

AMP Holding Inc.
Form 10-K
March 31, 2011

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

FORM 10-K

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

For the fiscal year ended December 31, 2010

OR

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

Commission file number: 000-53704

AMP HOLDING INC.

(Name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or
organization)

26-1394771

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

4540 Alpine Avenue
Blue Ash, Ohio 45242

(Address of principal executive offices)

513-360-4704

(Registrant's telephone number)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE EXCHANGE ACT:
None

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE EXCHANGE ACT:
Common Stock, \$0.001 par value 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 of Section 15(d) of the
Act. Yes No

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 has submitted electronically and posted on its corporate Web site, if
any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during

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the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of 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 the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

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

As of June 30, 2010, the last business day of the Registrant's most recently completed second fiscal quarter, the market value of our common stock held by non-affiliates was \$9,736,000.

The number of shares of the Registrant's common stock, \$0.001 par value per share, outstanding as of March 29, 2011, was 29,534,133. We have no other classes of common equity.

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AMP Holding Inc.
Annual Report on Form 10-K
For the Year Ended December 31, 2010

When used in this Report, the words “anticipate”, “expect”, “plan”, “believe”, “seek”, “estimate” and similar expressions are intended to identify forward-looking statements. These are statements that relate to future periods and include, but are not limited to, statements about the features, benefits and performance of our products, our ability to introduce new product offerings and increase revenue from existing products, expected expenses including those related to selling and marketing, product development and general and administrative, our beliefs regarding the health and growth of the market for our products, anticipated increase in our customer base, expansion of our products functionalities, expected revenue levels and sources of revenue, expected impact, if any, of legal proceedings, the adequacy of liquidity and capital resource, and expected growth in business. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These risks and uncertainties include, but are not limited to, market acceptance for our products, our ability to attract and retain customers for existing and new products, our ability to control our expenses, our ability to recruit and retain employees, legislation and government regulation, shifts in technology, global and local business conditions, our ability to effectively maintain and update our product and service portfolio, the strength of competitive offerings, the prices being charged by those competitors and the risks discussed elsewhere herein. These forward-looking statements speak only as of the date hereof. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

PART I

Item 1. Business

On December 28, 2009, we entered into and closed a Share Exchange Agreement with the shareholders (AMP Shareholders) of Advanced Mechanical Products, Inc. (n/k/a AMP Electric Vehicles, Inc.) (AMP) pursuant to which we acquired 100% of the outstanding securities of AMP in exchange for 14,890,904 shares of our common stock. Considering that, following the merger, the AMP Shareholders control the majority of our outstanding voting common stock and we effectively succeeded our otherwise minimal operations to those that are theirs, AMP is considered the accounting acquirer in this reverse-merger transaction. A reverse-merger transaction is considered, and accounted for as, a capital transaction in substance; it is equivalent to the issuance of AMP securities for our net monetary assets, which are de minimus, accompanied by a recapitalization. Accordingly, we have not recognized any goodwill or other intangible assets in connection with this reverse merger transaction. AMP is the surviving and continuing entity and the historical financials following the reverse merger transaction will be those of AMP. We were a "shell company" (as such term is defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended) immediately prior to our acquisition of AMP pursuant to the terms of the Share Exchange Agreement. As a result of such acquisition, our operations are now focused on the design, marketing and sale of modified automobiles with an all electric drivetrain and battery systems. Consequently, we believe that acquisition has caused us to cease to be a shell company as we no longer have nominal operations. The Company formally changed its name to AMP Holding Inc. on May 24, 2010.

Overview

AMP designs, sells and delivers modified automobiles with an all electric drivetrain and battery system that allows the vehicle to perform just like a vehicle with an internal combustion engine (“ICE”), but with no emissions or burning of

fossil fuels. Using its drivetrain system, the Company converts an existing vehicle to an all-electric vehicle instead of a vehicle that burns gasoline. AMP's vision is to engineer electric drivetrains and to be a supplier and integrator for Crossover and SUV sized vehicles. Our vision is to bring electrification to full size mainstream vehicles that are popular with both fleets and consumers. The largest vehicle segment in the U.S. is the SUV segment and we have one of the only electric full size SUV solutions available. This is due to our patent pending, powerful, yet highly efficient electric powertrain. We intend to take advantage of our early mover status and the reputation we have built as a leader in the electrification of larger vehicles, to become a world leader in the emerging Electric Vehicle (EV) marketplace.

