

AMERICAN COMMERCE SOLUTIONS Inc
Form 10-K
June 01, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

FORM 10-K

x ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.
For the fiscal year ended February 28, 2010

“ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.
For the transition period from _____, 20____, to _____, 20____.

Commission File Number

33-98682

American Commerce Solutions, Inc.

(Exact Name of Registrant as Specified in Charter)

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Delaware
(State or Other Jurisdiction of

05-0460102
(I.R.S. Employer

Incorporation or Organization)

Identification Number)

1400 Chamber Drive, Bartow, Florida 33830

(Address of Principal Executive Offices)

(863) 533-0326

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(g) of the Act:

\$0.001 par value preferred stock
\$0.002 par value common stock

Over the Counter Bulletin Board
Over the Counter Bulletin Board

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

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 (Section 232.405) during the preceding 12 months. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K 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 definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

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

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The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was approximately \$307,232 as of the last business day of the registrant's most recently completed second fiscal quarter, based upon the closing sale price on the OTC:BB reported for such date. Shares of common stock held by each officer and director and by each person who owns 10% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of May 15, 2010, the Registrant had 284,123,566 outstanding shares of its common stock, \$0.002 par value.

Documents incorporated by reference: none

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AMERICAN COMMERCE SOLUTIONS, INC.

This Annual Report on Form 10-K and the documents incorporated herein by reference contain forward-looking statements that have been made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current expectations, estimates and projections about American Commerce Solution, Inc.'s industry, management beliefs, and assumptions made by management. Words such as anticipates, expects, intends, plans, believes, seeks, estimates, variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict; therefore, actual results and outcomes may differ materially from what is expressed or forecasted in any such forward-looking statements.

PART I

ITEM 1. DESCRIPTION OF BUSINESS

American Commerce Solutions, Inc. was incorporated in Rhode Island in May 1991 under the name Jaque Dubois, Inc. and was re-incorporated in Delaware in 1994. In July 1995, the Company's name was changed to JD American Workwear, Inc. In December 2000 the shareholders voted to change the name of the company to American Commerce Solutions, Inc. to more accurately portray the activities of the company.

American Commerce Solutions, Inc. (the Company or American Commerce) is a multi-industry holding company for its operating subsidiaries. As of the close of its most recently completed fiscal year end, the Company had one wholly owned subsidiary operating in the manufacturing segment. The operating subsidiary is International Machine and Welding, Inc. located in Bartow, Florida.

The Company intends to expand its holdings by acquiring additional subsidiaries to facilitate its business plan. The current business plan has been in development since June 2000.

International Machine and Welding, Inc. provides specialized machining services for heavy industry. Target customers in the region include mining, agriculture processing, maritime, power generation and industrial machinery companies. Additional operations include heavy equipment service to the construction, forestry, waste and scrap industries. The operation provides complete service of the equipment, which includes rebuilding undercarriages, engines, transmissions, final drives and hydraulics. The effective service area for the operation located in the Southeastern region of the United States is a prime and lucrative market for such services. Growth in this region of the United States (population, infrastructure, and building) has created long term needs for construction equipment. All of these machines require periodic maintenance, and at certain points major overhauls. In addition to its 38,000 square foot facility, the operation also provides fully equipped field service vehicles so machines do not have to be removed from the work site.

International Machine and Welding, Inc. also sells OEM and after-market repair parts for heavy equipment. The operation has an extensive cross-reference listing and network of sources. One of the major competitive advantages of the operation is its ability to determine exactly what the customer needs and fulfill the requirement. In many cases, the customer may not have service manuals or to be able to identify part numbers. If a customer has more than one type of machine, which is quite common, they may have to contact a number of different suppliers to get parts for multiple machines. Our operation identifies the required parts and arranges the necessary repairs. As a result, the customer only has to make one phone call for all of their needs. This also makes International Machine and Welding, Inc. an attractive alternative for sales to customers outside the United States. Orders can be accumulated throughout the month and be sent on consolidated shipments. This has created a niche market for the direct parts sales division. The operation currently has a dozen customer relationships in the Caribbean. Management believes that this market has not been fully targeted by its competitors and offers potential as a source of increased business.

Chariot Manufacturing Company (Chariot), which was acquired on October 11, 2003 from a related party, manufactured motorcycle trailers with fiberglass bodies. These trailers were sold on the retail level. Chariot also provided non-warranty repairs and modification of existing Chariot Trailers. Chariot had also begun manufacturing fiberglass septic tanks and other fiberglass parts under contract with Tampa Fiberglass, Inc., owned by ACS affiliates.

During the year ended February 28, 2010, the Board of Directors of American Commerce Solutions, Inc. divested Chariot and the fiberglass manufacturing segment in favor of expansion of machining, fabricating, erecting and construction operations. Additional segments being considered are manufacturing supply operations, consumer products and commercial construction support services.

BUSINESS STRATEGY

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The Company has adopted a business strategy that focuses on expansion through acquisition. The key elements of acquisition targets must include solid management, profitability, geographical locations compatibility and/or undervalued companies that can be enhanced by shared services and opportunities.

MANUFACTURING SEGMENT

The Manufacturing Segment through International Machine and Welding, Inc. offers a broad range of products and services to heavy industry through its three divisions. The operations of Division 1 provide specialized machining of

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very large components and machinery repair to industries such as aerospace, agricultural processing, chemical, defense, mining, maritime and power generation. Our 38,000 square foot facility located in Bartow, Florida is one of the only operations in the Southeast capable of machining components up to 55 feet in length and/or 20 feet in diameter. Division 2 provides heavy equipment service (parts and labor), which includes repair and bonded rebuilds of engines, tracks, undercarriages, transmissions, final drives and hydraulic systems on heavy equipment. The equipment we repair is from the heavy construction industry including bulldozers, scrapers, loaders, excavators, large tractors, rollers, etc. The division provides field service via equipped service trucks to provide repairs at the customer's site. Division 3 sells replacement parts to the heavy equipment market, directly to the end user with most of the parts exported outside the United States.

FIBERGLASS SEGMENT DISCONTINUED OPERATION

The Fiberglass Segment through Chariot Manufacturing Company produced a line of fiberglass trailers suitable for a wide range of uses. Some of the uses included the transportation of motorcycles, ATVs, personal watercraft, small vehicles, vending, mobile fiber optic workstations, utility and other specialized applications. The trailers were available in both open and enclosed configurations. The fiberglass unibody construction of the product is stronger, yet lighter than conventional aluminum and steel trailers. The Chariot trailer has a steel tube sub frame, which is tucked up inside the fiberglass body reducing drag. Since the body is molded in fiberglass, the shape can be optimized to reduce drag. The overall shape, coupled with the light weight of the trailer also improves gas mileage while towing. The trailers can be fitted with optional features such as custom interiors and sleeper options.

Chariot also produced fiberglass components for an affiliated company, Tampa Fiberglass, Inc.

During the year ended February 28, 2010, the Board of Directors of American Commerce Solutions, Inc. divested Chariot and the fiberglass manufacturing operations and therefore, the operations of this segment are shown as discontinued operations for the years ended February 28, 2010 and 2009.

