10-Q 1 f10q0313_powerdyne.htm QUARTERLY PERIOD

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

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

For the quarterly period ended March 31, 2013

OR

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

For the transition period from to

Commission file number 0-53259

POWERDYNE INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Delaware	20-5572576
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Jefferson Place
100 Jefferson Boulevard, Suite 200
Warwick, Rhode Island 02888-3849
(Address of principal executive offices) (zip code)

401/739-3300
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
☒ Yes ☐ No

Indicate by check mark whether the registrant 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", "non-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 smaller reporting company)	Smaller reporting company ☒

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

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date.

Class	Outstanding at March 31, 2013
Common Stock, par value $0.0001	193,216,667 shares

Documents incorporated by reference: None

INDEX TO FINANCIAL STATEMENTS

(Unaudited)

POWERDYNE INTERNATIONAL, INC.

(A Development Stage Company)

BALANCE SHEETS

	March 31, 2013 (unaudited)	December 31, 2012
ASSETS		
Current Assets:		
Cash	$ 7,042	$ 665
Advances to stockholder	11,321	11,321
Total current assets	18,363	11,986
Property and equipment, net	112,741	116,117
Total Assets	$ 131,104	$ 128,103
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable and accrued expenses	$ 152,696	$ 148,120
Due to related party	11,425	5,600
Notes payable-related parties	67,457	43,357
Tax payable	--	956
Total current liabilities	231,578	198,033
Total Liabilities	231,578	198,033
Stockholders' Deficit:		
Common stock; $0.0001 par value; 300,000,000 shares authorized, 193,216,667 shares issued and outstanding as of March 31, 2013 and December 31, 2012	19,322	19,322
Additional paid-in capital	1,090,778	1,090,778
Accumulated deficit	(1,210,574)	(1,180,030)
Total Stockholders' Deficit	(100,474)	(69,930)
Total Liabilities and Stockholders' Deficit	$ 131,104	$ 128,103

 The accompanying notes are an integral part of these financial statements.

POWERDYNE INTERNATIONAL, INC.

(A Development Stage Company)

STATEMENTS OF OPERATIONS

(Unaudited)

	For the Three Months Ended March 31, 2013	For the Three Months Ended March 31, 2012	For the period from February 2, 2010 (inception) to March 31, 2013
Revenues	$ -	$ -	$ -
Cost of revenues	-	-	-
Gross profit	-	-	-
Operating expenses	30,544	41,735	1,206,750
Loss from operations	(30,544)	(41,735)	(1,206,750)
Income tax expense	--	--	3,824
Net loss	$ (30,544)	$ (41,735)	$ (1,210,574)
Basic and diluted loss per common share	$ (0.00)	$ (0.00)	
Basic and diluted weighted average common shares outstanding	193,216,667	192,845,605	

The accompanying notes are an integral part of these financial statements.

POWERDYNE INTERNATIONAL, INC.

(A Development Stage Company)

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)

For the period from February 2, 2010 (Inception) to March 31, 2013

	Common Stock		Common Stock	Additional Paid-In	Common Stock Subscriptions	Accumulated	Total Stockholders'
	Shares	Amount	Subscribed	Capital	Receivable	Deficit	Equity (Deficit)
Balance, February 2, 2010 (Inception)	1,000,000	$ 100	$ -	$ 900	$ -	$ -	$ 1,000
Common stock subscribed	-	-	191,900	-	(61,915)	-	129,985
Stock issued for change in control	188,000,000	18,800	-	(18,800)	-	-	-
Stock issued for services	16,000,000	1,600	-	158,400	-	-	160,000
Net loss for the period	-	-	-	-	-	(306,270)	(306,270)
Balance, December 31, 2010 (1)	205,000,000	20,500	191,900	140,500	(61,915)	(306,270)	(15,285)
Recapitalization shares contributed from reverse merger agreement	(84,526,666)	(8,453)	-	8,453	-	-	-
Issuance pursuant to merger agreement for services - fair valued	32,500,000	3,250	-	321,750	-	-	325,000
Issuance per cash considerations in relation to the stockholder subscription	36,026,666	3,603	(191,900)	523,997	(102,200)	-	233,500
Common stock issued	2,750,000	275	-	62,225	164,115		226,615
Net loss for the year	-	-	-	-	-	(745,789)	(745,789)
Balance, December 31, 2011	191,750,000	19,175	-	1,056,925	-	(1,052,059)	24,041
Issuance per cash considerations in	-	-	-	-	-	-	-
relation to the stockholder subscription	966,667	97	-	28,903	-	-	29,000
Stock issued for services	500,000	50	-	4,950	-	-	5,000
Net loss for the year	-	-	-	-	-	(127,971)	(127,971)
Balance, December 31, 2012	193,216,667	$19,322	$ -	$1,090,778	$ -	$ (1,180,030)	$ (69,930)
Net loss for the period	-	-	-	-	-	(30,544)	(30,544)
Balance, March 31, 2013	193,216,667	19,322	-	1,090,778	-	(1,210,574)	(100,474)

(1) The capital accounts of the Company have been retroactivrly restated to reflect the equivalent number of common shares based on the exchange ratio of the merger transaction. See Note 2.