Our powertrains encompass the complete motor assemblies, battery packs, computers and software required for vehicle electrification. In addition to designing and manufacturing our powertrains, we convert popular Internal Combustion Engines (ICE) based vehicles to all electric vehicles by replacing the ICE components with our electric powertrain. Our first mainstream conversion is the 2010/2011 GM Chevrolet Equinox. Our immediate target for our conversion services are fleet customers.

AMP's approach to the commercial market is to provide 100% electric vehicles with industry-leading technology at a low cost level. Leveraging current industry capacity and infrastructure versus designing, engineering, testing and capitalizing an all new vehicle model, as is the approach by many in the industry for many EV companies, AMP has the potential to enhance the business model for electric vehicles. This strategy expands the market opportunity and revenue potential for AMP to include business from OEMs, fleets and previously produced vehicles on the road today. AMP provides the basis for vehicle electrification that meets the same key customer metrics for range and acceleration as smaller EV's. This results in a unique market opportunity for AMP, one that is greater than most electric vehicle competitors in the market today. By utilizing existing and qualified vehicles, AMP can focus its attention and investment specifically on advanced electric drive train solutions. Further, by using well designed base vehicles, AMP can leverage the safety, handling and amenities invested into many of today's vehicles while not "reinventing" the base vehicle. The result is a well featured vehicle with the added advantage of a quieter ride and a fraction of the operating and maintenance costs.

Market for Electric Vehicles

Most experts agree that the electric vehicle industry is here to stay and will continue to grow. There are various infrastructure issues that are being slowly resolved, at different levels of aggressiveness depending on country and state and city. These include power stations capacity, battery and charging technology; private investments and government support programs for assistance to overcome these hurdles. Because crude oil is a finite resource, the costs of gasoline will only increase and have a significant impact on demand for EVs. The aforementioned point will lead to a steady increase in the cost of fuel over the next 10 to 15 years which bodes well for alternative propulsion solutions and specifically EV demand. Various companies are poised to launch a number of new “electric” products over the next several years from 100% electric vehicles to hybrid vehicles and from compact vehicles to large commercial vehicles for both retail and fleet customers.

Market Strategy

AMP is targeting the Mid-size utility segment. Most current electric vehicles are grouped in the small car segment, Nissan Leaf, Think, Ford Focus or Mitsubishi i-MiEV, and Volt, or are highly priced, such as the Tesla Roadster or Fisker Karma. Virtually no competitors are entering this large midsize utility/crossover vehicle segment. AMP is able to enter this segment because it has developed the intellectual property (e-motor drivetrain, software and vehicle integration) to provide the power solution for these larger vehicles that consumers want to drive

Research and Development

We conduct all of our research and development in-house at our facilities in Cincinnati, Ohio.

Competition

There are numerous electric vehicle companies and many types of electric vehicles, from 3-wheel mini vehicles to large commercial trucks. All these vehicles are in various stages of development/completion.