MANUFACTURING AND SOURCES OF SUPPLY

Manufacturing Segment

Supplies and parts used by International Machine and Welding, Inc. are purchased from several major suppliers including Caterpillar, John Deere, Case and other major manufacturers and after-market parts suppliers. The machining operations purchase from many suppliers based on the need of specific jobs. Although the operations do not have any long-term contracts with any of its suppliers, management believes that it has excellent business relationships with its current suppliers and it is not exposed to any significant risk in the event any one source of supply is discontinued, because there are many suppliers.

MARKETING AND SALES

Manufacturing Segment

International Machine and Welding, Inc. operates three divisions at one location. Division 1 sales have traditionally come from industries within a 100-mile radius of its facilities requiring specialized machining applications. Direct salesmen have established relationships with specific customers and the Company has expanded the business relationship through quality, rapid turn and value. While this business is quite lucrative, visibility is limited. The operation intends to expand its operations in the OEM market, where the subsidiary provides components to manufacturers of large machines. These types of accounts generally involve annual contracts with three-month rolling schedules. The expansion of the market also is expected to increase the serviceable territory from the Southeast to include the entire United States.

Direct sales personnel who primarily target mid-tier accounts handle sales for Division 2 and 3. We believe that this broad niche market is largely untapped by the larger factory-sponsored operations which cater specifically to very large accounts. Margins are typically very slim in these accounts and a large percentage of the customer base is represented by very few accounts. Because we are an independent repair facility, we can provide service to a much broader base of customers with greater margins than the large factory-sponsored competitors.

COMPETITION

Manufacturing Segment

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The principal competitors of the Manufacturing Division consists of regional companies such as Southern Machinery, Florida Plating and Machine, Arroyo and Florida Metalizing in the machining operations and national corporations such as Ringhaver Equipment, Caterpillar, and Case repair facilities in the heavy equipment parts and service category. Management believes that the ability to rapidly turn goods or to provide parts on a timely basis gives it a competitive advantage. We are able to ship parts directly to the consumer, usually on the same day as the order or to return all service work within the time specified either by completing the work at the customers site or because of immediate turnaround capabilities.

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CUSTOMER DEPENDENCE

Manufacturing Segment

International Machine and Welding, Inc. has a broad and diverse base of customers. The division does not rely on any single customer, the loss of which would have a material adverse effect on the segment. This division does generate a significant amount of revenues from sales and services provided to three different industries. The construction industry accounted for approximately 18% of the division's revenues in fiscal 2010 compared to 30% in fiscal 2009, while the industrial and mining industries accounted for approximately 27% and 52% in fiscal 2010 compared to 24% and 44% in fiscal 2009, respectively, of the division's total revenues. Due to these concentrations, the results of operations of the division could be affected by changes in the economic, regulatory, or other related conditions impacting on these industries.

Although the division does not rely on a single customer, during the year ended February 28, 2010, two of the Company's customers accounted for approximately 49% of total revenues. These customers were the Mosaic Company 41% and Solid Waste PBC 8%.

EMPLOYEES

At February 28, 2010, the Company and its subsidiaries had 19 full-time employees and the parent operation has two full time executives.

FUTURE ACQUISITIONS

The Company remains dedicated to its basic business plan, which calls for growth through acquisition of strategic business opportunities. Discussions and negotiations continue with multiple companies.

FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K (including the Exhibits hereto) may contain forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding, among other things, the financial condition and prospects of the Company and its subsidiaries, results of operations, projections, plans for future business development activities and the opportunities available within its market areas, capital spending plans, financing sources, projections of financial results or economic performance, capital structure, the effects of competition, statements of plans, expectations, or objectives of the Company, and the business of the Company and its subsidiaries. These forward-looking statements are typically identified by words or phrases such as believe, expect, anticipate, plan, estimate, intend, and other similar words and expressions, or future or conditional verbs such as should, would, could and other characterizations of future events or circumstances. In addition, the Company may from time to time make such written or oral forward-looking statements in future filings with the Securities and Exchange Commission (including exhibits thereto), in its reports to stockholders, and in other communications made by or with the approval of the Company.

These forward-looking statements reflect the current views of the Company at the time they are made and are based on information currently available to the management of the Company and upon current expectations, estimates, and projections regarding the Company and its industry, management's beliefs with respect thereto, and certain assumptions made by management. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors (many of which are outside the control of the Company), which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements speak only to the date that such statements are made, and the Company undertakes no obligation to update any forward-looking statements, whether as the result of new information, future events, the occurrence of unanticipated events, or otherwise. The following sets forth some, but not necessarily all, of the factors that may cause the Company's actual results to vary materially from those which are the subject of any forward-looking statements.

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ITEM 1A. RISK FACTORS

Accumulated Deficit and Operating Losses and Anticipated Earnings; Explanatory Language in Auditor's Report. The Company had an accumulated deficit at February 28, 2010 of \$18,691,190 and net income to common shareholders of \$711,531 for the year ended February 28, 2010. The Company had an accumulated deficit of \$19,402,721, and net loss to common shareholders of \$1,151,785 for the year ended February 28, 2009. Additionally, the Company is in default on several notes payable. The auditor's opinion on the financial statements expresses substantial doubt about the Company's ability to continue as a going concern. The financial statements are presented on the basis that the Company is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the ordinary course of business. While there can be no assurance of this outcome, management believes its plan of operation will allow the Company to achieve this goal.

Growth Plans and Risk of Expansion. The Company adopted and implemented a business strategy, which seeks growth and expansion through the acquisition of synergistic companies. Accordingly, the growth and financial performance of the Company will depend, in large part, upon the Company's ability to identify and locate suitable acquisitions, to manage such growth and the resultant diverse operations, to manage the margins of the acquired operations, and to attract, hire, train, and retain qualified supervisory personnel and other operational employees to meet the Company's needs as it expands, as well as the availability of sufficient working capital. Difficulties resulting from the failure of the Company to manage and control its growth could materially adversely affect the Company's operating results and financial condition.

No Assurance of Acquisitions. Although the Company has had preliminary discussions with potential acquisition candidates, the Company has not completed any acquisitions in the fiscal year ended February 28, 2010. The Company does have current understandings or arrangements (oral or written) relating to specific acquisitions, but cannot give specific timing to close the potential acquisitions. Until binding agreements are in place there can be no assurance that any proposed acquisition will be consummated or that adequate, acceptable and affordable financing will be available.

Furthermore, to the extent that acquisitions are consummated, the Company's success or failure will depend upon management's ability to integrate the acquired business into the company and implementation of adequate management skills and systems necessary to accomplish the Company's strategy. Additionally, the Company is unable to predict whether or when, once integrated, any acquisition may achieve comparable levels of revenues, profitability, or productivity as existing Company operations, or otherwise perform as expected (including achievement of expected synergies or financial benefits). The Company may face competition for desirable acquisitions from entities that may possess greater resources than the Company.

Acquisition Risks. Acquisitions involve a number of special risks, some or all of which could have a material adverse effect on the Company's results of operations or financial condition. Such risks include, but are not limited to, the diversion of management's attention from core operations, difficulties in the integration of acquired operations and retention of personnel, customers, and suppliers, unanticipated problems or legal liabilities, tax and accounting issues, and the inability to obtain all necessary governmental and other approvals and consents.

