

Eco-Trade Corp.
Form 10-K
April 16, 2013

United States

Securities and Exchange Commission

Washington, D.C. 20549

Form 10-K

S ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2012

OR

£ TRANSITIONAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-12000

ECO-TRADE CORP.

(Exact name of registrant as specified in charter)

Registrant's telephone number, including area code: (803) 699-4940

1915 Eye Street, N.W.

Washington, D.C. 20006

(Address of principal executive offices)

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Delaware

13-3696015

(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act: Common Stock, par value \$0.001 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15 (d) of the Act. Yes ☐ No ☒

Check whether the issuer is not required to file reports pursuant to Section 13 or 15 (d) of the Exchange Act. ☐

Indicate by checkmark 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 requirement for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers in response to Item 405 of Regulation S-K is not contained herein, and will be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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 definition of "accelerated filer, large accelerated filer or smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller Reporting Company ☒

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

On June 30, 2012, the last business day of the registrant's most recently completed second quarter, the aggregate market value of the Common Stock held by non-affiliates of the registrant was \$1,454,728, based upon the closing price on that date of the Common Stock of the registrant on the OTC Bulletin Board system of \$0.1401. For purposes of this response, the registrant has assumed that its directors, executive officers and beneficial owners of 5% or more of its Common Stock are deemed affiliates of the registrant.

At April 16, 2013, 103,853,499 shares of common stock were issued and outstanding.

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STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

In this annual report, references to “Eco-Trade,” “BOPT,” the “Company,” “we,” “us,” and “our,” refer to Eco-Trade Corp.

Except for the historical information contained herein, some of the statements in this report contain forward-looking statements that involve risks and uncertainties. These statements are found in the sections entitled "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Quantitative and Qualitative Disclosures about Market Risk." They include statements concerning: our business strategy; expectations of market and customer response; liquidity and capital expenditures; future sources of revenues; expansion of our proposed product line; and trends in industry activity generally. In some cases, you can identify forward-looking statements by words such as "may," "will," "should," "expect," "plan," "could," "anticipate," "intend," "believe," "estimate," "predict," "potential," "goal," or "continue" or similar terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including, but not limited to, the risks outlined under "Risk Factors," that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. For example, assumptions that could cause actual results to vary materially from future results include, but are not limited to our ability to successfully develop and market our products to customers; our ability to generate customer demand for our products in our target markets; the development of our target markets and market opportunities; our ability to manufacture suitable products at a competitive cost; market pricing for our products and for competing products; the extent of increasing competition; technological developments in our target markets and the development of alternate, competing technologies in them; and sales of shares by existing shareholders. Although we believe that the expectations reflected in the forward looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Unless we are required to do so under U.S. federal securities laws or other applicable laws, we do not intend to update or revise any forward-looking statements.

Item 1. Business

General Overview

Eco-Trade Corp. (f/k/a Yasheng Eco-Trade Corporation) is a Delaware corporation and was organized on November 9, 1992. It was a development stage company through December 1993. Eco-Trade Corporation and its consolidated subsidiaries are collectively referred to herein as “Eco-Trade” or the “Company.”

Effective December 8, 2010, the Company changed its name to “Eco-Trade Corp.” and effected a reverse-split of its issued and outstanding shares of common stock on a 100:1 basis pursuant to that certain Certificate of Amendment to

the Restated Certificate of Incorporation, as amended. Further, the Company's symbol been changed to "BOPT." FINRA implemented the name change, reverse split and symbol change effective December 9, 2010.

Business Strategy

Our business plan since 1993 has been identifying, developing and operating companies within emerging industries for the purpose of consolidation and sale if favorable market conditions exist. Although the Company primarily focuses on the operation and development of its core businesses, the Company pursues consolidations and sale opportunities in a variety of different industries, as such opportunities may present themselves, in order to develop its core businesses and additional areas outside of its core business. The Company may invest in other unidentified industries that the Company deems profitable. If the opportunity presents itself, the Company will consider implementing its consolidation strategy with its subsidiaries and any other business that it enters into a transaction.