 The accompanying notes are an integral part of these financial statements.

POWERDYNE INTERNATIONAL, INC.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
(Unaudited)

	For The Three Months Ended March 31, 2013	For The Three Months Ended March 31, 2012	From February 2, 2010 (Inception) to March 31, 2013
Operating Activities:			
Net loss	$ (30,544)	$ (41,735)	$ (1,210,574)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	3,376	3,576	20,322
Stock compensation	-	5,000	490,000
Changes in operating assets and liabilities:			
Prepaid expenses	-	1,032	–
Accrued expenses	4,576	(4,770)	152,696
Due to related party	5,825	900	11,425
Tax payable	(956)	(956)	–
Net cash used in operating activities	(17,723)	(36,953)	(536,131)
Investing Activities:			
Purchase of equipment	-	-	(133,063)
Net cash used in investing activities	-	-	(133,063)
Financing Activities:			
Advances to stockholder	-	-	(11,321)
Proceeds from notes payable - related parties	24,100	-	67,457
Proceeds from issuance of common stock	-	29,000	620,100
Net cash provided by financing activities	24,100	29,000	676,236
Net change in cash	6,377	(7,953)	7,042
Cash, beginning of period	665	17,664	-
Cash, end of period	$ 7,042	$ 9,711	$ 7,042
Suppplemental disclosure of cash flow information			
Cash paid for interest	$ -	$ -	$ -
Cash paid for taxes	$ 956	$ 956	$ 3,824

The accompanying notes are an integral part of these financial statements.

1. ORGANIZATION

Powerdyne, Inc., was incorporated on February 2, 2010 in Nevada, and is registered to do business in Rhode Island and Massachusetts. On February 7, 2011, Powerdyne, Inc. merged with Powerdyne International, Inc., formerly Greenmark Acquisition Corporation, a publicly held Delaware shell corporation with minimal assets and no operations.

On December 13, 2010, Powerdyne International, Inc., formerly Greenmark Acquisition Corporation, filed an Amended and Restated Articles of Incorporation in order to, among other things, increase the authorized capital stock to 300,000,000 common shares, par value $0.0001 per share. Unless the context specifies otherwise, as discussed in Note 2, references to the "Company" refers to Powerdyne International, Inc. and Powerdyne, Inc. after the merger.

At the closing of the merger, each share of Powerdyne, Inc.'s common stock issued and outstanding immediately prior to the closing of the Merger was exchanged for the right to receive 7,520 shares of common stock of Powerdyne International, Inc. Accordingly, an aggregate of 188,000,000 shares of common stock of Powerdyne International, Inc. were issued to the holders of Powerdyne, Inc.'s common stock.

The Company is a start-up organization which intends to produce and distribute completely packaged independent electrical generator units that run on environmentally-friendly fuel sources, such as natural gas and propane. At this time, the majority stockholder has patents pending with the United States Patent Office regarding the unique design of these units.

2. REVERSE MERGER ACCOUNTING

On February 7, 2011, Greenmark Acquisition Corporation, which was a publicly held Delaware shell corporation with no operations merged with Powerdyne, Inc. Upon closing of the transaction, Greenmark Acquisition Corporation, the surviving corporation in the merger, changed its name to Powerdyne International, Inc.

The merger is being accounted for as a reverse-merger, and recapitalization in accordance with generally accepted accounting principles in the United States ("GAAP"). Powerdyne, Inc. is the acquirer for financial reporting purposes and the Company is the acquired company. Consequently, the assets and liabilities and the operations that are reflected in the historical financial statements prior to the Merger are those of Powerdyne, Inc. and have been recorded at the historical cost basis of Powerdyne, Inc., and the financial statements after completion of the merger include the assets and liabilities of the Company and Powerdyne, Inc., historical operations of Powerdyne, Inc. and operations of the Company from the closing date of the Merger. Common stock and the corresponding capital amounts of the Company pre-merger have been retroactively restated as capital stock shares reflecting the exchange ratio in the merger.

2. REVERSE MERGER ACCOUNTING (CONTINUED)

In conjunction with the merger, the Company received no cash and assumed no liabilities from Greenmark Acquisition Corporation. All members of the Company's executive management are from Powerdyne, Inc.