Need for Additional Financing. Proceeds from notes payable and long-term debt provided the working capital needs and principal payments on long-term debt through most of fiscal 2010. However, the Company will need to obtain additional financing in order to finance its acquisition and growth strategy. There can be no assurance that debt or equity financing will be available to the Company on acceptable terms, if at all. If the Company does require additional financing and it cannot be obtained or the terms of such financings are unfavorable, it may have a material adverse impact on our operations and profitability, and the Company may need to curtail its business plan and strategy.

Loss of Certain Members of Our Management Team Could Adversely Affect the Company. The Company is dependent to a significant extent on the continued efforts, abilities and funding of our Chairman, Robert E. Maxwell and President and Chief Executive Officer, Daniel L. Hefner. If the company was to lose the services of either of these individuals or other key employees or consultants before a qualified replacement could be obtained, the business could be materially affected.

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Expected Volatility in Share Price. The market price of our stock has traded in a wide range. From March 1, 2001 through February 28, 2010 the price of our common shares has ranged from \$0.001 to \$0.78 per share. The price of our common stock may be subject to fluctuations in response to quarter-to-quarter variations in operating results, creation or elimination of funding opportunities, restriction of the acquisition plans, and favorable or unfavorable coverage of our officers and Company by the press.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. DESCRIPTION OF PROPERTY

International Machine and Welding, Inc. owns in fee simple title a 38,000 square foot facility in Bartow, Florida, which currently serves as the principal executive offices of American Commerce Solutions. A note payable to Valrico State Bank, originally at \$875,000 encumbers this building. As of February 28, 2010, the balance on this note is \$674,803. During the year ended February 28, 2010, the Company entered into a refinancing arrangement with a financial institution to refinance the loan at 7% interest, with monthly principle and interest payments of \$6,610 and a maturity date of April 30, 2012. The note is secured by all of the Company's fixed assets and 1,000,000 shares of the Company's common stock.

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. RESERVED**PART II****ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS****MARKET INFORMATION**

Since the April 1996 closing of the Company's initial public offering, the Company's Common Stock has traded in the over-the-counter market on the National Association of Securities Dealers, Inc. OTC Bulletin Board System (OTCBB). Until January 31, 2001 the company's common stock traded under the symbol JDAW. In connection with the name change, since February 10, 2001, the common stock has traded under the symbol AACS. The following table sets forth the range of high and low closing bid quotations of the Common Stock as reported by the OTCBB for each fiscal quarter for the past two fiscal years. High and low bid quotations reflect inter-dealer prices without adjustment for retail mark-ups, markdowns or commissions and may not necessarily represent actual transactions.

	Bid Prices	
	High	Low
FISCAL 2010		
First Quarter (March 1, 2009 through May 31, 2009)	\$ 0.0045	\$ 0.001
Second Quarter (June 1, 2009 through August 31, 2009)	\$ 0.0049	\$ 0.002
Third Quarter (September 1, 2009 through November 30, 2009)	\$ 0.0045	\$ 0.0015
Fourth Quarter (December 1, 2009 through February 28, 2010)	\$ 0.003	\$ 0.0011
FISCAL 2009		
First Quarter (March 1, 2008 through May 31, 2008)	\$ 0.012	\$ 0.005

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Second Quarter (June 1, 2008 through August 31, 2008)	\$ 0.01	\$ 0.005
Third Quarter (September 1, 2008 through November 30, 2008)	\$ 0.014	\$ 0.003
Fourth Quarter (December 1, 2008 through February 28, 2009)	\$ 0.008	\$ 0.002

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On February 28, 2010 the closing bid price of the Company's Common Stock as reported by the OTCBB was \$0.0012 and there were approximately 1,204 shareholders of record.

DIVIDENDS

The Company has never declared or paid a dividend on its Common Stock, and does not anticipate paying any cash dividends on its Common Stock in the foreseeable future. The Company expects to retain, if any, its future earnings for expansion or development of the Company's business. The decision to pay dividends, if any, in the future is within the discretion of the Board of Directors and will depend upon the Company's earnings, capital requirements, financial condition and other relevant factors such as contractual obligations. There can be no assurance that dividends can or will ever be paid.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information about our Equity Compensation Plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted average price of outstanding options	Number of securities remaining available for future issuance
Non-Qualified Option/Stock Appreciation Rights Plan approved by security holders	362,500	\$ 0.27	57,400
Employees Stock Incentive Plan approved by security holders			
Non-Employee Directors and Consultants Retainer Stock Plan approved by security holders			

RECENT SALES OF UNREGISTERED SECURITIES

None

ITEM 6. SELECTED FINANCIAL DATA

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion is intended to further the reader's understanding of the Company's financial condition and results of operations, and should be read in conjunction with the Company's consolidated financial statements and related notes included elsewhere herein. This discussion also contains forward-looking statements. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risks and uncertainties set forth elsewhere in this Annual Report and in the Company's other SEC filings. Readers are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date hereof. The Company is not party to any transactions that would be considered off balance sheet pursuant to disclosure requirements under ITEM 303(c).

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RESULTS OF OPERATIONS

The Company owned two subsidiaries that operated in the manufacturing segment and the fiberglass segment during the fiscal year ended February 28, 2010 and 2009. To facilitate the readers understanding of the Company's financial performance, this discussion and analysis is presented on a segment basis.

MANUFACTURING SEGMENT

The manufacturing subsidiary, International Machine and Welding, Inc., generates its revenues from three divisions. Division 1 provides specialized machining and repair services to heavy industry and original equipment manufacturers. Division 2 provides repair and rebuild services on heavy equipment used in construction and mining as well as sales of used equipment. Division 3 provides parts sales for heavy equipment directly to the customer. The primary market of this segment is the majority of central and south Florida with parts sales expanding its market internationally. The current operations can be significantly expanded using the 38,000 square foot structure owned by International Machine and Welding, Inc.

FIBERGLASS SEGMENT

Chariot Manufacturing Company manufactures a variety of fiberglass parts, as well as, motorcycle trailers with fiberglass bodies and other fiberglass parts by contract with affiliate owned Tampa Fiberglass, Inc. These trailers are sold both on the retail level and dealer levels. The company also provides non warranty repairs and modification of existing Chariot Trailers. Effective June 1, 2009, Chariot was sold and is classified as a discontinued operation for the years ending February 28, 2010 and 2009.

FISCAL YEAR 2010 COMPARED TO FISCAL YEAR 2009

General

The Company's consolidated net sales increased to \$2,349,285 for the fiscal year ended February 28, 2010, an increase of \$41,619 or 2%, from \$2,307,666 for the fiscal year ended February 28, 2009. This increase was mainly due to the increase in business from the mining industry clientele.

Gross profit for the consolidated operations increased to \$1,145,829 for the fiscal year ended February 28, 2010 from \$1,060,999 for the fiscal year ended February 28, 2009. Gross profit as a percentage of sales increased in fiscal year 2010 to 49% from 46% in fiscal year ended 2009. The increase in gross profit margin was due to a combination of International Machine & Welding receiving better pricing from its vendors and the mix of jobs during the quarter.

Consolidated interest expense in fiscal 2010 was \$191,490 compared to \$192,811 in fiscal 2009. The decrease in interest expense is due to the Company reducing the overall debt during the year.

Consolidated interest income in fiscal 2010 was \$90,777 compared to \$721 in fiscal 2009. The increase in interest income is due to the Company issuing a note receivable on June 1, 2009 and recording interest income.