The Company is continuing to pursue its ongoing core business, and is seeking a potential business combination. As of this filing, no such business combination has been found. The Company's present cash reserves and monetary assets are not sufficient to carry out its plan of operation without additional financing. The Company is currently attempting to arrange for financing through mezzanine arrangements, debt or equity that would enable it to proceed with its plan of investment operation. However, there is no guarantee that we will be able to close such financing transaction or, if financing is available, that the terms will be acceptable to the Company.

The Company's holdings in its subsidiaries at December 31, 2012 were as follows:

100% of DCG – discontinued operations

100% of Vortex Ocean One, LLC - discontinued operations

On April 15, 2010, the Company sold all its holdings in Micrologic for consideration of \$20,000.

On June 30, 2010, the Company entered into a Joint Venture Agreement (the "Agreement") with CMARK International, Inc. ("CMARK"), for the purpose of creating a jointly owned company to be named "Government Logistics Financing Group" or such other acceptable name ("Newcorp"), that will assist in implementing and servicing an existing backlog of services provided by CMARK in the areas of construction, interior systems and hospitality operations primarily to the U.S. Federal government and U.S. Federal government prime contractors. The authorized capital of Newcorp will consist of 100,000 shares of Common Stock, par value \$0.0001 per share. Upon creation of Newcorp, the Company will subscribe for 50 shares at an aggregate purchase price of \$1,000, and CMARK will subscribe for 50 shares at an aggregate purchase price of \$1,000. Newcorp will have a Board of Directors consisting of two members, one being designated by the Company and the other being designated by CMARK. Said Agreement has not been consummated

to date, as CMARK did not provide the Company with audited financial statements.

The Company's core business was the development of a logistics center in Southern California. That operation has been discontinued.

The Company's headquarters and operational offices are located at 1915 Eye Street, N.W., Washington, D.C. 20006.

Employees

As of December 31, 2012, the Company employed two full-time employees in executive and administrative functions. We believe that our relationship with our employees is good.

Property

The Company is operating only from its operational offices located at 1915 Eye Street, N.W., Washington, D.C. 20006. The Company will pay no rent until participation in lease expenses has been established.

Available Information

All reports of the Company filed with the SEC are available free of charge through the SEC's Web site at www.sec.gov. In addition, the public may read and copy materials filed by the Company at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. The public may also obtain additional information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330.

Going Concern

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has a net loss allocable to common shareholders and cash used in operations of \$355,510 and \$161,000, respectively, for the year ended December 31, 2012. The Company had a working capital deficiency, stockholders' deficiency and accumulated deficit of \$1,444,809, \$1,444,809 and \$137,116,284, respectively, at December 31, 2012. In addition, the Company has no revenues and is in default on three promissory notes. These factors raise substantial doubt about

the ability of the Company to continue as a going concern for a reasonable period of time. The Company's continuation as a going concern is dependent upon its ability to generate revenues and its ability to continue receiving investment capital and loans from third parties to sustain its current level of operations. The Company is planning to do a business acquisition in 2013. The Company is in the process of securing working capital from investors for common stock convertible notes payable, and/or strategic partnerships. No assurance can be given that the Company will be successful in these efforts.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Item 1A. Risk Factors

The following important factors among others, could cause our actual operating results to differ materially from those indicated or suggested by forward-looking statements made in this Form 10-K or presented elsewhere by management from time to time.

There are numerous and varied risks, known and unknown, that may prevent us from achieving our goals. If any of these risks actually occur, our business, financial condition or results of operation may be materially adversely affected. In such case, the trading price of our common stock could decline and investors could lose all or part of their investment.

Risks Related to Our Business

We have sustained recurring losses since inception and expect to incur additional losses in the foreseeable future.