3. BASIS OF PRESENTATION

The accompanying unaudited financial statements primarily reflect the financial position, results of operations and cash flows of the Company (as discussed above). The accompanying unaudited financial statements have been prepared in accordance with GAAP for interim financial information and pursuant to the instructions to Form 10-Q and Article 8 of Regulation S-X of the Securities and Exchange Commission. Accordingly, these interim financial statements do not include all of the information and footnotes required by GAAP for annual financial statements. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2013 are not necessarily indicative of the results that may be expected for the year ending December 31, 2013 or for any other period. These financial statements and accompanying notes should be read in conjunction with the financial statements and notes thereto in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 on file with the SEC (our "Annual Report"). There have been no material changes to our significant accounting policies as compared to the significant accounting policies described in our Annual Report.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies presented below is designed to assist in understanding the Company's financial statements. Such financial statements and accompanying notes are the 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 ("GAAP") in all material respects, and have been consistently applied in preparing the accompanying financial statements. The Company is classified as a development stage enterprise under GAAP and has not generated significant revenues from its principal operations.

Development Stage and Capital Resources

Since its inception, the Company has devoted substantially all of its efforts to business planning, research and development, recruiting management and technical staff, acquiring operating assets and raising capital. Accordingly, the Company is considered to be in the development stage as defined in GAAP. The Company has not generated significant revenues from its principal operations, and there is no assurance of future revenues. As of March 31, 2013, the Company had an accumulated deficit from inception of $1,210,574.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company's activities will necessitate significant uses of working capital beyond 2013. Additionally, the Company's capital requirements will depend on many factors, including the success of the Company's continued research and development efforts and the status of competitive products. The Company plans to continue financing its operations with cash received from financing activities, more specifically from one of its major shareholders.

While the Company strongly believes that its capital resources will be sufficient in the near term, there is no assurance that the Company's activities will generate sufficient revenues to sustain its operations without additional capital or, if additional capital is needed, that such funds, if available, will be obtainable on terms satisfactory to the Company.

Use of Estimates

In preparing these financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The Company follows guidance for accounting for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Additionally, the Company adopted guidance for fair value measurement related to nonfinancial items that are recognized and disclosed at fair value in the financial statements on a nonrecurring basis. The guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The Company monitors the market conditions and evaluates the fair value hierarchy levels at least quarterly. For any transfers in and out of the levels of the fair value hierarchy, the Company elects to disclose the fair value measurement at the beginning of the reporting period during which the transfer occurred.

The Company's financial instruments consisted of cash and the notes payable. The estimated fair value of these instruments approximates its carrying amount due to the short maturity of these instruments

Cash and Cash Equivalents

The Company considers all highly-liquid investments with maturities of three months or less when purchased to be cash equivalents. The Company had no cash equivalents as of March 31, 2013 and December 31, 2012.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. The Company places its cash with high quality banking institutions. From time to time, the Company may maintain cash balances at certain institutions in excess of the Federal Deposit Insurance Corporation limit. The Company has not incurred any loss from this risk.

Revenue Recognition

The Company is in the development stage and has yet to realize revenues from planned operations. The Company will recognize revenue on arrangements in accordance with Financial Accounting Standards Board Accounting Standards Codification (“ASC”) No. 605, “Revenue Recognition”. In all cases, revenue is recognized only when the price is fixed and determinable, persuasive evidence of an arrangement exists, the service is performed and collectability of the resulting receivable is reasonably assured. The Company has not recorded any sales transactions since inception.

Property and Equipment

Property and equipment is stated at cost. Capital expenditures for improvements and upgrades to existing equipment are also capitalized. Maintenance and repairs are expensed as incurred. The machinery and equipment, previously classified as ‘construction in progress’ was placed into service on October 1, 2011 and the Company began to depreciate the assets at that time. The equipment is depreciated over 10 years on a straight-line basis. Vehicles are depreciated over 5 years using the straight-line basis. Depreciation expense for the periods ended March 31, 2013 and 2012 was $3,376 and $3,576, respectively, and $20,322 for the period from inception to March 31, 2013.

Long-Lived Assets

In accordance with ASC 350-30 (formerly SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*), the Company evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that their then carrying values may not be recoverable. When such factors and circumstances exist, the Company compares the projected undiscounted future cash flows associated with the related asset or group of assets over their estimated useful lives against their respective carrying amount. Impairment, if any, is based on the excess of the carrying amount over the fair value, based on market value when available, or discounted expected cash flows, of those assets and is recorded in the period in which the determination is made. The Company's management currently believes there is no impairment of its long-lived assets. There can be no assurance however, that market conditions will not change or demand for the Company's products under development will continue. Either of these could result in future impairment of long-lived assets.