Selling, general and administrative expenses decreased to \$1,558,883 for fiscal 2010 from \$1,716,362 for fiscal 2009, a decrease of \$157,479 or 9%. The decrease in selling, general and administrative expenses is due to better control over costs.

The Company incurred a net consolidated income (loss) of \$711,531 for the year ended February 28, 2010 compared to (\$1,151,785) for the year ended February 28, 2009. The increase in the consolidated net income is primarily due to the gain on the sale of Chariot.

Manufacturing Segment

The manufacturing operation, International Machine and Welding, Inc. provided net sales of \$2,349,285 for the fiscal year ended February 28, 2010 compared to \$2,307,666 for the fiscal year ended February 28, 2009. The machining operations provided \$635,252 or 27% of net sales with parts and service providing \$1,714,033 or 73% of net sales for the fiscal year ended February 28, 2010 as compared to machining operations contributing \$779,924 or 34% of net sales with parts and service providing \$1,527,742 or 66% of net sales for the fiscal year ended February 28, 2009.

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Gross profit from International Machine and Welding, Inc. was \$1,145,829 for the fiscal year ended February 28, 2010 compared to \$1,060,999 in fiscal 2009 providing gross profit margins of 49% and 46%, respectively. The increase is due to a combination of International Machine and Welding receiving better pricing from its vendors and the mix of jobs during the quarter

Selling, general and administrative expenses for International Machine and Welding, Inc. were \$939,264 for the fiscal year ended February 28, 2010 compared to \$1,004,857 for the fiscal year ended February 28, 2009. The decrease in selling, general and administrative expenses is due to the Company controlling costs relative to sales.

Interest expense was \$142,132 for the fiscal year ended February 28, 2010 compared to \$145,277 for the fiscal year ended February 28, 2009. The decrease in interest expense is due to the Company reducing the overall debt.

Interest income was \$18,913 for the fiscal year ended February 28, 2010 compared to \$0 for the fiscal year ended February 28, 2009. The increase in interest income is due to the Company issuing a note receivable on June 1, 2009 and recording interest income.

The Company does not have discrete financial information on each of the three manufacturing divisions, nor does the Company make decisions on the divisions separately; therefore they are not reported as segments.

Fiberglass Subsidiary (Discontinued Operations)

The fiberglass manufacturing operation, Chariot Manufacturing Company, Inc. provided net sales of \$57,834 for the year ended February 28, 2010 as compared to \$277,188 for the same period in 2009. The decrease in net sales is due to the sale of Chariot on June 1, 2009.

Gross profit from Chariot was \$13,573 for the year ended February 28, 2010 providing a gross profit margin of 23% as compared to \$36,469 providing a gross profit margin of 13% for the same period in 2009. The increase in gross profit and the related gross profit margin was due to the addition of new customers, who are purchasing products that have a higher gross profit margin.

Selling, general and administrative expenses were \$75,197 for the year ended February 28, 2010 as compared to \$329,081 for the same period in 2009. The decrease in selling, general and administrative expenses was mainly due to the Company moving its operations to a new location that is owned by a related party. The related party is not requiring the Company to pay rent. Also, the intangible assets were fully amortized during prior periods, and therefore there was no amortization expense during this period. Finally, the operations were sold as of June 1, 2009.

LIQUIDITY AND CAPITAL RESOURCES

During the fiscal years ended February 28, 2010 and 2009, the Company used net cash for operating activities of \$41,560 and \$388,894, respectively. The decrease in use of cash is mainly due to the gain on the sale of Chariot.

During the years ended February 28, 2010 and 2009, the Company used funds for investing activities of \$275,561 and \$5,915, respectively. This increase in cash used from investing activities is mainly due to the increase in other receivables related to the sale of Chariot.

During the years ended February 28, 2010 and 2009, the Company provided cash from financing activities of \$326,364 and \$389,394, respectively. The decrease in net cash provided by financing activities is due to the decrease in the cash received from the issuance of notes payable.

Cash flows from financing activities provided for working capital needs and principal payments on long-term debt through fiscal 2010. As of February 28, 2010, the Company had a working capital deficit of \$937,731. To the extent that the cash flows from financing activities are insufficient to finance the Company's anticipated growth, or its other liquidity and capital requirements during the next twelve months, the Company will seek additional financing from alternative sources including bank loans or other bank financing arrangements, other debt financing, the sale of equity securities (including those issuable pursuant to the exercise of outstanding warrants and options), or other financing arrangements. However, there can be no assurance that any such financing will be available and, if available, that it will be available on terms favorable or acceptable to the Company.

Although management has reduced debt, new financing to finance operations and to facilitate additional production is still being sought. However, there can be no assurance that the Company will be able to raise capital, obtain debt financing, or improve operating results sufficiently to continue as a going concern.

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SEASONALITY

The diversity of operations in the manufacturing segment protects it from seasonal trends except in the sales of agricultural processing where the majority of the revenue is generated while the processors await the next harvest.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The accompanying consolidated financial statements include the activity of the Company and its wholly owned subsidiaries. All intercompany transactions have been eliminated in consolidation. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company reviews its estimates, including but not limited to, recoverability of long-lived assets, recoverability of prepaid expenses and allowance for doubtful accounts, on a regular basis and makes adjustments based on historical experiences and existing and expected future conditions. These evaluations are performed and adjustments are made as information is available. Management believes that these estimates are reasonable; however, actual results could differ from these estimates.

We believe that the following critical policies affect our more significant judgments and estimates used in preparation of our consolidated financial statements.

We maintain allowances for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. We base our estimate on an analysis of the Company's prior collection experience, customer credit worthiness, and current economic trends. If the financial condition of our customers were to deteriorate, additional allowances may be required.

We value our inventories at the lower of cost or market. Cost is determined on a standard cost basis that approximates the first-in, first-out method; market is determined based on net realizable value. We write down inventory balances for estimated obsolescence or unmarketable inventory equal to the difference between the cost of the inventory and the estimated market value based upon assumptions about future demand and market conditions. If actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required.

We value our property and equipment at cost. Amortization and depreciation are calculated using the straight-line and accelerated methods of accounting over the estimated useful lives of the assets. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Fair value estimates used in preparation of the consolidated financial statements are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values. These financial instruments include cash, accounts receivable, accounts payable, and accrued expenses. Fair values were assumed to approximate carrying values for these financial instruments since they are short-term in nature and their carrying amounts approximate fair values or they are receivable or payable on demand. The fair value of the Company's notes payable is estimated based upon the quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities.

NEW ACCOUNTING PRONOUNCEMENTS

For a description of recent accounting standards, including the expected dates of adoption and estimated effects, if any, on our financial statements, see Note 3: Significant Accounting Policies: Recent Accounting Standards in Part II, Item 8 of this Form 10-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

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ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS
Consolidated Financial Statements
American Commerce Solutions, Inc. and Subsidiaries
As of February 28, 2010 and 2009 and for the
Years Then Ended
Report of Independent Registered Public Accounting Firm

Contents

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders

American Commerce Solutions, Inc. and Subsidiary

Bartow, Florida

I have audited the consolidated balance sheet of American Commerce Solutions, Inc. and Subsidiary as of February 28, 2010 and the related statements of operations, changes in stockholders' deficit, and cash flows for the year then ended. These consolidated financial statements were the responsibility of the Company's management. My responsibility was to express an opinion on these consolidated financial statements based on my audit. The consolidated financial statements of American Commerce Solutions, Inc. and Subsidiaries, as of February 28, 2009, were audited by other auditors; whose report dated June 12, 2009 expressed an unqualified opinion on those consolidated financial statements with an explanatory paragraph regarding substantial doubt about the Company's ability to continue as a going concern. My opinion on the statement of operations, changes in stockholders' deficit and cash flows for the year ended February 28, 2009 insofar as it relates to amounts for the periods through February 28, 2009 is based solely on the report of other auditors.