Current available all-electric products include Tesla Motors Roadster, a high performance 2-seater sports car priced over \$100,000, and the Nissan Leaf, a 5-seater, 4-door hatchback priced in the low \$30,000's. There is also the Chevy Volt, a 4-door hatchback, 4-seater priced at \$41,000, which is a hybrid vehicle that uses both gasoline and electricity and therefore, not a pure EV, so it will attract a different type of buyer than our customer base. Selected other projected entries include: Toyota RAV 4 EV, 5-seat CUV, target date 2012; the Tesla Motors Model S, 4-door, 7-seat sedan, target date 2012; the Fisker Automotive, luxury 4-door sedan PHEV, target intro late 2011; Opel Ampera PHEV, shared platform with Chevy Volt, target intro in Europe 2011; Ford Focus EV, based on next generation Focus, target intro 2011; Ford Escape PHEV, based on 5-seater Escape SUV, target intro 2012; Azure Dynamics Ford Tourneo Connect EV, a passenger version of the Transit Connect EV with rear passenger seats, to be used as a taxi and shuttle service vehicle, target intro 2011; Think City EV, a two-seater, currently selling in Europe, target intro in U.S. end of 2011; Mitsubishi iMiev, 5 door, 4 seat hatchback, target intro in U.S. late 2011; CODA sedan EV, 4-door 5 passenger sedan, target intro late 2011/12; and the Chrysler Fiat and NICE e500 Micro-Vett EV, intro in 2012.

Primary fleet EV competitors include Azure Dynamics, Enova, Bright Automotive, and EnVision Motor Company. Azure's Ford Transit Connect and Enova have focused on specialized, Class 3-5 vehicles (delivery vans and shuttle buses). Bright Automotive will have a 100-mpg plug-in hybrid electric fleet commercial van vehicle and plans to manufacture full-size vans with design, engineering, and supplier sourcing capabilities. Therefore, these companies don't compete in the same product segments as AMP at this time. However, EnVision builds a 7 passenger wagon, a

cargo van and a truck that is currently for sale in Europe and will begin production in the US in the next few months. They use a similar business model to AMP's and products are priced at around \$40,000.

Overseas Electric Vehicles: While there are many overseas electric car companies and vehicles, there are only a few overseas companies that have vehicles that may be slightly closer in size and intent to AMP's full-size/SUV strategy; however, these vehicles are primarily in the concept or development stage. They include the Volvo V70 PHEV 4-door sedan 5 passenger station wagon, and the Renault Kangoo light commercial EV aimed at business users in Europe. Renault advertises this vehicle as having the same practical functions as the internal combustion-engine version, which is a strategy similar to AMP's. Chinese companies are also entering the EV market, with primarily smaller vehicles; however, with government mandates and heavy financial subsidies, China will likely enter the EV market very rapidly.

Intellectual Property

The company has multiple pending US patent applications and also plans to pursue appropriate foreign patent protection on those inventions. The company also has five pending trademark applications and two issued trademark registrations in the US with intent to pursue foreign trademark registration as well.

Government Regulation

We are in the business of modifying and selling automobiles and other vehicles, and accordingly we are subject to several laws related to automobile sales and operation.

The United States' laws related to automobile manufacturers regulate registration, safety criteria, type approval, inspection, maintenance, testing, etc. of automobiles. There are also laws regulating noise allowance and vibrations made by vehicles, and environmental laws. Complying with the strict regulation of automobile manufacturing is costly and could significantly affect our ability to become profitable. In addition, failure to comply with these laws could subject our Company to penalties, which could include severe fines or the removal of government approval to do business. Although we fully intend to comply with all applicable rules and regulations, we cannot assure that we will be able to do so.

In general, automobiles are subject to several environmental regulations, including air preservation, noise and vibration control. Accordingly, we are required to limit the air contaminants, noise and vibrations of our vehicles to certain levels. Failure to do so may impose fines or other penalties on the Company.

Number of Employees.

We currently have 33 employees, 27 full time and 6 part-time, of which 4 are administrative, 3 are accounting/finance, 12 are engineering/R&D, 3 are IT, 2 are sales/marketing, and 9 are manufacturing. None of our employees are represented by a labor union. We have not experienced any work stoppages and consider our relations with our employees to be good.

Item 1A. Risk Factors

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

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

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

AMP incurred a net loss amounting to \$8,393,058 for the period from inception (February 20, 2007) through December 31, 2010. In addition, as of December 31, 2010, AMP has a working capital deficiency of \$331,418. If we incur additional significant operating losses, our stock price, may decline, perhaps significantly.

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

We depend upon key personnel and need additional personnel.