Income Taxes

As a result of the implementation of certain provisions of ASC 740, *Income Taxes*, (formerly FIN 48, *Accounting for Uncertainty in Income Taxes – An Interpretation of FASB Statement No. 109),* ("ASC 740"), which clarifies the accounting and disclosure for uncertainty in tax positions,as defined. ASC 740 seeks to reduce the diversity in practice associated with certain aspects of the recognition and measurement related to accounting for income taxes.

In 2010, the Company adopted Accounting for Uncertain Income Taxes under the provisions of ASC 740. ASC 740 clarifies the accounting for income taxes by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. It also provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Company did not recognize any additional liability for unrecognized tax benefits as a result of the adoption of ASC 740. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Valuation allowances are established when it is more likely than not that some or all of the deferred tax assets will not be realized.

We believe that our income tax filing positions and deductions will be sustained on audit and do not anticipate any adjustments that will result in a material change to our financial position. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to ASC 740. In addition, we did not record a cumulative effect adjustment related to the adoption of ASC 740. Our policy for recording interest and penalties associated with income-based tax audits is to record such items as a component of income taxes.

Our tax provision determined using an estimate of our annual effective tax rate using enacted tax rates expected to apply to taxable income in the years in which they are earned, adjusted for discrete items, if any, that are taken into account in the relevant period. Each quarter we update our estimate of the annual effective tax rate, and if our estimated tax rate changes, we make a cumulative adjustment. Taxes payable as of March 31, 2013 and December 31, 2012 was $0 and $956, respectively.

Share Based Compensation

The Company applies ASC 718, Shares-Based Compensation to account for its service providers' share-based payments. Common stock of the Company was given to service providers to retain their assistance in becoming a U.S. public company, assistance with public company regulations, investors' communications and public relations with broker-dealers, market makers and other professional services.

In accordance with ASC 718, the Company determines whether a share payment should be classified and accounted for as a liability award or equity award. All grants of share-based payments to service providers classified as equity awards are recognized in the financial statements based on their grant date fair values which are calculated using historical pricing. The Company has elected to recognize compensation expense based on the criteria that the stock awards vest immediately on the issuance date. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent period if actual forfeitures differ from initial estimates. There were no forfeitures of share based compensation.

Loss per Common Share

Basic loss per common share excludes dilutive securities and is computed by dividing net loss by the weighted average number of common shares outstanding during the period. Diluted earnings per common share reflect the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the entity. Since the Company has only incurred losses, basic and diluted loss per share is the same. As of March 31, 2013 and 2012, there were no outstanding dilutive securities.

The following table represents the computation of basic and diluted losses per share:

	Three Months ended March 31, 2013	Three Months ended March 31, 2012
Loss available for common shareholder	$ (30,544)	$ (41,735)
Basic and fully diluted loss per share	$ (0.00)	$ (0.00)
Weighted average common shares outstanding - basic and diluted	193,216,667	192,845,605

Net loss per share is based upon the weighted average shares of common stock outstanding.

Recent Accounting Pronouncements

Effective January 2012, FASB adopted ASU No. 2011-04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs (ASU 2011-04). ASU 2011-04 represents the converged guidance of the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) on fair value measurement. A variety of measures are included in the update intended to either clarify existing fair value measurement requirements, change particular principles requirements for measuring fair value or for disclosing information about fair value measurements. For many of the requirements, the FASB does not intend to change the application of existing requirements under Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements. ASU 2011-04 was effective for interim and annual periods beginning after December 15, 2011. The adoption of this update did not have a material impact on the financial statements.

January 2012, FASB adopted ASU No. 2011-05, Presentation of Comprehensive Income (ASU 2011-05). ASU 2011-05 is intended to increase the prominence of items reported in other comprehensive income and to facilitate convergence of accounting guidance in this area with that of the IASB. The amendments require that all nonowner changes in shareholders' equity be presented in a single continuous statement of comprehensive income or in two separate but consecutive statements. In December 2011, the FASB issued ASU No. 2011-12, Comprehensive Income (Topic 220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05 (ASU 2011-12). ASU 2011-12 defers the provisions of ASU 2011-05 that require the presentation of reclassification adjustments on the face of both the statement of income and statement of other comprehensive income. Amendments under ASU 2011-05 that were not deferred under ASU 2011-12 will be applied retrospectively for fiscal years, and interim periods within those years, beginning after December 15, 2011. The adoption of this update did not have a material impact on the financial statements.

In December 2011, the FASB issued ASU No. 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities (ASU 2011-11). The amendments in ASU 2011-11 require the disclosure of information on offsetting and related arrangements for financial and derivative instruments to enable users of its financial statements to understand the effect of those arrangements on its financial position. Amendments under ASU 2011-11 will be applied retrospectively for fiscal years, and interim periods within those years, beginning after January 1, 2013. The Company is evaluating the effect, if any, adoption of ASU 2011-11 will have on its financial statements.

