
<u>Mortgage payable</u>	(13,250)	
<u>Long-term debt</u>	403,873	413,591
<u>Long-term Debt, Maturities, Repayments of Principal in Year Two</u>	13,250	
<u>Long-term Debt, Maturities, Repayments of Principal in Year Three</u>	403,873	
<u>Long-term Debt, Excluding Current Maturities</u>	\$ 417,123	

Note 5. Income Tax Benefit:
Schedule of Deferred Tax
Assets and Liabilities
(Details) (USD \$)

Sep. 30, 2012 Dec. 31, 2011

<u>Operating Loss Carryforwards</u>	\$ 31,696	\$ 18,841
<u>Valuation Allowance, Amount</u>	(31,696)	(18,841)
<u>Deferred Tax Assets, Net of Valuation Allowance</u>	\$ 0	\$ 0

Statements of Cash Flows
(Ananda) (USD \$)

9 Months Ended
Sep. 30, 2012 Sep. 30, 2011

Cash Flows from Operating Activities:

Net Income (Loss) \$ (71,421) \$ (51,949)

Adjustments to reconcile net income to cash provided by operating activities:

Total Adjustments (6,596) (3,530)

Net Cash Provided by Operating Activities (78,017) (55,479)

Cash Flows from Financing Activities:

Net Cash (Used) by Financing Activities 95,000 55,000

Net Increase (Decrease) in Cash 16,983 (479)

Cash, Beginning of Period 653 2,357

Cash, End of Period 17,636 1,878

Interest paid 13,354 9,975

Income Taxes Paid

Reportable Segment (Ananda)

Cash Flows from Operating Activities:

Net Income (Loss) 25,991 9,200

Adjustments to reconcile net income to cash provided by operating activities:

Depreciation and amortization 21,091 21,091

(Increase) in prepaid insurance (1,999) (1,415)

(Decrease) in accrued expenses (2,456) (2,348)

(Decrease) in lease deposit (2,282)

Total Adjustments 14,354 17,328

Net Cash Provided by Operating Activities 40,345 26,528

Cash Flows from Financing Activities:

Payments on long-term debt (9,040) (8,557)

Net Cash (Used) by Financing Activities (9,040) (8,557)

Net Increase (Decrease) in Cash 31,305 17,971

Cash, Beginning of Period 49,197 20,121

Cash, End of Period 80,502 38,092

Interest paid 20,155 20,639

Income Taxes Paid

Note 4. Long-term Debt **9 Months Ended**
(Ananda) (Details) (USD \$) **Sep. 30, 2012** **Sep. 30, 2011**
Interest Expense, Long-term Debt \$ 20,155 \$ 20,639

**Note 6. Operating Lease
Commitments (Ananda)
(Tables)**

**3 Months Ended
Sep. 30, 2012**

Tables/Schedules (Detail level 3):
Schedule of Future Minimum Rents

October 1,	
-	
September	
30, 2013	\$ 98,964
October 1,	
-	
September	
30, 2014	100,884
October 1,	
-	
September	
30, 2015	103,068
October 1,	
-	
September	
30, 2016	105,012
October 1,	
- August	
31, 2017	<u>98,274</u>
	<u>\$506,202</u>

**Note 4. Long-term Debt
(Ananda) (Tables)**

**3 Months Ended
Sep. 30, 2012**

Tables/Schedules (Detail level 3):

Schedule of Maturities of Long-term Debt

On September 30, 2012, long-term debt is as follows:

Note payable	\$ 417,123
Less current portion	<u>(13,250)</u>
Long-term debt	<u>\$ 403,873</u>

Maturities of long-term debt are as follows:

	2013 \$ 13,250
	2014 403,873
	<u>\$417,123</u>

**Note 6. Operating Lease
Commitments (Ananda):
Schedule of Future
Minimum Rents (Details)
(USD \$)**

Sep. 30, 2012

<u>Operating Leases, Future Minimum Payments Receivable, Current</u>	\$ 98,964
<u>Operating Leases, Future Minimum Payments Receivable, in Two Years</u>	100,884
<u>Operating Leases, Future Minimum Payments Receivable, in Three Years</u>	103,068
<u>Operating Leases, Future Minimum Payments Receivable, in Four Years</u>	105,012
<u>Operating Leases, Future Minimum Payments Receivable, in Five Years</u>	98,274
<u>Operating Leases, Future Minimum Payments Receivable</u>	\$ 506,202

**Note 7. Fair Value (Ananda)
(Tables)**

**3 Months Ended
Sep. 30, 2012**

Tables/Schedules (Detail level 3):
Fair Value Measurements, Recurring and
Nonrecurring

	Fair Value at	
	September	December
	30,	31,
<u>Level</u>	<u>2012</u>	<u>2011</u>

Liabilities:

Long-term note, including current portion	2	\$ 417,123	\$ 426,163
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Note 2. Going Concern (Details) (USD \$)	3 Months Ended		9 Months Ended	
	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2011
<u>Net income</u>	\$ 17,554	\$ 22,718	\$ 71,421	\$ 51,949
Parent Company				
<u>Net income</u>	\$ 185,481			