I conducted my audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements were free of material misstatement. The Company was not required to have, nor was I engaged to perform, an audit of its internal control over financial reporting. My audit included consideration of internal control over financial reporting as a basis for designing audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, I express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provide a reasonable basis for my opinion.

In my opinion, the consolidated financial statements, referred to above, present fairly, in all material respects, the financial position of American Commerce Solutions, Inc. and Subsidiary as of February 28, 2010, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has incurred recurring losses from continuing operations, has negative working capital and has used significant cash in support of its operating activities. Additionally, as of February 2010 the Company is in default of several notes payable. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Further information and management's plans in regard to this uncertainty were also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Peter Messineo, CPA

Palm Harbor, Florida

May 28, 2010

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Report of Independent Registered Public Accounting Firm

Stockholders and Board of Directors

American Commerce Solutions, Inc. and Subsidiaries

Bartow, Florida

We have audited the accompanying consolidated balance sheet of American Commerce Solutions, Inc. and Subsidiaries as of February 28, 2009 and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the year then ended. These consolidated financial statements are the responsibility of the management of American Commerce Solutions, Inc. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provided a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of American Commerce Solutions, Inc. and Subsidiaries as of February 28, 2009 and the results of its operations and its cash flows for the year then ended 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 2, the Company incurred a net loss of \$1,151,785 during the year ended February 28, 2009 and has an accumulated deficit of \$19,402,721 and negative working capital of \$3,026,942 at February 28, 2009. In addition, the Company is in default on several notes payable at February 28, 2009. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Pender Newkirk & Company LLP

Certified Public Accountants

Tampa, Florida

June 12, 2009

Table of Contents**American Commerce Solutions, Inc. and Subsidiaries****Consolidated Balance Sheets**

	February 28, 2010	February 28, 2009
Assets		
Current assets:		
Cash	\$ 10,289	\$ 1,046
Accounts receivable, net of allowance of \$3,500 and \$224, respectively		17,352
Accounts receivable, factored	62,233	50,556
Inventories	202,165	216,602
Note receivable, related party, net of unamortized discount of \$20,709	989,084	
Due from related party	556,231	
Other receivables	25,999	25,856
Other current assets		9,814
Total current assets	1,846,001	321,226
Property and equipment, net of accumulated depreciation of \$2,197,381 and \$2,801,056, respectively	3,259,954	4,355,252
Prepaid loan costs paid with common stock	21,734	
Other assets	13,528	16,364
	\$ 5,141,217	\$ 4,692,842
Liabilities and Stockholders Equity		
Current liabilities:		
Current portion of notes payable	\$ 1,296,668	\$ 1,333,255
Current portion of notes payable, related party	609,163	797,697
Accounts payable; including related party balances of \$103,211 and \$272,904, respectively	387,863	671,608
Accrued expenses	159,398	178,523
Accrued interest	316,543	275,800
Deferred revenue	14,097	91,285
Total current liabilities	2,783,732	3,348,168
Notes payable, net of current portion	35,473	35,844
Due to stockholders	1,539,910	1,307,510
Total Liabilities	4,359,115	4,691,522
Stockholders equity:		
Preferred stock, total authorized 5,000,000 shares:		
Series A; cumulative and convertible; \$.001 par value; 600 shares authorized; 102 shares issued and outstanding; liquidating preference \$376,125		
Series B; cumulative and convertible; \$.001 par value; 3,950 shares authorized; 3,944 shares issued and outstanding; liquidating preference \$3,944,617	3	3
Common stock; \$.002 par value; 350,000,000 shares authorized; 283,918,566 and 267,291,522 shares issued; 283,396,566 and 266,769,522 shares outstanding, respectively	567,838	534,584
Additional paid-in capital	19,180,977	19,144,980
Stock subscription receivable	(10,000)	(10,000)
Treasury stock, at cost	(265,526)	(265,526)
Accumulated deficit	(18,691,190)	(19,402,721)

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Total stockholders' equity	782,102	1,320
	\$ 5,141,217	\$ 4,692,842

The accompanying notes are an integral part of the consolidated financial statements.

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Table of Contents**American Commerce Solutions, Inc. and Subsidiaries****Consolidated Statements of Operations**

	Years Ended February 28,	
	2010	2009
Net sales	\$ 2,349,285	\$ 2,307,666
Cost of goods sold	1,203,456	1,246,667
Gross profit	1,145,829	1,060,999
Selling, general and administrative expenses	1,588,883	1,716,362
Loss from operations	(443,054)	(655,363)
Other income (expense):		
Other	(13,718)	17,782
Interest expense	(191,490)	(192,811)
Interest income	90,777	721
Total other (expense)	(114,431)	(174,308)
Loss from continuing operations before income tax	\$ (557,485)	\$ (829,671)
Income taxes		
Loss from continuing operations	\$ (557,485)	\$ (829,671)
Discontinued operations:		
Gain on sale of discontinued fiberglass division (net of tax)	1,339,172	
Loss from operation of discontinued fiberglass division (net of tax)	(70,156)	(322,114)
	1,269,016	(322,114)
Net income (loss) available to common stockholders	711,531	(1,151,785)
Net loss per common share from continuing operations	\$ (0.00)	\$ (0.00)
Net income (loss) per common share from discontinued operations	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	277,702,373	266,637,857

The accompanying notes are an integral part of the consolidated financial statements

Table of Contents**American Commerce Solutions, Inc. and Subsidiaries****Consolidated Statements of Changes in Stockholders Equity****Years Ended February 28, 2010 and 2009**

	Common Stock Shares	Common Stock Amount	Preferred Stock Shares	Preferred Stock Amount
Balance, February 28, 2008	251,272,293	\$ 502,545	3,944	\$ 3
Common shares issued for guaranty	5,339,743	10,680		
Common shares issued for pledge of assets	10,679,486	21,359		
Net loss				
Balance, February 28, 2009	267,291,522	\$ 534,584	3,944	\$ 3
Common shares issued for guaranty	8,313,522	16,627		
Common shares issued for pledge of assets	8,313,522	16,627		
Net income				
Balance, February 28, 2010	283,918,566	\$ 567,838	3,944	\$ 3

Additional Paid-In Capital	Stock Subscription Receivable	Accumulated Deficit	Treasury Stock	Total
\$19,068,088	\$ (10,000)	\$ (18,250,936)	\$ (265,526)	\$ 1,044,174
25,630				36,310
51,262				72,621
		(1,151,785)		(1,151,785)
\$19,144,980	\$ (10,000)	\$ (19,402,721)	\$ (265,526)	\$ 1,320
17,998				34,625
17,999				34,626
		711,531		711,531
\$19,180,977	\$ (10,000)	\$ (18,691,190)	\$ (265,526)	\$ 782,102