We were formed on November 9, 1992 and have reported annual net losses since inception. For our years ended December 31, 2012 and 2011, we experienced net losses allocable to common shareholders of \$355,510 and \$25,152,667, respectively. As of December 31, 2012, we had an accumulated deficit of \$137,116,284. In addition, we expect to incur additional losses in the foreseeable future, and there can be no assurance that we will ever achieve profitability. Our future viability, profitability and growth depend upon our ability to successfully operate, expand our operations and obtain additional capital. There can be no assurance that any of our efforts will prove successful or that we will not continue to incur operating losses in the future.

We do not have substantial cash resources and if we cannot raise additional funds or generate more revenues, we will not be able to pay our vendors and will probably not be able to continue as a going concern.

As of December 31, 2012, our available cash balance was \$0. We will need to raise additional funds to pay outstanding vendor invoices and execute our business plan. Our future cash flows depend on our ability to sell our products to retail establishments and/or license our products to third parties. There can be no assurance that additional funds will be available when needed from any source or, if available, will be available on terms that are acceptable to us.

We may be required to pursue sources of additional capital through various means, including joint venture projects and debt or equity financings. Future financings through equity investments will be dilutive to existing stockholders. Also, the terms of securities we may issue in future capital transactions may be more favorable for our new investors. Newly issued securities may include preferences, superior voting rights, the issuance of warrants or other convertible securities, which will have additional dilutive effects. Further, we may incur substantial costs in pursuing future capital and/or financing, including investment banking fees, legal fees, accounting fees, printing and distribution expenses and other costs. We may also be required to recognize non-cash expenses in connection with certain securities we may issue, such as convertible notes and warrants, which will adversely impact our financial condition and results of operations.

Our ability to obtain needed financing may be impaired by such factors as the weakness of capital markets and the fact that we have not been profitable, which could impact the availability or cost of future financings. If the amount of capital we are able to raise from financing activities, together with our revenues from operations, is not sufficient to satisfy our capital needs, even to the extent that we reduce our operations accordingly, we may be required to cease operations.

We have a limited operating history, and it may be difficult for potential investors to evaluate our business.

We began operations in November 1992. Our limited operating history makes it difficult for potential investors to evaluate our business or prospective operations. Since our formation, we have generated only limited revenues. There can be no assurance that our efforts will be successful or that we will be able to attain profitability.

Risks Relating to Our Organization and Our Common Stock

As a publicly registered company, we are subject to the reporting requirements of federal securities laws, which can be expensive and may divert resources from other projects, thus impairing our ability to grow.

We are a public reporting company and, accordingly, subject to the information and reporting requirements of the Exchange Act and other federal securities laws, including compliance with the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”). The costs of preparing and filing annual and quarterly reports, proxy statements and other information with the SEC (including reporting of the Merger) and furnishing audited reports to stockholders will cause our expenses to be higher than a private company.

If we fail to establish and maintain an effective system of internal control, we may not be able to report our financial results accurately or to prevent fraud. Any inability to report and file our financial results accurately and timely could harm our reputation and adversely impact the trading price of our common stock.

It may be time consuming, difficult and costly for us to develop and implement the internal controls and reporting procedures required by the Sarbanes-Oxley Act. We may need to hire additional financial reporting, internal controls and other finance personnel in order to develop and implement appropriate internal controls and reporting procedures. Effective internal control is necessary for us to provide reliable financial reports and prevent fraud. If we cannot provide reliable financial reports or prevent fraud, we may not be able to manage our business as effectively as we would if an effective control environment existed, and our business and reputation with investors may be harmed. In addition, if we are unable to comply with the internal controls requirements of the Sarbanes-Oxley Act, then we may not be able to obtain the independent accountant certifications required by such act, which may preclude us from keeping our filings with the SEC current and may adversely affect any market for, and the liquidity of, our common stock.

Public company compliance may make it more difficult for us to attract and retain officers and directors.