Statements of Income and Members' Equity (Ananda) (USD \$)	9 Months Ended Sep. 30, 2012 Sep. 30, 2011	
<u>Costs and Expenses:</u>		
<u>Net Income from Operations</u>	\$ (71,421)	\$ (51,949)
<u>Other Income (Expense):</u>		
<u>Interest</u>	(14,141)	(9,975)
<u>Net Income (Loss)</u>	(71,421)	(51,949)
Reportable Segment (Ananda)		
<u>Revenues:</u>	80,381	63,122
<u>Costs and Expenses:</u>		
<u>Depreciation and amortization</u>	21,091	21,091
<u>Property taxes</u>	6,702	7,044
<u>Insurance</u>	5,270	4,760
<u>Repairs and maintenance</u>	1,096	298
<u>General and administrative</u>	76	90
<u>Total Costs and Expenses</u>	34,235	33,283
<u>Net Income from Operations</u>	46,146	29,839
<u>Other Income (Expense):</u>		
<u>Interest</u>	(20,155)	(20,639)
<u>Net Income (Loss)</u>	25,991	9,200
<u>Members' Equity, Beginning of Period</u>	134,460	122,219
<u>Members' Equity, End of Period</u>	\$ 160,451	\$ 131,419

**Note 3. Investment in
Affiliate (Details) (USD \$)**

**3 Months Ended
Sep. 30, 2012 Jan. 02, 2010**

<u>Business Acquisition, Equity Interest Issued or Issuable, Number of Shares</u>	934,500	
<u>Investments in and Advances to Affiliates, Amount of Equity</u>		\$ 27,500
<u>Long-term Debt, Gross</u>		\$ 190,000

**Note 3. Deferred Loan Cost
(Ananda): Schedule of
deferred loan cost table.
(Details) (USD \$)**

	12 Months Ended		24 Months Ended	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Sep. 30, 2012
<u>Deferred Finance Costs, Gross</u>				\$ 8,888
<u>Accumulated Amortization, Deferred Finance Costs</u>				(4,629)
<u>Accumulated Amortization of Noncurrent Deferred Finance Costs</u>				4,259
<u>Amortization of Deferred Charges</u>	\$ 2,037	\$ 2,222	\$ 4,259	

Balance Sheets (USD \$)	Sep. 30, 2012	Dec. 31, 2011
<u>Current Assets:</u>		
<u>Cash</u>	\$ 17,636	\$ 653
<u>Prepaid expense</u>		938
<u>Total Current Assets</u>	17,636	1,591
<u>Investment in unconsolidated affiliate</u>	64,180	53,784
<u>Total Assets</u>	81,816	55,375
<u>Current Liabilities:</u>		
<u>Accounts payable and accrued expenses</u>	10,600	8,525
<u>Accounts payable, stockholders</u>		85,960
<u>Notes payable, stockholders</u>	180,960	
<u>Note payable, related party</u>	190,000	190,000
<u>Accrued interest, stockholders</u>	7,437	6,650
<u>Total Current Liabilities</u>	388,997	291,135
<u>Stockholders' (Deficit) Equity:</u>		
<u>Preferred stock, \$.001 par value, 10,000,000 shares authorized and 0 shares issued and outstanding</u>		
<u>Common stock, \$.001 par value, 500,000,000 shares authorized, 1,869,000 shares issued and outstanding</u>	1,870	1,870
<u>Additional paid-in capital</u>	53,130	53,130
<u>Deficit accumulated during the development stage</u>	(362,181)	(290,760)
<u>Total Stockholders' (Deficit) Equity</u>	(307,181)	(235,760)
<u>Total Liabilities and Stockholders' (Deficit) Equity</u>	\$ 81,816	\$ 55,375

Note 7. Fair Value (Ananda):
Fair Value Measurements, **Sep. 30, 2012** **Dec. 31, 2011**
Recurring and Nonrecurring
(Details) (USD \$)

<u>Debt, Current</u>	\$ 417,123	\$ 426,163
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Statements of Cash Flows
(USD \$)

3 Months Ended		9 Months Ended	
Sep. 30,	Sep. 30,	Sep. 30,	Sep. 30,
2012	2011	2012	2011

Cash Flows from Operating Activities:

<u>Net Income (Loss)</u>	\$ (17,554)	\$ (22,718)	\$ (71,421)	\$ (51,949)
<u>Adjustments to reconcile net income (loss) to cash used by operating activities:</u>				
<u>Equity in (income) loss of unconsolidated affiliate</u>	(10,160)	(1,306)	(10,396)	(3,680)
<u>Decrease (Increase) in prepaid expenses</u>		937	938	(1,875)
<u>(Decrease) Increase in accounts payable and accrued expenses</u>	(500)	4,126	2,075	2,025
<u>Increase in accrued interest</u>	1,762		787	
<u>Total Adjustments</u>	(8,898)	3,757	(6,596)	(3,530)
<u>Net Cash (Used) Provided by Operating Activities</u>	(26,452)	(18,961)	(78,017)	(55,479)

Cash Flows from Investing Activities:

<u>Increase in investment in unconsolidated affiliate</u>	
<u>Net Cash Used by Investing Activities</u>	

Cash Flows from Financing Activities:

<u>Advances from stockholders</u>		15,000		55,000
<u>Proceeds from notes payable to stockholders</u>	40,000		95,000	
<u>Issuance of common stock</u>				
<u>Net Cash Provided by Financing Activities</u>	40,000	15,000	95,000	55,000
<u>Net Increase (Decrease) in Cash</u>	13,548	(3,961)	16,983	(479)
<u>Cash, Beginning of Period</u>	4,088	5,839	653	2,357
<u>Cash, End of Period</u>	17,636	1,878	17,636	1,878
<u>Interest paid</u>	3,352	3,325	13,354	9,975
<u>Income Taxes Paid</u>				

**Note 4. Notes Payable,
Stockholders: Schedule of
Accounts Payable, Sep. 30, 2012
Stockholders (Details) (USD
\$)**

Note payable to an individual One	\$ 85,960
Note payable to an individual two	35,000
Note payable to an individual three	40,000
Note payable to a corporation	20,000
Notes payable, stockholders	\$ 180,960

**Note 8. Subsequent Events
(Ananda)**

**3 Months Ended
Sep. 30, 2012**

**Note 8. Subsequent Events
(Ananda):**

**Note 8. Subsequent Events
(Ananda)**

NOTE 8. SUBSEQUENT EVENTS

Subsequent events have been evaluated by management for potential recognition or disclosure through the date these financial statements were issued. Subsequent events did not have a significant impact on the financial condition or results of operations.

**Note 4. Notes Payable,
Stockholders (Details) (USD
\$)**

**3 Months Ended
Sep. 30, 2012**

<u>Debt Instrument, Face Amount</u>	\$ 190,000
<u>Debt Instrument, Interest Rate, Stated Percentage</u>	7.00%
<u>Controlling percentage of voting interests</u>	95.00%
<u>Debt Instrument, Periodic Payment, Interest</u>	\$ 3,325

**Note 3. Investment in
Affiliate (Tables)**

**3 Months Ended
Sep. 30, 2012**

[Tables/Schedules \(Detail
level 3\):](#)

[Schedule of Investments in
and Advances to Affiliates](#)

Issuance of common stock	\$ 27,500
Issuance of promissory note	<u>190,000</u>
	217,500
Deemed dividend	<u>(176,700)</u>
Purchase price of investment in affiliate	<u>\$ 40,800</u>

[Summary Results of
Operations For Ananda](#)

	Operations		Operations	
	Three Months		Nine Months	
	Ended		Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Rental income	\$43,367	\$21,050	\$80,381	\$63,122
Operating expenses	<u>(17,967)</u>	<u>(17,785)</u>	<u>(54,390)</u>	<u>(53,922)</u>
Net income	<u>\$25,400</u>	<u>\$3,265</u>	<u>\$25,991</u>	<u>\$9,200</u>
Equity in income of unconsolidated affiliate	<u>\$10,160</u>	<u>\$1,306</u>	<u>\$10,396</u>	<u>\$3,680</u>

Summary financial position for Ananda for the six months ended September 30, 2012 and for the year ended December 31, 2011 follows:

Financial Position

	September 30, 2012	December 31, 2011
Cash	\$80,502	\$49,197
Other current assets	3,428	1,430
Land, buildings and improvements	499,729	519,153
Other assets	<u>4,259</u>	<u>5,925</u>
Total Assets	<u>\$587,918</u>	<u>\$575,705</u>
Deposits and accrued expenses	\$10,344	\$15,082
Mortgage payable	<u>417,123</u>	<u>426,163</u>
Total Liabilities	<u>427,467</u>	<u>441,245</u>
Members' equity	277,845	277,845
Accumulated deficit	<u>(117,394)</u>	<u>(143,385)</u>
Total Equity	<u>160,451</u>	<u>134,460</u>
Total Liabilities and Equity	<u>\$587,918</u>	<u>\$575,705</u>
Investment in unconsolidated affiliate	<u>\$64,180</u>	<u>\$53,784</u>

Balance Sheets (Ananda)
(USD \$)

Sep. 30, 2012 Dec. 31, 2011

Current Assets:

<u>Cash</u>	\$ 17,636	\$ 653
<u>Total Current Assets</u>	17,636	1,591

Other Assets:

<u>Total Assets</u>	81,816	55,375
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Current Liabilities:

<u>Total Current Liabilities</u>	388,997	291,135
<u>Long-term debt</u>	403,873	413,591
<u>Total Liabilities</u>	427,467	441,245
<u>Members' Equity</u>	160,451	134,460
<u>Total Liabilities and Members' Equity</u>	81,816	55,375

Reportable Segment (Ananda)

Current Assets:

<u>Cash</u>	80,502	49,197
<u>Prepaid insurance</u>	3,428	1,430
<u>Total Current Assets</u>	83,930	50,627

Property and Equipment:

<u>Land</u>	100,000	100,000
<u>Building and improvements</u>	517,981	517,981
<u>Total Property and Equipment</u>	617,981	617,981
<u>Accumulated depreciation</u>	(118,252)	(98,828)
<u>Property and Equipment, net</u>	499,729	519,153

Other Assets:

<u>Deferred loan costs</u>	4,259	5,925
<u>Total Assets</u>	587,918	575,705

Current Liabilities:

<u>Accrued expenses</u>	7,044	9,500
<u>Current portion of long-term debt</u>	13,250	12,572
<u>Total Current Liabilities</u>	20,294	22,072
<u>Lease deposit</u>	3,300	5,582
<u>Long-term debt</u>	403,873	413,591
<u>Total Liabilities</u>	427,467	441,245
<u>Members' Equity</u>	160,451	134,460
<u>Total Liabilities and Members' Equity</u>	\$ 587,918	\$ 575,705

Balance Sheets
(Parenthetical) (USD \$) **Sep. 30, 2012 Dec. 31, 2011**

<u>Common Stock, par or stated value</u>	\$ 0.001	\$ 0.001
<u>Common Stock, shares authorized</u>	500,000,000	500,000,000
<u>Common Stock, shares issued</u>	1,869,000	1,869,000
<u>Common Stock, shares outstanding</u>	1,869,000	1,869,000
<u>Preferred Stock, par or stated value</u>	\$ 0.001	\$ 0.001
<u>Preferred Stock, shares authorized</u>	10,000,000	10,000,000
<u>Preferred Stock, shares issued</u>	0	0
<u>Preferred Stock, shares outstanding</u>	0	0

**Note 3. Deferred Loan Cost
(Ananda)**

**3 Months Ended
Sep. 30, 2012**

**Note 3. Deferred Loan Cost
(Ananda):**

**Note 3. Deferred Loan Cost
(Ananda)**

NOTE 3. DEFERRED LOAN COST

At September 30, 2012 deferred loan costs consist of the following:

Deferred loan costs	\$ 8,888
Accumulated amortization	(4,629)
	<u>\$ 4,259</u>

Future amortization of deferred loan costs is as follows:

Future amortization of deferred loan costs is as follows:

	2013	\$ 2,222
	2014	2,037
		<u>\$ 4,259</u>

For the nine months ended September 30, 2012, amortization of deferred loan costs was \$1,667.

**Document and Entity
Information**

3 Months Ended

Sep. 30, 2012

**Dec. 01,
2012**

**Document and Entity
Information:**

<u>Entity Registrant Name</u>	REO PLUS, INC.	
<u>Document Type</u>	10-Q	
<u>Document Period End Date</u>	Sep. 30, 2012	
<u>Amendment Flag</u>	true	
<u>Entity Central Index Key</u>	0001494582	
<u>Current Fiscal Year End Date</u>	--12-31	
<u>Entity Common Stock, Shares Outstanding</u>		1,869,000
<u>Entity Filer Category</u>	Smaller Reporting Company	
<u>Entity Current Reporting Status</u>	Yes	
<u>Entity Voluntary Filers</u>	No	
<u>Entity Well-known Seasoned Issuer</u>	No	
<u>Document Fiscal Year Focus</u>	2012	
<u>Document Fiscal Period Focus</u>	Q3	
<u>Amendment Description</u>	We are filing this Amendment No. 1 (the "Amendment") to our Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 (the "Quarterly Report") to furnish Exhibit 101 to the Form 10-Q in accordance with Rule 405 of Regulation S- T. Other than for these changes, the Quarterly Report is not being amended in any respect. This Amendment speaks as of the original filing date of 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 Act of 1934, as amended, and otherwise are not subject to liability under those sections.	

**Note 4. Long-term Debt
(Ananda)**

**3 Months Ended
Sep. 30, 2012**

**Note 4. Long-term Debt
(Ananda):**

**Note 4. Long-term Debt
(Ananda)**

NOTE 4. LONG-TERM DEBT

As of September 30, 2012 long-term debt consists of an installment note payable to a bank, bearing interest at 6.25% per annum, secured by a first lien deed of trust on the land and building located in Houston, Texas. The note is payable in monthly installments of \$3,244 and matures during September, 2014.

On September 30, 2012, long-term debt is as follows:

Note payable	\$ 417,123
Less current portion	<u>(13,250)</u>
Long-term debt	<u>\$ 403,873</u>

Maturities of long-term debt are as follows:

	2013 \$ 13,250
	2014 403,873
	<u>\$417,123</u>

Total interest for the nine months ended September 30, 2012 and 2011 was \$20,155 and \$20,639, respectively.

Statements of Operations (USD \$)	3 Months Ended Sep. 30, 2012 Sep. 30, 2011		9 Months Ended Sep. 30, 2012 Sep. 30, 2011	
<u>Costs and Expenses:</u>				
<u>Professional fees</u>	\$ 22,600	\$ 20,699	\$ 67,676	\$ 45,654
<u>Net income (Loss) from Operations</u>	(22,600)	(20,699)	(67,676)	(45,654)
<u>Other Income (Expense):</u>				
<u>Equity in income (loss) of unconsolidated affiliate</u>	10,160	1,306	10,396	3,680
<u>Interest</u>	(5,114)	(3,325)	(14,141)	(9,975)
<u>Net Income (Loss) before Income Tax</u>	(17,554)	(22,718)	(71,421)	(51,949)
<u>Income Tax (Provision) Benefit</u>				
<u>Net Income (Loss)</u>	\$ (17,554)	\$ (22,718)	\$ (71,421)	\$ (51,949)
<u>Net Income (Loss) per Share</u>	\$ (0.01)	\$ (0.01)	\$ (0.04)	\$ (0.03)
<u>Fully Diluted Income (Loss) per Share</u>	\$ (0.01)	\$ (0.01)	\$ (0.04)	\$ (0.03)
<u>Weighted Average Shares Outstanding</u>	1,869,000	1,869,000	1,869,000	1,869,000