In February 2013, the FASB issued ASU No. 2013-02, Reporting of Amounts Reclassified out of Accumulated Other Comprehensive (ASU 2013-02). This guidance is the culmination of the FASB's deliberation on reporting reclassification adjustments from accumulated other comprehensive income (AOCI). The amendments in ASU 2013-02 do not change the current requirements for reporting net income or other comprehensive income. However, the amendments require disclosure of amounts reclassified out of AOCI in its entirety, by component, on the face of the statement of operations or in the notes thereto. Amounts that are not required to be reclassified in their entirety to net income must be cross-referenced to other disclosures that provide additional detail. This standard is effective prospectively for annual and interim reporting periods beginning after December 15, 2012. The Company is evaluating the effect, if any; the adoption of ASU 2013-02 will have on its financial statements.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the American Institute of Certified Public Accountants, and the United States Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future financial statements.

<u>New Accounting Pronouncements Not Yet Adopted</u>

In April 2013, the FASB issued ASU No. 2013-07, Presentation of Financial Statements (Top 205): Liquidation Basis of Accounting. The objective of ASU No. 2013-07 is to clarify when an entity should apply the liquidation basis of accounting and to provide principles for the measurement of assets and liabilities under the liquidation basis of accounting, as well as any required disclosures. The amendments in this standard is effective prospectively for entities that determine liquidation is imminent during annual reporting periods beginning after December 15, 2013, and interim reporting periods therein. We are evaluating the effect, if any, adoption of ASU No. 2013-07 will have on our consolidated financial statements

5. PROPERTY AND EQUIPMENT - NET

Equipment consists of the following as of March 31, 2013 and December 31, 2012:

	March 31, 2013	December 31, 2012
Motor vehicles	$ 1,976	$ 1,976
Machinery and equipment	131,087	131,087
Less accumulated depreciation	(20,322)	(16,946)
Total equipment - net	$ 112,741	$ 116,117

Equipment is stated at cost and depreciated on a straight-line basis over the assets' estimated useful lives: vehicles 5 years and machinery and equipment 10 years. The machinery and equipment that was previously classified as 'construction in process,' was placed into service on October 1, 2011. Total depreciation expense for the periods ended March 31, 2013 and 2012 was $3,376 and $3,576, respectively and from February 2, 2010 (Inception) to March 31, 2013 was $20,322.

6. COMMON STOCK

Starting in June 2010, the Company entered into various stockholder subscription agreements with private investors in order to provide working capital for the Company. The agreements were sold to private investors at $0.01 to $0.03 per share in various share amounts. The agreement stipulated that the shares of common stock would not be issued to the investors until the execution of the reverse merger agreement and subsequent Initial Public Offering. During fiscal year 2010, the Company raised $191,900 from the stockholder subscription agreements for the purchase of 19,190,000 shares of common stock. The Company had $61,915 in common stock subscription receivable as of December 31, 2010. The 19,190,000 shares of common stock were issued on February 8, 2011.

On December 11, 2010, the Company issued 2,000,000 shares of common stock to each of Tiber Creek Corporation and IRAA Fin Serv. for services rendered on behalf of Powerdyne Inc. The shares were valued at their estimated fair value of $0.01 per share for a total compensation of $40,000.

On December 13, 2010, the Company issued 188,000,000 to Dale Euga, the sole shareholder of Powerdyne Inc. The shares were issued to effect a change of control of the Company in anticipation of the merger that was eventually consummated with Powerdyne, Inc.

On December 13, 2010, the Company issued 12,000,000 shares of common stock to Arthur Read, II, Esq for services rendered on behalf of Powerdyne Inc. The shares were valued at their estimated fair value of $0.01 per share for a total compensation of $120,000.

On February 7, 2011, in connection with the merger, Dale Euga contributed 84,526,666 shares of common stock to the Company which were then cancelled. Mr. Euga received no compensation for these shares.

On February 8, 2011, the Company issued 32,500,000 shares of common stock to employees and consultants for services. The Company recorded an expense of $325,000 based on an estimated fair value of $0.01 per share.

Pursuant to the terms and conditions of the merger on February 7, 2011 (see Note 1 and 2) each share of Powerdyne, Inc.'s common stock issued and outstanding immediately prior to the closing of the merger was exchanged for the right to receive 7,520 shares of Powerdyne International, Inc. common stock.

For the year ended December 31, 2012, the Company raised an additional $29,000 from stockholder subscription agreements for the purchase of 966,667 shares of common stock. In total, the Company has raised $619,100 in cash from common stock subscriptions since inception. In addition, during the period ended March 31, 2012, 500,000 shares were issued to a consultant as compensation for services rendered. The Company valued the award of stocks at $0.01 per share for a total of $5,000.