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

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

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

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

We require substantial capital to support our operations. If we are unable to maintain adequate financing or other sources of capital are not available, we could be forced to suspend, curtail or reduce our operations, which could harm our revenues, profitability, financial condition and business prospects.

We face intense competition which could cause us to lose market share.

In the electric vehicle market in the United States, we compete with large manufacturers, including GM, Tesla and Nissan who have more significant financial resources, established market positions, long-standing relationships with customers and dealers, and who have more significant name recognition, technical, marketing, sales, manufacturing, distribution, financial and other resources than we do. Each of these companies is currently selling a hybrid or electric vehicle or is working to develop, market, and sell advanced technology vehicles in the United States market. The resources available to our competitors to develop new products and introduce them into the marketplace exceed the resources currently available to us. This intense competitive environment may require us to make changes in our products, pricing, licensing, services, distribution, or marketing to develop a market position.

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

The electric vehicle industry is in its infancy and has experienced substantial change in the last few years. To date, demand for and interest in electric vehicles has been sporadic. As a result, growth in the electric vehicle industry depends on many factors, including:

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

We cannot assure you that growth in the electric vehicle industry will continue. Our business may suffer if the electric vehicle industry does not grow or grows more slowly than it has in recent years or if we are unable to maintain the pace of industry demands.

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

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

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

We rely on a small group of suppliers to provide us with components for our products. If these suppliers become unwilling or unable to provide components, there are a limited number of alternative suppliers who could provide

them. Changes in business conditions, wars, governmental changes, and other factors beyond our control or which we do not presently anticipate could affect our ability to receive components from our suppliers. Further, it could be difficult to find replacement components if our current suppliers fail to provide the parts needed for these products. A failure by our major suppliers to provide these components could severely restrict our ability to manufacture our products and prevent us from fulfilling customer orders in a timely fashion.

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

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

We must devote substantial resources to implementing a product distribution network.

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

Regulatory requirements may have a negative impact upon our business.

While our products are subject to substantial regulation under federal, state, and local laws, we believe that the products we have sold are materially in compliance with all applicable laws. However, to the extent the laws change, or if we introduce new products in the future, some or all of our products may not comply with applicable federal, state, or local laws. Further, certain federal, state, and local laws and industrial standards currently regulate electrical and electronics equipment. Although standards for electric vehicles are not yet generally available or accepted as industry standards, our products may become subject to federal, state, and local regulation in the future. Compliance with this regulation could be burdensome, time consuming, and expensive.

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

Our success is heavily dependent on protecting our intellectual property rights.

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

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

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

We have not paid dividends in the past and do not expect to pay dividends in the future. Any return on investment may be limited to the value of our common stock

We have never paid cash dividends on our common stock and do not anticipate paying cash dividends in the foreseeable future. The payment of dividends on our common stock will depend on earnings, financial condition and other business and economic factors affecting it at such time as the board of directors may consider relevant. If we do not pay dividends, our common stock may be less valuable because a return on your investment will only occur if its stock price appreciates.

Our stock price and trading volume may be volatile, which could result in substantial losses for our stockholders.

The equity trading markets may experience periods of volatility, which could result in highly variable and unpredictable pricing of equity securities. The market price of our common stock could change in ways that may or may not be related to our business, our industry or our operating performance and financial condition. In addition, the trading volume in our common stock may fluctuate and cause significant price variations to occur. We have experienced significant volatility in the price of our stock over the past few years. We cannot assure you that the

market price of our common stock will not fluctuate or decline significantly in the future. In addition, the stock markets in general can experience considerable price and volume fluctuations.

We have not voluntarily implemented various corporate governance measures, in the absence of which, shareholders may have more limited protections against interested director transactions, conflict of interest and similar matters.