**Note 3. Investment in
Affiliate**

**3 Months Ended
Sep. 30, 2012**

**Note 3. Investment in
Affiliate:**

Note 3. Investment in Affiliate NOTE 3. INVESTMENT IN AFFILIATE

On January 2, 2010 the Company acquired a 40% interest in Ananda, a Texas limited liability company, which owns a commercial real estate rental property in Houston, Texas. This acquisition was accomplished by the issuance of 934,500 shares of the Company's common stock valued at \$27,500 and the issuance of a promissory note in the amount of \$190,000. The investment was acquired from a controlling shareholder and recorded at the controlling shareholder's cost basis with a resulting "deemed" dividend. The transaction was treated as a transfer between entities under common control as follows:

Issuance of common stock	\$ 27,500
Issuance of promissory note	<u>190,000</u>
	217,500
Deemed dividend	<u>(176,700)</u>
 Purchase price of investment in affiliate	 <u>\$ 40,800</u>

Summary results of operations for Ananda for the three months and nine months ended September 30, 2012 and 2011 are as follows:

	<u>Operations</u>			
	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Rental income	\$43,367	\$21,050	\$80,381	\$63,122
Operating expenses	<u>(17,967)</u>	<u>(17,785)</u>	<u>(54,390)</u>	<u>(53,922)</u>
Net income	<u>\$25,400</u>	<u>\$3,265</u>	<u>\$25,991</u>	<u>\$9,200</u>
Equity in income of unconsolidated affiliate	<u>\$10,160</u>	<u>\$1,306</u>	<u>\$10,396</u>	<u>\$3,680</u>

Summary financial position for Ananda for the six months ended September 30, 2012 and for the year ended December 31, 2011 follows:

	<u>Financial Position</u>	
	September 30,	December 31,
	2012	2011
Cash	\$80,502	\$49,197
Other current assets	3,428	1,430
Land, buildings and improvements	499,729	519,153
Other assets	<u>4,259</u>	<u>5,925</u>
Total Assets	<u>\$587,918</u>	<u>\$575,705</u>
Deposits and accrued expenses	\$10,344	\$15,082
Mortgage payable	<u>417,123</u>	<u>426,163</u>
Total Liabilities	<u>427,467</u>	<u>441,245</u>

Members' equity	277,845	277,845
Accumulated deficit	<u>(117,394)</u>	<u>(143,385)</u>
Total Equity	<u>160,451</u>	<u>134,460</u>
Total Liabilities and Equity	<u>\$587,918</u>	<u>\$575,705</u>
Investment in unconsolidated affiliate	<u>\$64,180</u>	<u>\$53,784</u>

Note 2. Going Concern

**3 Months Ended
Sep. 30, 2012**

[Note 2. Going Concern:](#)
[Note 2. Going Concern](#)

NOTE 2. GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the accompanying financial statements, the Company incurred losses of \$185,481 since its inception and has not yet produced earnings from operations. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event that the Company cannot continue as a going concern. Management anticipates that it will be able to raise additional working capital through the issuance of stock through a private equity offering.

The ability of the Company to continue as a going concern is dependent upon the Company's ability to attain a satisfactory level of profitability and obtain suitable and adequate financing. There can be no assurance that management's plan will be successful.

**Note 2. Summary of
Significant Accounting
Policies (Ananda) (Policies)**

3 Months Ended

Sep. 30, 2012

Policies (Detail level 2):

Cash and Cash Equivalents

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Property and Equipment

Property and Equipment

Property and equipment are carried at cost. Depreciation and amortization are provided principally on the straight-line method over the estimated useful lives of the assets. Depreciation of the building and improvements is provided over twenty years. Significant gains and losses from retirements or disposition of assets are credited or charged to income at the time of disposition.

Maintenance and repair costs are charged against income as incurred. Significant improvements or betterments are capitalized and depreciated over the estimated economic life of the asset.

Organization Costs

Organization Costs

The Company has expensed its organization costs as incurred.

Revenue Recognition

Revenue Recognition

The Company's revenue is derived from the leasing of commercial and residential property. The terms of the Company's operating leases range from two years to five years.

Rental income is recognized on the accrual basis at the first of each month when the rents become due.

Income Taxes

Income Taxes

On January 1, 2010 the Company, with the consent of its stockholders, elected to change its organization from a corporation to a limited liability company. At even date, the Company terminated its S-corporation status with the Internal Revenue Service.

In connection with its organization as a limited liability company, the Company is taxed as a partnership. Taxable income or losses of the Company are passed through to the Company's members, in accordance with each member's percentage of ownership, for inclusion in each individual member's income tax return.

The Company has no tax positions at September 30, 2012 and December 31, 2011 for which the ultimate deductibility is highly certain but for which there is

Use of Estimates

uncertainty about the timing of such deductibility. Tax years open to examination by the Internal Revenue Service are 2009 through 2011.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The more significant areas requiring the use of management estimates relate to depreciation of property and equipment and amortization of deferred loan costs. Accordingly, actual results could differ from those estimates.