7. RELATED PARTY – Promissory Note

The Company obtained short-term cash flow from a related party in the form of three demand Notes Payable in the aggregate amount of $10,000 during the year ended December 31, 2012. The Notes bear an interest rate of 7% per annum and are unsecured.

Note		Principal	Rate		Accured interest	Maturity
Promissory note 1	$	6,000	7%	$	136	9/4/2014
Promissory note 2	$	2,000	7%	$	45	10/1/2014
Promissory note 3	$	2,000	7%	$	11	12/3/2014
Total	$	10,000		$	192	

The Company obtained short-term cash flow from a related party in the form of six demand Notes Payable in the aggregate amount of $32,953 during the year ended December 31, 2012. The Notes bear an interest rate of 7% per annum and are unsecured.

Note		Principal	Rate		Accured interest	Maturity
Promissorynote 1	$	5,000	7%	$	152	7/25/2014
Promissorynote 2	$	11,000	7%	$	148	10/22/2014
Promissorynote 3	$	15,000	7%	$	106	11/24/2014
Promissorynote 4	$	102	7%	$	1	10/22/2014
Promissorynote 5	$	879	7%	$	6	11/24/2014
Promissorynote 6	$	972	7%	$	30	7/25/2014
Total	$	32,954		$	443	

The Company obtained short-term cash flow from a related party in the form of two demand Notes Payable in the aggregate amount of $404 during the year ended December 31, 2012 and an additional amount of $6,100 during the quarter ended March 31, 2013. The Notes bear an interest rate of 7% per annum and are unsecured.

Note		Principal	Rate		Accured interest	Maturity
Promissory note 1	$	234	7%	$	1	12/5/2014
Promissory note 2	$	170	7%	$	1	11/18/2014
Promissory note 3	$	4,100	7%	$	43	2/5/2015
Promissory note 4	$	2,000	7%	$	20	2/7/2015
Total	$	6,504		$	65	

The Company obtained short-term cash flow from a related party in the form of two demand Notes Payable in the aggregate amount of $18,000 during the quarter ended March 31, 2013. The Notes bear an interest rate of 7% per annum and are unsecured.

Note		Principal	Rate	Accured interest	Maturity
Promissory note 1	$	8,000	7%	20	3/18/2015
Promissory note 2	$	10,000	7%	74	2/21/2013
Total	$	18,000		94	

From time to time, the Company advances amounts to stockholders, as well as receives payments from stockholders in the form of cash and/or out-of-pocket expenditures for the benefit of the Company, which are business in nature. The balance of advances to stockholder as of March 31, 2013 and December 31, 2012 was $11,321 and $11,321, respectively. Besides, as stated in Note 9, the Company signed a real property rental agreement with a related party for its manufacturing facilities that begins January 1, 2012. Rent accrued, but not yet paid, as Due to Related Party at March 31, 2013 and December 31, 2012 was $3,600 and $3,600, respectively. The Company has an agreement with an outside consultant, a related party. Amounts paid to the period ended March 31, 2013 and March 31, 2012 was $6,000 and $6,000 respectively. Amounts accrued, but not yet paid as due to related party at March 31, 2013 and December 31, 2012 was $7,825 and $ 2,000, respectively.

8. MEMORANDUM OF UNDERSTANDING

The Company entered into a Memorandum of Understanding (MoU) with Turning Mill, LLC, a Massachusetts company that has developed a business model that utilizes various federal and state renewable energy programs. The MoU sets forth a framework for the companies to begin to collaborate in the clean, renewable energy market place. This MoU expired December 31, 2011.

On February 6, 2012, the Company signed a “Developers License Agreement” with AMCANCO, LLC (“AMCANCO”), a limited liability corporation organized and existing in Massachusetts. AMANCO has agreed to use its resources and interest to develop renewable energy projects utilizing the Company’s generator set technology. This agreement essentially replaces the MoU with Turning Mills, LLC.

9. COMMITMENTS AND CONTINGENCIES

Lease Commitments

The Company entered into an operating lease agreement for its manufacturing facilities with a related party on October 1, 2011. The initial term of the lease begins January 1, 2012 and ends March 31, 2012. The Company has the option to renew the lease for an additional three month term beginning April 1, 2012. Additional three month terms are renewable at the Company’s option through December 2017. The Company shall pay this related party $300 per month, beginning January 1, 2012, for the term of the lease. In addition, The Company is responsible for utilities used at this facility. The Company no longer occupies the space as of December 31, 2012.

Litigation

During the ordinary course of the Company’s business, it is subject to various claims and litigation. Management believes that the outcome of such claims or litigation will not have a material adverse effect on the Company’s financial position, results of operations or cash flow.