The accompanying notes are an integral part of the consolidated financial statements

Table of Contents**American Commerce Solutions, Inc. and Subsidiaries****Consolidated Statements of Cash Flows****For the Years Ended February 28, 2010 and 2009**

	2010	2009
Operating activities:		
Net income (loss)	\$ 711,531	\$ (1,151,785)
Adjustments to reconcile net income (loss) to net cash used by operating activities:		
Depreciation and amortization	249,024	391,568
Amortization of loan costs	47,517	108,931
Amortization of discount on notes receivable	(57,759)	
Loss (gain) on sale of equipment	13,410	(18,168)
Gain on sale of fiberglass division	(1,339,172)	
Decrease (increase) in allowance for doubtful accounts	4,850	(1,104)
(Increase) decrease in:		
Accounts receivables	12,502	20,012
Inventories	(19,258)	(6,506)
Other assets	201,656	37,521
Increase (decrease) in:		
Accounts payable and accrued expenses	102,985	256,007
Deferred income	31,154	(25,370)
Net cash used by operating activities	(41,560)	(388,894)
Investing activities:		
(Increase) decrease in other receivables	(273,426)	21,267
Proceeds from sale of property and equipment	20,507	8,000
Acquisition of property and equipment	(22,642)	(35,182)
Net cash used by investing activities	(275,561)	(5,915)
Financing activities:		
Increase in bank overdraft	583	(6,571)
(Increase) decrease in due from factor	(11,677)	6,548
Proceeds from notes payable and long-term debt	208,703	393,683
Principal payments on notes payable	(103,645)	(236,666)
Increase in due to stockholders	232,400	232,400
Net cash provided by financing activities	326,364	389,394
Net increase (decrease) in cash	9,243	(5,415)
Cash, beginning of period	1,046	6,461
Cash, end of period	\$ 10,289	\$ 1,046
Supplemental disclosures of cash flow information and noncash investing and financing activities:		
Cash paid during the period for interest	\$ 49,356	\$ 154,962

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During the year ended February 28, 2010, the Company sold the stock and assets of the Fiberglass subsidiary to Public Acquisition Company, Inc. (PAC) which is owned by the President of the Fiberglass Subsidiary and a shareholder of the Company, in exchange for a one year, non-interest bearing, term note of \$1,009,792, which may be settled in cash or stock, and the assumption of \$1,102,291 of liabilities.

During the year ended February 28, 2010, the Company sold property and equipment valued at \$253,230 to PAC for a one year, non-interest bearing, term note of \$263,940, which may be settled in cash or stock.

During the year ended February 28, 2010 and 2009, the Company issued 16,627,044 and 16,019,229 shares of common stock to a related party and related company, respectively, valued at \$69,251 and \$108,931, respectively, in exchange for guarantees of a note payable. As of February 28, 2010 and 2009, \$47,517 and \$108,931, respectively, of these guaranty fees have been amortized.

During the year ended February 28, 2009, the Company exchanged equipment with a net book value of \$13,832 for a \$24,000 investment in common stock of another company.

During the year ended February 28, 2010 and 2009, the Company increased notes payable by \$24,198 and \$24,199, respectively for an accrual of interest.

The accompanying notes are an integral part of the consolidated financial statements.

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American Commerce Solutions, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

As of February 28, 2010 and 2009 and for the

Years Ended February 28, 2010 and 2009

1. BACKGROUND INFORMATION

American Commerce Solutions, Inc., located and operating in West Central Florida, was incorporated in Rhode Island in 1991 under the name Jaque Dubois, Inc., and was re-incorporated in Delaware in 1994. In July 1995, Jaque Dubois, Inc. changed its name to JD American Workwear, Inc. In December 2000, the stockholders voted at the annual stockholders meeting to change the name of JD American Workwear, Inc. to American Commerce Solutions, Inc. (the Company).

The Company is primarily a holding company with two wholly owned subsidiaries; International Machine and Welding, Inc. is engaged in the machining and fabrication of parts used in heavy industry, and parts sales and service for heavy construction equipment; Chariot Manufacturing Company, Inc., which was acquired on October 11, 2003 from a related party, manufactures motorcycle trailers with fiberglass bodies and other fiberglass parts by contract with affiliate owned, Tampa Fiberglass, Inc. Effective June 1, 2009, Chariot was sold and is classified as a discontinued operation, see Note 14.

2. GOING CONCERN

The Company has incurred substantial operating losses since inception and has used approximately \$41,560 of cash in operations for the year ended February 28, 2010. The Company recorded losses from continuing operations of \$557,485 and \$829,671 for the years ended February 28, 2010 and 2009, respectively. Current liabilities exceed current assets by \$937,731 at February 28, 2010. Additionally, the Company is in default on several notes payable. These factors raise substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent upon its ability to reverse negative operating trends, raise additional capital, and obtain debt financing.

Management has revised its business strategy to include expansion into other lines of business through the acquisition of other companies in exchange for the Company's stock to facilitate manufacturing contracts under negotiation. In conjunction with the anticipated new contracts, management is currently negotiating new debt and equity financing, the proceeds from which would be used to settle outstanding debts at more favorable terms, to finance operations, and to complete additional business acquisitions. However, there can be no assurance that the Company will be able to raise capital, obtain debt financing, or improve operating results sufficiently to continue as a going concern.

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

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed are:

The accompanying consolidated financial statements include the activity of the Company and its wholly owned subsidiaries. All intercompany transactions have been eliminated in consolidation.

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of accounts receivable. Accounts receivable consist of billed services or products. The Company records an allowance for doubtful accounts to allow for any amounts that may not be recoverable, which is based on an analysis of the Company's prior collection experience, customer credit worthiness, and current economic trends. Based on management's review of accounts receivable, an allowance for doubtful accounts of \$3,500 and \$224 is considered adequate at February 28, 2010 and 2009, respectively. Receivables are determined to be past due based on payment terms of original invoices. The Company does not charge significant amounts of interest on past due receivables.

The Company accounts for its factoring of accounts receivable by selling and assigning all rights, title, and interest to certain of the Company's accounts receivable. The Company receives 80% of all approved invoices sold to the Factoring Company, which assumes the credit risk. Based on the Factoring Company's collections of these invoices the Company may receive additional consideration of up to 20%. The Company records the 80% as payment against the invoices sold and records 20% as an amount due from Factoring Company. Once the invoice exceeds 120 days outstanding, the remaining 20% of the receivable is recorded as expense.

Inventories are stated at the lower of cost or market. Cost is determined on a standard cost basis that approximates the first-in, first-out method; market is determined based on net realizable value. Appropriate consideration is given to obsolescence, excessive levels, deterioration, and other factors in evaluating net realizable value.

Property and equipment are stated at cost. Depreciation and amortization expense are calculated using the straight-line and accelerated methods of accounting over the following estimated useful lives of the assets:

Building and improvements	15 - 39 years
Machine and equipment	5 - 30 years
Office furniture and equipment	5 - 10 years
Trucks and vehicles	5 - 7 years

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Direct costs incurred with the issuance of notes payable are deferred and amortized over the life of the guaranty. For the years ended February 28, 2010 and 2009, the Company incurred amortization expense of \$47,517 and \$108,931, respectively.