**Note 5. Members' Equity
(Ananda)**

**3 Months Ended
Sep. 30, 2012**

**Note 5. Members' Equity
(Ananda):**

**Note 5. Members' Equity
(Ananda)**

NOTE 5. MEMBERS' EQUITY

The Company is a Texas limited liability company, therefore the personal liability of the members is limited. All of the members are managers and have equal rights and privileges, except for profits or losses that are shared proportionate to their ownership percentages.

**Note 1. Organization and
Background (Ananda)**

**3 Months Ended
Sep. 30, 2012**

**Note 1. Organization and
Background (Ananda):**

**Note 1. Organization and
Background (Ananda)**

NOTE 1. ORGANIZATION AND BACKGROUND

Ananda Investments, LLC (“the Company”) was organized in Texas on March 26, 2004 for the purpose of investing in real estate. The Company owns and operates a building located in Houston, Texas.

Preparation of Interim Financial Statements

Management believes that all adjustments necessary for a fair statement of the results for the interim periods have been made and all such adjustments are of a normal recurring nature.

**Note 4. Notes Payable,
Stockholders**

**3 Months Ended
Sep. 30, 2012**

**Note 4. Notes Payable,
Stockholders:**

**Note 4. Notes Payable,
Stockholders**

NOTE 4. NOTES PAYABLE, STOCKHOLDERS

At September 30, 2012, notes payable stockholders consist of the following:

Note payable to an individual, bearing interest at 5% per annum; unsecured, principal and interest due February 5, 2013	\$ 85,960
Note payable to an individual, bearing interest at 5% per annum; unsecured, principal and interest due April 30, 2013	35,000
Note payable to an individual, bearing interest at 5% per annum; unsecured, principal and interest due September 27, 2013	40,000
Note payable to a corporation, bearing interest at 5% per annum; unsecured, principal and interest due February 5, 2013	<u>20,000</u>
	<u>\$ 180,960</u>

In connection with the Company's acquisition of its investment in Ananda, the Company executed a note payable to a majority stockholder in the amount of \$190,000 with interest accruing at 7% per annum commencing on the first day of the fourth month after Ananda obtained an occupancy permit for the property it owns in Houston, Texas. Such stockholder owns a 95% interest in the Company through his 50% ownership of REO and 90% ownership of the other 50% corporate stockholder of REO. The permit was obtained on April 1, 2010, therefore the note of \$190,000 began accruing interest on July 1, 2010. On October 1, 2010, interest was due in the amount of \$3,325, from July 1, 2010 through September 30, 2010. Thereafter, \$3,325 is due on January 1, 2011 and each subsequent third month until January 1, 2020 when a final balloon payment of \$190,000 plus accrued interest is due and payable.

Note 5. Income Tax Benefit**3 Months Ended
Sep. 30, 2012****Note 5. Income Tax Benefit:****Note 5. Income Tax Benefit****NOTE 5. INCOME TAX BENEFIT**

The Company accounts for income taxes in accordance with ASC Topic 740 which requires the Company to provide a net deferred tax asset or liability equal to the expected future tax benefit or expense of temporary reporting differences between book and tax accounting and any available operating loss or tax credit carryforwards.

Deferred tax assets are comprised of the following:

	September 30, 2012	December 31, 2011
Deferred tax assets:		
Net operating loss carryforward	\$31,696	\$18,841
Less valuation allowance	(31,696)	(18,841)
	<u>\$0</u>	<u>\$0</u>
Recorded as follows:		
Current asset	0	0
Other liability	0	0
	<u>\$0</u>	<u>\$0</u>

The Company has available at September 30, 2012, tax operating loss carryforwards of approximately \$185,000, which may be applied against future taxable income and which expire in 2029 through 2032.

The amount and ultimate realization of the benefits from the deferred tax assets for income tax purposes is dependent, in part, upon the tax laws in effect, the Company's future earnings, and other future events, the effects of which cannot be determined.

At September 30, 2012, the Company has recorded a valuation allowance of \$31,696 to fully offset the deferred tax asset. The change in the valuation allowance for the nine months ended September 30, 2012 is \$12,855.

The reconciliation of the provision (benefit) for income taxes computed at the U.S. federal statutory graduated tax rates to the Company's effective tax rate for the nine months ended September 30, 2012 and 2011 is as follows:

	September 30, 2012	September 30, 2011
Federal provision (benefit) at statutory graduated tax rates	(18.00)%	(17.57)%
Change in valuation allowance	18.00%	17.57%
	<u>0.00%</u>	<u>0.00%</u>

The Company has no tax positions at September 30, 2012 and December 31, 2011 for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. During the periods ended September 30, 2012 and 2011, the

Company recognized no interest and penalties. The Company had no accruals for interest and penalties at September 30, 2012 and December 31, 2011.

All tax years from inception are open to examination by the Internal Revenue Service.

**Note 2. Summary of
Significant Accounting
Policies (Ananda)**

**3 Months Ended
Sep. 30, 2012**

**Note 2. Summary of
Significant Accounting
Policies (Ananda):**

**Note 2. Summary of
Significant Accounting
Policies (Ananda)**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are carried at cost. Depreciation and amortization are provided principally on the straight-line method over the estimated useful lives of the assets. Depreciation of the building and improvements is provided over twenty years. Significant gains and losses from retirements or disposition of assets are credited or charged to income at the time of disposition.