The Sarbanes-Oxley Act and new rules subsequently implemented by the SEC have required changes in corporate governance practices of public companies. As a public company, we expect these new rules and regulations to increase our compliance costs and to make certain activities more time consuming and costly. As a public company, we also expect that these new rules and regulations may make it more difficult and expensive for us to obtain director and officer liability insurance in the future and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our board of directors or as executive officers.

Because we are listed on the OTCQB, we may not be able to attract the attention of major brokerage firms.

There may be risks associated with us being public and listed on the OTCQB. Securities analysts of major brokerage firms may not provide coverage of us since there is no incentive to brokerage firms to recommend the purchase of our common stock. No assurance can be given that brokerage firms will, in the future, want to conduct any secondary offerings on our behalf.

Our stock price may be volatile.

The market price of our common stock is likely to be highly volatile and could fluctuate widely in price in response to various factors, many of which are beyond our control, including the following:

- changes in our industry;
- competitive pricing pressures;
- our ability to obtain working capital financing;
- additions or departures of key personnel;
- limited “public float” in the hands of a small number of persons whose sales or lack of sales could result in positive or negative pricing pressure on the market price for our common stock;
- sales of our common stock;
- our ability to execute our business plan;
- operating results that fall below expectations;
- loss of any strategic relationship;
- regulatory developments;
- economic and other external factors; and
- period-to-period fluctuations in our financial results.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock.

We may not pay dividends in the future. Any return on investment may be limited to the value of our common stock.

We do not anticipate paying cash dividends in the foreseeable future. The payment of dividends on our common stock will depend on earnings, financial condition and other business and economic factors affecting us at such time as our

board of directors may consider relevant. If we do not pay dividends, our common stock may be less valuable because a return on your investment will only occur if our stock price appreciates.

There is currently no liquid trading market for our common stock and we cannot ensure that one will ever develop or be sustained.

To date there has been limited liquid trading market for our common stock. We cannot predict how liquid the market for our common stock might become. As soon as is practicable after becoming eligible, we anticipate applying for listing of our common stock on either the NYSE Amex Equities, The NASDAQ Capital Market or other national securities exchange, assuming that we can satisfy the initial listing standards for such exchange. We currently do not satisfy the initial listing standards for any of these exchanges, and cannot ensure that we will be able to satisfy such listing standards or that our common stock will be accepted for listing on any such exchange. Should we fail to satisfy the initial listing standards of such exchanges, or our common stock is otherwise rejected for listing and remains quoted on the OTCQB or is suspended from the OTCQB, the trading price of our common stock could suffer and the trading market for our common stock may be less liquid and our common stock price may be subject to increased volatility.

Furthermore, for companies whose securities are quoted on the OTCQB, it is more difficult (i) to obtain accurate quotations, (ii) to obtain coverage for significant news events because major wire services generally do not publish press releases about such companies and (iii) to obtain needed capital.

Our common stock is currently considered a “penny stock,” which may make it more difficult for our investors to sell their shares.

Our common stock is currently considered a “penny stock” and may continue in the future to be subject to the “penny stock” rules adopted under Section 15(g) of the Exchange Act. The penny stock rules generally apply to companies whose common stock is not listed on The NASDAQ Stock Market or other national securities exchange and trades at less than \$5.00 per share, other than companies that have had average revenue of at least \$6,000,000 for the last three years or that have tangible net worth of at least \$5,000,000 (\$2,000,000 if the company has been operating for three or more years). These rules require, among other things, that brokers who trade penny stock to persons other than “established customers” complete certain documentation, make suitability inquiries of investors and provide investors with certain information concerning trading in the security, including a risk disclosure document and quote information under certain circumstances. Many brokers have decided not to trade penny stocks because of the requirements of the penny stock rules and, as a result, the number of broker-dealers willing to act as market makers in such securities is limited. If we remain subject to the penny stock rules for any significant period, it could have an adverse effect on the market, if any, for our securities. Since our securities are subject to the penny stock rules, investors may find it more difficult to dispose of our securities.