Recent Federal legislation, including the Sarbanes-Oxley Act of 2002, has resulted in the adoption of various corporate governance measures designed to promote the integrity of the corporate management and the securities markets. Some of these measures have been adopted in response to legal requirements. Others have been adopted by companies in response to the requirements of national securities exchanges, such as the NYSE or the NASDAQ Stock Market, on which their securities are listed. Among the corporate governance measures that are required under the rules of national securities exchanges are those that address board of directors' independence, audit committee oversight, and the adoption of a code of ethics. We intend to adopt certain corporate governance measures such as a code of ethics and establish an Audit Committee, Nominating and Corporate Governance Committee, and Compensation Committee of our board of directors. Prospective investors should bear in mind our current lack of both corporate governance measures in formulating their investment decisions.

We may be exposed to potential risks relating to our internal controls over financial reporting and our ability to have those controls attested to by our independent auditors.

As directed by Section 404 of the Sarbanes-Oxley Act of 2002 ("SOX 404"), the Securities and Exchange Commission adopted rules requiring smaller reporting companies, such as our company, to include a report of management on the company's internal controls over financial reporting in their annual reports for fiscal years ending on or after December 15, 2007. We were required to include the management report in annual reports starting with the year ending December 31, 2009. Previous SEC rules required a non-accelerated filer to include an attestation report in its annual report for years ending on or after June 15, 2010. Section 989G of the Dodd-Frank Act added SOX Section 404(c) to exempt from the attestation requirement smaller issuers that are neither accelerated filers nor large accelerated filers under Rule 12b-2. Under Rule 12b-2, subject to periodic and annual reporting criteria, an "accelerated filer" is an issuer with market value of \$75 million, but less than \$700 million; a "large accelerated filer" is an issuer with market value of \$700 million or greater. As a result, the exemption effectively applies to companies with less than \$75 million in market capitalization. Item 9a of this filing, Controls and Procedures, indicates the company's controls and procedures were not effective.

If a public market for our common stock develops, trading will be limited under the SEC's penny stock regulations, which will adversely affect the liquidity of our common stock.

The trading price of our common stock is less than \$5.00 per share and, as a result, our common stock is considered a "penny stock," and trading in our common stock would be subject to the requirements of Rule 15c-2 under the Exchange Act. Under this rule, broker/dealers who recommend low-priced securities to persons other than established customers and accredited investors must satisfy special sales practice requirements. Generally, the broker/dealer must make an individualized written suitability determination for the purchaser and receive the purchaser's written consent prior to the transaction.

SEC regulations also require additional disclosure in connection with any trades involving a "penny stock," including the delivery, prior to any penny stock transaction, of a disclosure schedule explaining the penny stock market and its associated risks. These requirements severely limit the liquidity of securities in the secondary market because few broker or dealers are likely to undertake these compliance activities. In addition to the applicability of the penny stock rules, other risks associated with trading in penny stocks could also be price fluctuations and the lack of a liquid market. An active and liquid market in our common stock may never develop due to these factors.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our principal offices are located at 4540 Alpine Road, Blue Ash, Ohio 45242, which include 3,000 square feet in office space and 12,000 square feet in manufacturing/development space. We pay \$8,500 per month in rent and our current lease expires in September of this year. AMP will have to locate a new location for office and manufacturing/development space.

Item 3. Legal Proceedings

We are currently not a party to any legal or administrative proceedings and are not aware of any pending or threatened legal or administrative proceedings against us in all material aspects. We may from time to time become a party to various legal or administrative proceedings arising in the ordinary course of our business.

Item 4. (Removed and Reserved)

Not applicable.

PART II

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

Market Information

Our common stock was quoted on the OTCBB and OTCQB under the symbol "TTSO" from July 14, 2009 through May 24, 2010 and then under the symbol "AMPD" from May 24, 2010 to present. The following table sets forth the range of high and low prices per share of our common stock for each period indicated. As there was no trading in 2009, we have only included data for 2010.

Quarters Ended	Mar 31		Jun 30		Sept 30		Dec 31	
	High	Low	High	Low	High	Low	High	Low
2010	\$ n/a	\$ n/a	\$ 1.05	\$ 0.51	\$ 0.85	\$ 0.51		