The Company records amounts billed to customers for shipping and handling costs as sales revenue. Costs incurred by the Company for shipping and handlings are included in cost of sales.

Sales are recorded when products, repairs, or parts are delivered to the customer. Provisions for discounts and rebates to customers, estimated returns, allowances, and other adjustments are provided for in the same period the related sales are recorded. No products or parts are delivered with any contingencies except for defects.

Amounts collected on behalf of governmental authorities for sales taxes and other similar taxes are reported on a net basis.

Revenue derived from the sale of products not yet completed and delivered is deferred and recognized as revenue once the product has been delivered to the customer.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the book value of the asset may not be recoverable. The Company periodically evaluates whether events and circumstances have occurred that indicate possible impairment. When impairment indicators exist, the Company uses market quotes, if available or an estimate of the future undiscounted net cash flows of the related asset or asset group over the remaining life in measuring whether or not the asset values are recoverable. There have been no significant impairments of long-lived assets during the year ended February 28, 2010 and 2009.

The Company recognizes all share-based payments to employees, including grants of employee stock options, as compensation expense in the financial statements based on their fair values. That expense will be recognized over the period during which an employee is required to provide services in exchange for the award, known as the requisite service period (usually the vesting period).

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The Company accounts for stock based compensation awards issued to non-employees for services and financing arrangements, as prescribed by FASB ASC 505-50, *Equity-Based Payments to Non-Employees*, at either the fair value of the services rendered or the instruments issued in exchange for such services, whichever is more readily determinable. The fair value of common stock issued for services is based on the closing stock price on the date the common stock was issued.

In September 2006, the Financial Accounting Standards Board (FASB) introduced a framework for measuring fair value and expanded required disclosure about fair value measurements of assets and liabilities. The Company adopted the standard for those financial assets and liabilities as of the beginning of the 2008 fiscal year and the impact of adoption was not significant. FASB Accounting Standards Codification (ASC) 820 *Fair Value Measurements and Disclosures* (ASC 820) defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs that are both significant to the fair value measurement and unobservable.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of February 28, 2010. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments. These financial instruments include accounts receivable, other current assets, accounts payable, accrued compensation and accrued expenses. The fair value of the Company's notes payable is estimated based on current rates that would be available for debt of similar terms which is not significantly different from its stated value.

Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the consolidated financial statements carrying amounts of existing assets and liabilities and their respective income tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income in the period that included the enactment date. Due to the Company's continued losses, the Company has placed a full valuation allowance against the deferred tax asset.

The Company adopted the provisions of FASB ASC 740-10 *Uncertainty in Income Taxes* (ASC 740-10), on January 1, 2007. The Company has not recognized a liability as a result of the implementation of ASC 740-10. A reconciliation of the beginning and ending amount of unrecognized tax benefits has not been provided since

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there is no unrecognized benefit since the date of adoption. The Company has not recognized interest expense or penalties as a result of the implementation of ASC 740-10. If there were an unrecognized tax benefit, the Company would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses.

The Company records stock as issued at the time consideration is received or the obligation is incurred.

Basic and diluted earnings per share are computed by dividing net income (loss) by the weighted-average number of shares of common shares outstanding during the year. Diluted earnings per share are computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding and dilutive options outstanding during the year. Common stock to be issued upon conversion of preferred stock, convertible debt and common stock options has not been included in dilutive earnings per share due to the Company's losses and their anti-dilutive effect.

In October 2009, the FASB issued Accounting Standard Update (ASU) No. 2009-13, Multiple-Deliverable Revenue Arrangements (ASU 2009-13) and No. 2009-14, Certain Revenue Arrangements that include Software Elements (ASU 2009-14). These standards update FASB ASC 605, Revenue Recognition (ASC 605) and FASB ASC 985, Software (ASC 985). The amendments to ASC 605 requires entities to allocate revenue in an arrangement using estimated selling prices of the delivered goods and services based on a selling price hierarchy. The amendments to ASC 985 remove tangible products from the scope of software revenue guidance and provide guidance on determining whether software deliverables in an arrangement that includes a tangible product are covered by the scope of the software revenue guidance. These amendments to ASC 605 and ASC 985 should be applied on a prospective basis for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010, with early adoption permitted. The Company adopted these amendments on March 1, 2010. Management does not believe that the adoption of this standard will have a material impact on the Company's financial statements.

In January 2010, the FASB issued ASU No. 2010-06, Fair Value Measurements and Disclosures (ASU 2010-06). This standard updates FASB ASC 820, Fair Value Measurements (ASC 820). ASU 2010-06 requires additional disclosures about fair value measurements including transfers in and out of Levels 1 and 2 and separate disclosures about purchases, sales, issuances, and settlements relating to Level 3 measurements. It also clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value. The standard is effective for interim and annual reporting periods beginning after December 15, 2009 except for the disclosures about purchases, sales, issuances and settlements which is effective for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years. The Company adopted ASU 2010-06 on March 1, 2010, which is not expected to have a material impact on the financial statements.

Other recent accounting pronouncements issued by the FASB (including its EITF), the AICPA, and the SEC did not or are not believed by management to have a material impact on the Company's present or future financial statements.

4. ACCOUNTS RECEIVABLE, FACTORED

During the years ended February 28, 2010 and 2009, the Company factored receivables of approximately \$1,763,537 and \$1,766,459, respectively. In connection with the factoring agreement, the Company incurred fees of approximately \$64,300 and \$65,100 during the years ended February 28, 2010 and 2009, respectively. As of February 28, 2010 and 2009, certain customers had remitted \$9,581 and \$2,799, respectively, to the Company on factored receivables; the Company has recorded these amounts as due to the factor and included them in accrued expenses on the accompanying consolidated balance sheets. Any and all of the Company's indebtedness and obligations to the Factoring Company is guaranteed by two stockholders and collateralized by the Company's inventory and fixed assets.

5. INVENTORIES

Inventories consist of the following:

	February 28, 2010	February 28, 2009
Work-in process	\$ 6,360	\$ 27,197
Finished goods	186,805	176,167
Raw materials	9,000	13,238
 Total inventories	 \$ 202,165	 \$ 216,602

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Property and equipment consist of the following:

	February 28, 2010	February 28, 2009
Land	\$ 186,045	\$ 186,045
Building and improvements	2,702,512	2,738,912
Machinery and equipment	2,310,608	3,754,913
Office furniture and equipment	91,756	95,717
Trucks and automobiles	166,414	201,960
Equipment held for lease		178,761
	5,457,335	7,156,308
Less accumulated depreciation	2,197,381	2,801,056
	\$ 3,259,954	\$ 4,355,252

Depreciation expense for the years ended February 28, 2010 and 2009 was \$249,024 and \$368,346, respectively.

7. INTANGIBLE ASSETS

The following is a summary of intangible assets:

	February 28, 2010		February 28, 2009	
	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Web Site	\$	\$	\$ 86,125	\$ 86,125
Brand Recognition			59,455	59,455
Customer List			44,420	44,420
	\$	\$	\$ 190,000	\$ 190,000

Amortization expense for the years ended February 28, 2010 and 2009 was \$0 and \$23,222.