Offers or availability for sale of a substantial number of shares of our common stock may cause the price of our common stock to decline.

If our stockholders sell substantial amounts of our common stock in the public market, or upon the expiration of any statutory holding period under Rule 144, or issued upon the exercise of outstanding options or warrants, it could create a circumstance commonly referred to as an “overhang” and in anticipation of which the market price of our common stock could fall. The existence of an overhang, whether or not sales have occurred or are occurring, also could make more difficult our ability to raise additional financing through the sale of equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate.

Our directors have the right to authorize the issuance of additional shares of our preferred stock and additional shares of our common stock.

Our directors, within the limitations and restrictions contained in our articles of incorporation and without further action by our stockholders, have the authority to issue shares of preferred stock from time to time in one or more series and to fix the number of shares and the relative rights, conversion rights, voting rights, and terms of redemption, liquidation preferences and any other preferences, special rights and qualifications of any such series. Any issuance of additional shares of preferred stock could adversely affect the rights of holders of our common stock. Should we issue additional shares of our common stock at a later time, each investor's ownership interest in our stock would be proportionally reduced. No investor will have any preemptive right to acquire additional shares of our common stock, or any of our other securities.

A sale of a substantial number of shares of the Company's common stock may cause the price of its common stock to decline.

If the Company's stockholders sell substantial amounts of the Company's common stock in the public market, the market price of its common stock could fall. These sales also may make it more difficult for the Company to sell equity or equity-related securities in the future at a time and price that the Company deems reasonable or appropriate.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The Company is operating only from its operational offices located at 1915 Eye Street, N.W., Washington, D.C. 20006. The Company will pay no rent until participation in lease expenses has been established.

Item 3. Legal Proceedings

From time to time, we are a party to litigation or other legal proceedings that we consider to be a part of the ordinary course of our business. We are not involved currently in legal proceedings other than detailed below that could reasonably be expected to have a material adverse effect on our business, prospects, financial condition or results of operations. We may become involved in material legal proceedings in the future.

Loss Contingencies

Transfer Agent – On or about May 2011 the Company notified American Stock Transfer & Trust Company, LLS (“AST”) of the Company's intent to terminate their services as the Company Transfer Agent and subsequently appointing Select Fidelity Transfer Services Ltd (“Select”) as the company's new Transfer Agent. AST charged the Company with unacceptable amounts and only upon receipt of full payment will terminate servicers and forward all records pursuant to the Company's instructions. As the Company contest said charges, AST did not forward to select all records.

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On September 15, 2011, Vintage Filings, LLC filed a suit, *Vintage Filings, LLC v. Yasheng Eco-Trade Corporation*, in the Superior Court of the State of California, County of Los Angeles, Beverly Hills Courthouse – West District. The company being sued is the predecessor to Eco-Trade for \$12,515 for services allegedly rendered and recorded on the Company's books. The Company was not properly served in this matter. A hearing was scheduled for March 22, 2012 and the Company did not attend as the Company believes it was not properly served. The Company has recorded the liability accordingly.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market For Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Effective December 8, 2010, the Company changed its name to "Eco-Trade Corp." and the symbol changed to "BOPT."

For the periods indicated, the following table sets forth the high and low bid prices per share of common stock. These prices represent inter-dealer quotations without retail markup, markdown, or commission and may not necessarily represent actual transactions. For the periods indicated, the following table sets forth the high and low bid prices per share of common stock. These prices represent inter-dealer quotations without retail markup, markdown, or commission and may not necessarily represent actual transactions.

	For the Years Ended			
	December 31, 2012		December 31, 2011	
	High	Low	High	Low
First Quarter	\$0.54	\$0.0751	\$0.59	\$0.35
Second Quarter	\$0.368	\$0.1401	\$0.33	\$0.32
Third Quarter	\$0.275	\$0.08	\$0.30	\$0.19
Fourth Quarter	\$0.48	\$0.26	\$0.34	\$0.08

The Company's transfer agent is Fidelity Transfer Services, Inc., 5073 Central Avenue #907, Bonita, CA 91908.