The Company is involved in a legal settlement with a former employee of the Company. The Company is seeking reimbursement of expenses paid in the amount of $5,000. The former employee is seeking further additional expenses incurred in the amount of $6,500. It is the opinion of the Company’s legal counsel that the legal action is without merit and no accrual has been recorded for this claim.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company is a development stage company and has experienced losses since its inception. The Company's independent auditors have issued a report raising a substantial doubt about the Company's ability to continue as a going concern. The Company has not established a revenue source since inception. The only source of cash has been capital invested by shareholders and the Company has had no sales nor received revenues since inception through March 31, 2013.

The Company plans to manufacture, install, maintain, own and operate patented portable electrical power generation equipment (“gensets”) intended to be installed at a client location. The Company has applied for a patent for its electrical power generation equipment. The Company will own, maintain and lease the equipment to the customer who will use it to produce its own supplemental electrical power. The products are intended to be portable, easy-to-use units that can be conveniently redeployed in various locations around the world. The units can also be assembled and combined to produce power centers providing up to 50 megawatts of power.

The following discussion contains forward-looking statements, as discussed above. Please see the sections entitled "Forward-Looking Statements" and "Risk Factors" for a discussion of the uncertainties, risks and assumptions associated with these forward-looking statements.

The following discussion and analysis of Powerdyne International, Inc. financial condition and results of operations are based on the unaudited financial statements as of March 31, 2013 and 2012, which were prepared in accordance with U.S. generally accepted accounting principles ("GAAP").

Operations

The Company's initial product is the PDIGenset (patent pending) which is a self-contained generator that is powered by a modified radial air cooled engine to drive a minimum of a 1-megawatt generator. The entire unit, which runs on natural gas or propane, is compact, lightweight and clean burning. As a result, the unit will produce extremely low emissions and is extremely energy-efficient.

The Company has recently completed a fully operational factory Series 2 prototype, which has been tested and is ready as a demonstration unit. This unit is available for any prospective customer to view in full operational capacity. In addition, the Series 2 prototype is ready to be manufactured for customers upon placement of customer orders.

On February 28, 2011, the Company filed with the Securities and Exchange Commission a registration statement on Form S-1 for the offer and sale of up 16,000,000 shares of Common Stock by the Company at $0.15 per share and for the offer of 71,535,166 shares of Common Stock by the holders of those shares at $0.15 per share. The Company has amended its registration to include only the registration of the 71,535,166 shares of Common Stock by the holders thereof. The registration statement has not been declared effective and no sales have been made.

Overview

The Company plans to manufacture, install, maintain and lease its own portable electrical power equipment (for which the Company has applied for a patent). The Company plans to manufacture portable electrical power equipment intended to be installed at client locations. The Company will own, maintain and lease the equipment to the customer who will use it to produce its own supplemental electrical power. The Company's products are intended to be portable, easy-to-use units that can be conveniently redeployed in various locations around the world. The Company's units can also be assembled and combined to produce power centers providing up to 50 megawatts of power. The Company's headquarters are located in Warwick, Rhode Island and operates a manufacturing facility in Bridgewater, Massachusetts.

The Company will market its products in locations where inexpensive electrical power is needed and clean energy powered electrical equipment is needed and/or required.

Plan of Operations

The Company's strategy is to pursue selected opportunities in markets where inexpensive and environmentally friendly power sources are needed and/or required.

Results of Operations - The three months ended March 31, 2013 compared to the three months ended March 31, 2012:

Revenues

Powerdyne International, Inc. did not generate revenues during the three months ended March 31, 2013 and 2012.

Operating expenses

During the three months ended March 2013 and 2012, total operating expenses were $30,544 and $41,735, respectively. The decrease related to the selling, general and administrative expenses was approximately $11,000. This decrease resulted primarily from the decrease in employee stock compensation of approximately $5,000, a decrease in stock registration fees of approximately $3,000 and an decrease in other operating expenses of approximately $3,000.

Net loss

During the three months ended March 31, 2013 and 2012, the net loss was $30,544 and $41,735, respectively.

Liquidity and Capital Resources

As of March 31, 2013 and December 31, 2012, Powerdyne International, Inc. had a working capital deficit of $213,215 and $186,047, respectively. For the three months ended March 31, 2013, Powerdyne International, Inc. had approximately $6,500 increase in cash. The cash used in operations of approximately $18,000 was primarily due to net loss from operations of $30,500 less non-cash adjustments to net operating cash flows of approximately $4,000 of depreciation and the increase of accrued but unpaid expenses of approximately $10,000 and the decrease of approximately $1,000 in tax payable. Of the total cash provided by financing activities of approximately $24,000, $0 was used to purchase equipment and the remaining amount for working capital and operating activities.