Maintenance and repair costs are charged against income as incurred. Significant improvements or betterments are capitalized and depreciated over the estimated economic life of the asset.

Organization Costs

The Company has expensed its organization costs as incurred.

Revenue Recognition

The Company's revenue is derived from the leasing of commercial and residential property. The terms of the Company's operating leases range from two years to five years.

Rental income is recognized on the accrual basis at the first of each month when the rents become due.

Income Taxes

On January 1, 2010 the Company, with the consent of its stockholders, elected to change its organization from a corporation to a limited liability company. At even date, the Company terminated its S-corporation status with the Internal Revenue Service.

In connection with its organization as a limited liability company, the Company is taxed as a partnership. Taxable income or losses of the Company are passed through to the Company's members, in accordance with each member's percentage of ownership, for inclusion in each individual member's income tax return.

The Company has no tax positions at September 30, 2012 and December 31, 2011 for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. Tax years open to examination by the Internal Revenue Service are 2009 through 2011.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The more significant areas requiring the use of management estimates relate to depreciation of property and equipment and amortization of deferred loan costs. Accordingly, actual results could differ from those estimates.

Note 3. Investment in Affiliate: Summary Results of Operations For Ananda (Details) (USD \$)	3 Months Ended		9 Months Ended		Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2011	Dec. 31, 2010	Aug. 10, 2009
	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2011					
<u>Net income</u>	\$ (17,554)	\$ (22,718)	\$ (71,421)	\$ (51,949)					
<u>Equity in income (loss) of unconsolidated affiliate</u>	10,160	1,306	10,396	3,680					
<u>Cash</u>	17,636	1,878	17,636	1,878	4,088	653	5,839	2,357	
<u>Total Assets</u>	81,816		81,816			55,375			
<u>Total Liabilities</u>	427,467		427,467			441,245			
<u>Members' Equity</u>	160,451		160,451			134,460			
<u>Total Stockholders' (Deficit) Equity</u>	(307,181)		(307,181)			(235,760)			
<u>Total Liabilities and Stockholders' (Deficit) Equity</u>	81,816		81,816			55,375			
Reportable Segment (Ananda)									
<u>Rental Income, Nonoperating</u>	43,367	21,050	80,381	63,122					
<u>Operating Expenses</u>	(17,967)	(17,785)	(54,390)	(53,922)					
<u>Net income</u>	25,400	3,265	25,991	9,200					
<u>Equity in income (loss) of unconsolidated affiliate</u>	10,160	1,306	10,396	3,680					
<u>Cash</u>	80,502	38,092	80,502	38,092		49,197		20,121	
<u>Other Assets, Current</u>	3,428		3,428			1,430			
<u>Investment Building and Building Improvements</u>	499,729		499,729			519,153			
<u>Other assets</u>	4,259		4,259			5,925			
<u>Total Assets</u>	587,918		587,918			575,705			
<u>Deposit Liability, Current</u>	10,344		10,344			15,082			
<u>Mortgage payable</u>	417,123		417,123			426,163			
<u>Total Liabilities</u>	427,467		427,467			441,245			
<u>Members' Equity</u>	160,451		160,451			134,460			
<u>Retained Earnings (Accumulated Deficit)</u>	(117,394)		(117,394)			(143,385)			
<u>Total Stockholders' (Deficit) Equity</u>	160,451		160,451			134,460			
<u>Total Liabilities and Stockholders' (Deficit) Equity</u>	587,918		587,918			575,705			
<u>Advances to Affiliate</u>	64,180		64,180			53,784			
Reportable Segment									
<u>Members' Equity</u>	\$ 277,845		\$ 277,845			\$ 277,845			

Note 7. Fair Value (Ananda)

**3 Months Ended
Sep. 30, 2012**

Note 7. Fair Value (Ananda):

Note 7. Fair Value (Ananda) NOTE 7. FAIR VALUE

The Company's financial instruments consist of cash and long-term debt, including the current portion. The carrying value of cash approximates its fair value. The carrying value of long-term debt, including the current portion approximates its carrying value based on the current rates offered by financial institutions for notes of the same remaining maturity.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent and knowledgeable parties who are willing and able to transact for an asset or liability at the measurement date.

	Fair Value at	
	September	December
	30,	31,
<u>Level</u>	<u>2012</u>	<u>2011</u>
Liabilities:		
Long-term note, including current portion	2 <u>\$ 417,123</u>	<u>\$ 426,163</u>

Level 2 inputs are significant observable inputs that are primarily derived from or corroborated by observable market data.