Holder of Common Stock

As of December 31, 2012, the Company had 103,854,499 shares of common stock issued and 103,854,489 outstanding (net of 10 treasury shares) and 10 shareholders of record.

Dividends

It has been the policy of the Company to retain earnings, if any, to finance the development and growth of its business. Other than cumulative dividends payable upon any future declaration by our Board of Directors, per the terms of Preferred Shares Series E Certificate of Designation., the Company did not accrue or declared dividend.

Securities authorized for issuance under equity compensation plans

The Company does not have any equity compensation plans.

Penny Stock

Our common stock is considered "penny stock" under the rules the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934. The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a price of less than \$5.00, other than securities registered on certain national securities exchanges or quoted on the NASDAQ Stock Market System, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or quotation system. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock, to deliver a standardized risk disclosure document prepared by the Commission, that:

- contains a description of the nature and level of risks in the market for penny stocks in both public offerings and secondary trading;

- contains a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to a violation to such duties or other requirements of Securities' laws; contains a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price;

- contains a toll-free telephone number for inquiries on disciplinary actions;

- defines significant terms in the disclosure document or in the conduct of trading in penny stocks; and

contains such other information and is in such form, including language, type, size and format, as the Commission shall require by rule or regulation.

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, the customer with:

- bid and offer quotations for the penny stock;
- the compensation of the broker-dealer and its salesperson in the transaction;
- the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and
- monthly account statements showing the market value of each penny stock held in the customer's account.

In addition, the penny stock rules that require that prior to a transaction in a penny stock not otherwise exempt from those rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgement of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement.

These disclosure requirements may have the effect of reducing the trading activity in the secondary market for our stock.

Item 6. Selected Financial Data.

As a smaller reporting company, as defined in Rule 12b-2 of the Exchange Act, we are not required to provide the information required by this Item.

Item 7. Management's Discussion And Analysis Of Financial Condition And Results Of Operations

This report on Form 10-K contains forward-looking statements within the meaning of Rule 175 of the Securities Act of 1933, as amended, and Rule 3b-6 of the Securities Act of 1934, as amended, that involve substantial risks and uncertainties. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about our industry, our beliefs and our assumptions. Words such as “anticipate”, “expects”, “intends”, “plans”, “believes”, “seeks” and “estimates” and variations of these words and similar expressions are intended to

identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this Form 10-K. Investors should carefully consider all of such risks before making an investment decision with respect to the Company's stock. The following discussion and analysis should be read in conjunction with our consolidated financial statements and summary of selected financial data for Eco-Trade Corp. Such discussion represents only the best present assessment from our Management.

The following Management Discussion and Analysis should be read in conjunction with the consolidated financial statements and accompanying notes included in this Form 10-K.

COMPARISON OF THE YEAR ENDED DECEMBER 31, 2012 TO THE YEAR ENDED DECEMBER 31, 2011

Results of Operations

Selling, General and Administrative Expenses. For the year ended December 31, 2012, selling, general and administrative expenses were \$88,157 compared to \$221,304 for the same period in 2011, a decrease of 60.2%. This decrease was due to the Company reducing its costs due to no operations in 2012.

Net Loss. We generated a net loss allocable to common shareholders of \$355,510 for the year ended December 31, 2012 compared to \$25,152,667 for the same period in 2011, a decrease of 98.6%. The decrease is primarily due to the loss on settlement of debt in 2011 of \$24,541,579.

Liquidity and Capital Resources

General. At December 31, 2012, we had cash and cash equivalents of \$0. We have historically met our cash needs through investments and/or loans by third parties. Our cash requirements are generally for selling, general and administrative activities. We believe that our cash balance is not sufficient to finance our cash requirements for expected operational activities, capital improvements, and partial repayment of debt through the next 12 months.