For the period from February 2, 2010 (inception) to March 31, 2013, Powerdyne International Inc. had approximately $7,000 of net cash increase. The cash used in operations of approximately $536,000 was primarily due to net loss from operations of $1,210,574 less non-cash adjustments to net operating cash flows of approximately $490,000 of employee stock compensation, $20,000 of depreciation, and approximately $163,000 of accrued but unpaid expenses. Of the total cash provided by financing activities of approximately $676,000, approximately $133,000 was used to purchase equipment and the remaining amount for working capital and operating activities.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is deemed by our management to be material to investors.

Critical Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts during the reporting periods. Actual results could differ from those estimates. Significant estimates and assumptions included in Powerdyne International, Inc.'s financial statements relate to estimate of loss contingencies and accrued other liabilities.

Fair Value of Financial Instruments

ASC 820-10 (formerly SFAS No. 157, *Fair Value Measurements*) requires entities to disclose the fair value of financial instruments, both assets and liabilities recognized and not recognized on the balance sheet, for which it is practicable to estimate fair value. ASC 820-10 defines the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. As of March 31, 2013 and December 31, 2012, the carrying value of certain financial instruments such as accounts receivable, accounts payable, notes payable-related parties, accrued expenses, and amounts due to/from related party approximates fair value due to the short-term nature of such instruments.

Impairment of Long-Lived Assets

In accordance with ASC 350-30 (formerly SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*), the Company evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that their then carrying values may not be recoverable. When such factors and circumstances exist, the Company compares the projected undiscounted future cash flows associated with the related asset or group of assets over their estimated useful lives against their respective carrying amount. Impairment, if any, is based on the excess of the carrying amount over the fair value, based on market value when available, or discounted expected cash flows, of those assets and is recorded in the period in which the determination is made. The Company's management currently believes there is no impairment of its long-lived assets. There can be no assurance however, that market conditions will not change or demand for the Company's products under development will continue. Either of these could result in future impairment of long-lived assets.

Recently Issued Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2010-19 ("ASU 2010-19"), *New and Enhanced Disclosures about Fair Value Measurements*. ASU 2010-06 provides amendments to FASB ASC 820-10 that requires new fair value disclosures and clarifies existing fair value disclosures required under FASB ASC 820-10. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for certain disclosures about purchases, sales, issuances, and settlements in the roll forward activity in Level 3 fair value measurements. Those disclosures are effective now. The adoption of the new provisions within ASU 2010-19 did not have a material impact on our consolidated financial position, results of operations, cash flows, or disclosures.

PART II

ITEM 1. LEGAL PROCEEDINGS

There are no pending, threatened or actual legal proceedings in which the Company or any subsidiary is a party in amounts over $10,000. The Company is involved with a former employee for claims of expenses for approximately $6,500.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On December 11, 2010, the Company issued 4,000,000 shares of its common stock in addition to the then outstanding 1,000,000 shares of common stock. As part of the change in control effected on December 13, 2010, the Company issued 200,000,000 shares of common stock to the following shareholders in the following amounts:

Dale P. Euga	188,000,000
Arthur M. Read, II	12,000,000

On February 7, 2011, Mr. Euga contributed back to the Company 84,526,666 shares of his 188,000,000 common stock without remuneration.

Subsequent to the contribution of such shares and ending June 30, 2011, the Company issued 68,526,666 shares to officers, directors, and private investors pursuant to an exemption from registration under Section 4(2) of the Securities Act of 1933, as amended, as transactions by an issuer not involving any public offering, as follows:

Edwin S. Barton, II	6,833,333
Stephen L. Caromile	6,000,000
Linda H. Madison	1,000,000
Eric Foster	18,000,000
57 Investors	37,193,333

Between August 8 and August 22, 2011 the Company issued 2,000,000 shares to six investors pursuant to an exemption from registration under Section 4(2) of the Securities Act of 1933, as amended, as transactions by an issuer not involving any public offering,

For the period ended June 30, 2012, the Company raised $29,000 from stockholder subscription agreements for the purchase of 966,667 shares of common stock. In addition, during the period ended June 30, 2012, 500,000 shares were issued to a consultant as compensation for services rendered.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of the security holders during the quarter covered by this report.

ITEM 5. OTHER INFORMATION

(a) Not applicable.
(b) Item 407(c)(3) of Regulation S-K:

During the quarter covered by this Report, there have not been any material changes to the procedures by which security holders may recommend nominees to the Board of Directors.

ITEM 6. EXHIBITS

(a) Exhibits

31.1 Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.2 Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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.

POWERDYNE INTERNATIONAL, INC.

	By: /s/ Dale P. Euga
Dated: May 14, 2013	President and Principal executive officer
	By: /s/ Linda H. Madison
Dated: May 14, 2013	Principal financial officer