**Note 5. Income Tax Benefit
(Tables)**

**3 Months Ended
Sep. 30, 2012**

**Tables/Schedules (Detail
level 3):**

**Schedule of Deferred Tax
Assets and Liabilities**

	September 30, 2012	December 31, 2011
Deferred tax assets:		
Net operating loss carryforward	\$31,696	\$18,841
Less valuation allowance	(31,696)	(18,841)
	<u>\$0</u>	<u>\$0</u>
Recorded as follows:		
Current asset	0	0
Other liability	0	0
	<u>\$0</u>	<u>\$0</u>

**Schedule of Effective Income
Tax Rate Reconciliation**

	September 30, 2012	September 30, 2011
Federal provision (benefit) at statutory graduated tax rates	(18.00)%	(17.57)%
Change in valuation allowance	18.00%	17.57%
	<u>0.00%</u>	<u>0.00%</u>

**Note 3. Deferred Loan Cost
(Ananda) (Details) (USD \$)**

**3 Months Ended
Sep. 30, 2012**

Deferred Finance Cost, Amortization Expense \$ 1,667

Statements of Changes in Stockholders' Equity (Deficit) (USD \$)	Common Stock Subscription Receivable	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Stockholders' Equity, Total
<u>Stockholders' Equity at Aug. 11, 2009</u>	\$ (27,500)	\$ 935	\$ 26,565		
<u>Shares, Outstanding at Aug. 11, 2009</u>		934,500			
<u>Stock subscription receipts, November 4, 2009</u>	13,750				13,750
<u>Stock subscription receipts, November 4, 2009(2)</u>	13,750				13,750
<u>Net Income (Loss)</u>				(9,537)	(9,537)
<u>Stockholders' Equity at Dec. 31, 2009</u>		935	26,565	(9,537)	17,963
<u>Shares, Outstanding at Dec. 31, 2009</u>		934,500			
<u>Issuance of stock for investment January 2, 2010, value</u>		935	26,565		27,500
<u>Issuance of stock for investment January 2, 2010, shares</u>		934,500			
<u>Deemed dividend</u>				(176,700)	(176,700)
<u>Net Income (Loss)</u>				(37,203)	(37,203)
<u>Stockholders' Equity at Dec. 31, 2010</u>		1,870	53,130	(223,440)	(168,440)
<u>Shares, Outstanding at Dec. 31, 2010</u>		1,869,000			
<u>Net Income (Loss)</u>				(67,320)	(67,320)
<u>Stockholders' Equity at Dec. 31, 2011</u>		1,870	53,130	(290,760)	(235,760)
<u>Shares, Outstanding at Dec. 31, 2011</u>		1,869,000			
<u>Net Income (Loss)</u>				(71,421)	(71,421)
<u>Stockholders' Equity at Sep. 30, 2012</u>		\$ 1,870	\$ 53,130	\$ (362,181)	\$ (307,181)
<u>Shares, Outstanding at Sep. 30, 2012</u>		1,869,000			

**Note 1. Organization and
Background**

**3 Months Ended
Sep. 30, 2012**

**Note 1. Organization and
Background:**

**Note 1. Organization and
Background**

NOTE 1. ORGANIZATION AND BACKGROUND

REO Plus, Inc. (“the Company”) was organized on August 11, 2009 for the purpose of investing in real estate. The Company has had no operations other than its acquisition of 40% of Ananda Investments, LLC, (“Ananda.”)

Basis of presentation

The accompanying unaudited interim financial statements of REO Plus, Inc. (the “Company”) have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission, and should be read in conjunction with the audited financial statements and notes thereto for the years ended December 31, 2011 and 2010 contained in REO Plus’ s Form S-1 Amendment No. 5 originally filed with the Securities and Exchange Commission on September 17, 2012. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the interim financial statements which would substantially duplicate the disclosure contained in the audited financial statements for years ended December 31, 2011 and 2010 as reported in the Company’ s Form S-1 have been omitted.

**Note 3. Deferred Loan Cost
(Ananda) (Tables)**

**3 Months Ended
Sep. 30, 2012**

Tables/Schedules (Detail level 3):
Schedule of deferred loan cost
table.

At September 30, 2012 deferred loan costs consist of the following:

Deferred loan costs	\$ 8,888
Accumulated amortization	(4,629)
	<u>\$ 4,259</u>

Future amortization of deferred loan costs is as follows:

Future amortization of deferred loan costs is as follows:

	2013	\$ 2,222
	2014	2,037
		<u>\$ 4,259</u>

**Note 5. Income Tax Benefit
(Details) (USD \$)**

**9 Months Ended
Sep. 30, 2012 Dec. 31, 2011**

<u>Other Tax Carryforward, Gross Amount</u>	\$ 185,000	
<u>Valuation Allowance, Amount</u>	31,696	18,841
<u>Valuation Allowances and Reserves, Period Increase (Decrease)</u>	\$ 12,855	

**Note 6. Operating Lease
Commitments (Ananda)**

**3 Months Ended
Sep. 30, 2012**

**Note 6. Operating Lease
Commitments (Ananda):**

**Note 6. Operating Lease
Commitments (Ananda)**

NOTE 6. OPERATING LEASE COMMITMENTS

The Company leases commercial and residential space to a tenant under a noncancelable operating lease having a five-year term. This lease commenced on September 1, 2012. The tenant holds a sublease, having a two-year term for the residential space. Future minimum rents under the leases are as follows:

October 1, - September 30, 2013	\$ 98,964
October 1, - September 30, 2014	100,884
October 1, - September 30, 2015	103,068
October 1, - September 30, 2016	105,012
October 1, - August 31, 2017	<u>98,274</u>
	<u>\$506,202</u>