Our operating activities used cash of \$161,000 for the year ended December 31, 2012, and we used cash in operations of \$0 during the same period in 2011. The principal elements of cash flow from operations for the year ended December 31, 2012 included a net loss allocable to common shareholders of \$355,510 offset by cumulative preferred stock dividends of \$210,000, a gain on settlement of liability of \$18,166, amortization of stock options of \$14,063, and changes in operating liabilities of \$11,387.

Cash used in investing activities during the year ended December 31, 2012 was \$0 compared to \$0 during the same period in 2011. Zero investments were attributable to the Company not making acquisitions as there were no requirements during fiscal year 2012 and 2011.

Cash generated in our financing activities was \$161,000 for the year ended December 31, 2012, compared to cash generated of \$0 during the comparable period in 2011.

As of December 31, 2012 and 2011, the Company did not have current assets. As of December 31, 2012, current liabilities increased from \$1,313,362 at December 31, 2011 to \$1,444,809 at December 31, 2012. The increase was primarily due to an increase in notes payable.

	For the years ended December 31,	
	2012	2011
Cash used in operating activities	\$(161,000)	\$ –
Cash used in investing activities	–	–
Cash provided by financing activities	161,000	–
Net changes to cash	\$–	\$ –

Research and Development

In fiscal years 2012 and 2011, we incurred no expenses on research and development.

Inflation

Management believes that the impact of inflation on our operations has not been material.

Off-Balance Sheet Arrangements

We have not entered into any transactions with unconsolidated entities in which we have financial guarantees, subordinated retained interests, derivative instruments or other contingent arrangements that expose us to material continuing risks, contingent liabilities or any other obligations under a variable interest in an unconsolidated entity that provides us with financing, liquidity, market risk or credit risk support.

Critical Accounting Policies

Stock-based compensation - The Company follows ASC Topic 718, “Share-Based Payment”. Under ASC Topic 718, the Company is required to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. The measured cost is recognized in the statement of operations over the period during which an employee is required to provide service in exchange for the award. Additionally, if an award of an equity instrument involves a performance condition, the related compensation cost is recognized only if it is probable that the performance condition will be achieved.

The Company estimates the fair value of each option award on the date of the grant using the Black-Scholes option valuation model. Expected volatilities are based on the historical volatility of the Company’s common stock over a period commensurate with the options’ expected term. The expected term represents the period of time that options granted are expected to be outstanding and is calculated in accordance with SEC guidance provided in the SAB 107, using a “simplified” method. The risk-free interest rate assumption is based upon observed interest rates appropriate for the expected term of the Company’s stock options.

Item 7A. Quantitative And Qualitative Disclosures About Market Risk

As the Company is a “smaller reporting company,” this item is inapplicable.

Item 8. Financial Statements and Supplementary Data.

Eco-Trade Corp. and Subsidiaries

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of:

Eco-Trade Corp.

We have audited the accompanying consolidated balance sheets of Eco-Trade Corp. and Subsidiaries at December 31, 2012 and 2011, and the related consolidated statements of operations, changes in shareholders' equity (deficiency) and cash flows for each of the two years in the period ended December 31, 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Eco-Trade Corp. and Subsidiaries as of December 31, 2012 and 2011, and the consolidated results of its operations and its cash flows for each of the two years in the period ended December 31, 2012 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has a net loss allocable to common shareholders and cash used in operations in 2012 of \$355,510 and \$161,000, respectively, and has a working capital deficiency, stockholders' deficiency and accumulated deficit of \$1,444,809, \$1,444,809 and \$137,116,284, respectively, at December 31, 2012. In addition, the Company has no revenues and is in default on three promissory notes. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management's plan in regards to these matters is also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Salberg & Company, P.A.

SALBERG & COMPANY, P.A.

Boca Raton, Florida

April 16, 2013

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ECO-TRADE CORP. and SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2012	December 31, 2011
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ASSETS