8. NOTES PAYABLE

Notes payable consist of:

	February 28, 2010	February 28, 2009
Notes payable to the parents of the former president of the Company, stockholders; 10% interest; past maturity; unsecured	\$ 185,291	\$ 185,291
Notes payable to the parents and sister of the former president of the Company; stockholders; 10% interest; past maturity; unsecured	31,697	31,697
Note payable; related party; no interest; past maturity, unsecured	29,304	29,304
Note payable; related party; 12% interest; due on demand; unsecured	63,928	63,928
Notes payable; related party; interest payable in the amount of \$1,000; due on demand; unsecured		5,850
Note payable; related party; 3% fee for the first 30 days, 16.5% interest thereafter; due on demand; convertible into common stock at a 10% discount per share	48,000	48,000

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Note payable; related party; 3% fee for the first 30 days, 16.5% interest thereafter; due on demand; convertible into common stock at a 15% discount per share		49,500
Note payable; related party; 3% fee for the first 30 days, 16.5% interest thereafter; due on demand; convertible into common stock at a 15% discount per share	58,448	58,448
Note payable; related party; 8% interest; due on demand, unsecured		13,936
Note payable; related party; 15% interest; due on demand; unsecured	116,394	90,555
Note payable; related party; 10% interest; due on demand; unsecured		9,654
Note payable; related party; no interest; past maturity; unsecured		20,205
Note payable; related party; 18% interest; due on demand; unsecured	52,188	59,195
Note payable; related party; 15% interest; due on demand; unsecured	24,046	28,227
Notes payable; related party; 15% interest; due on demand; unsecured	18,735	24,534
Notes payable, individual, past maturity, interest payable in the amount of \$10,000, in addition to principal, unsecured	10,000	10,000

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Note payable; related party; 6.50% interest; due September 2009; secured by vehicle		3,560
Note payable; related party; 15% interest; due on demand; unsecured	37,382	37,382
Note payable; related party; 15% interest; due on demand; unsecured		17,375
Note payable; related party; 12% interest; due on demand; unsecured		6,000
Note payable; related party; 8% interest; due on demand; unsecured		7,600
Note payable; related party; 15% interest; past maturity; unsecured		3,761
Note payable; related party; 10% interest; due on demand; unsecured		138,283
Note payable; 20% interest; due on demand; unsecured		13,000
Note payable; 8.5% interest; due March 9, 2022; secured by trailer		27,842
Note payable; 10.99% interest; matures December 14, 2011; secured by a 16 foot enclosed trailer		15,358
Note payable; related party; 10% interest; due March 22, 2009; unsecured	500	5,000
Note payable; related party; non-interest bearing; due on demand; unsecured	1,135	
Note payable; 13.99% interest; due September 23, 2013; secured by a vehicle	18,203	
Note payable; related party; 8% interest; due November 11, 2010; secured by common stock	12,500	
Note payable; related party; 8% interest; due November 11, 2010; secured by common stock	19,800	
Note payable; related party; 8% interest; due on demand; unsecured	15,000	
Note payable; related party; 25% interest; due on demand; unsecured	20,000	20,000
Note payable; related party; 8% interest; due on demand; unsecured	47,403	13,000
Note payable; related party; 8% interest; due one year from date of issue beginning October 14, 2009; unsecured, convertible into common stock at a 15% discount per share	34,500	34,500
Note payable; related party; 8% interest; due on demand; unsecured	9,900	9,900
Note payable to Internal Revenue Service pursuant to a Chapter 11 reorganization plan; 8% interest; secured by tax lien; past maturity	412,147	388,449
Note payable to a financial institution; 7.0% interest; monthly principal and interest payments of \$6,610; collateralized by fixed assets and 1,000,000 shares of common stock owned by a stockholder; guaranteed by a stockholder; due April 2012	674,803	697,462
	1,941,304	2,166,796
Less current portion	(1,905,831)	(2,130,952)
	\$ 35,473	\$ 35,844

As of February 28, 2010, the notes payable listed above include \$668,939, which are currently in default.

The aggregate principal maturing in subsequent years is:

Year Ending February 28,	
2011	\$ 1,905,831
2012	6,610
2013	6,345
2014	1,819
2015	1,980
Thereafter	18,719
	\$ 1,941,304

At February 28, 2010 and 2009, the above notes payable to related parties in the amount of \$596,663 and \$797,697, respectively, are not necessarily indicative of the terms and amounts that would have been incurred had comparable agreements been made with independent parties.

9. CONVERTIBLE PREFERRED STOCK

Holders of Series A convertible preferred stocks vote on a converted basis with the common stockholders on all matters to be brought to a vote of the stockholders. Each share of Series A convertible preferred stock can be converted into 1,289 shares of common stock. Dividends are payable in kind at the Company's option at a rate of ten percent annually. Payments of annual dividends have been deferred by the Company's

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Board of Directors on the outstanding Series A shares because of losses sustained by the Company. As of February 28, 2010, preferred dividends in arrears amounted to \$118,377 or \$1,161 per share.

The Series B convertible preferred stock has rights to receive cumulative six percent in kind dividends in preference to the payment of dividends on all other shares of capital stock of the Company. No dividends may be declared or paid on any other shares of stock until the full amount of the cumulative dividends on the Series B preferred stock has been paid. Each share of Series B convertible preferred stock can be converted into 1,000 shares of common stock. Cumulative dividends amounted to \$1,680,360 and \$1,357,463 at February 28, 2010 and 2009, respectively. Dividends may be paid in stock at a conversion rate of \$1.00 per share. For the years ended February 28, 2010 and 2009, no dividends were paid with additional shares of preferred stock.

Holders of Series B preferred stock vote on a converted basis with the common stockholders on all matters to be brought to a vote of the stockholders. The Series B preferred stockholders are entitled to elect one director out of the seven authorized directors of the Company's board.

10. CAPITALIZATION

On July 10, 2002, the Company adopted a Non-Qualified Option/Stock Appreciation Rights Plan that authorizes 7,000,000 shares of common stock for grant to key management employees or consultants. Options granted under

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the plan must be exercised within ten years of the date of grant. The exercise price of options shall not be less than par value and shall be determined by the Stock Option Plan Committee and the Board of Directors. As of February 28, 2010 and 2009, the Company has 57,400 options available for future issuance under this plan.

During the year ended February 29, 2004, the Company adopted an employee stock incentive plan (the Plan) that authorizes up to 20,000,000 shares of common stock for grants of both incentive stock options and non-qualified stock options to designated officers, employees, and certain non-employees. Effective July 2003, October 2003 and August 2004, the Company amended this plan to include an additional 20,000,000, 25,000,000 and 20,000,000 shares of common stock, respectively. Effective December 2004, the Company amended the plan to reduce the number of shares of common stock by 7,000,000 shares. Options granted under the Plan must be exercised within 10 years of the date of grant. The exercise price of options granted may not be less than 85 percent of the fair market value of the stock. As of February 28, 2010 and 2009, the Company has issued all of the options available under this plan.

During the year ended February 29, 2004, the Company also adopted a non-employee directors and consultants retainer stock plan. This plan authorizes up to 5,000,000 shares of common stock to be issued in the amount of compensation for services to directors and consultants at the deemed issuance price of not less than 85 percent of the fair market value of the stock. Effective July 2003, October 2003 and December 2004, the Company amended this plan to include an additional 1,000,000, 15,000,000 and 7,000,000 shares of common stock, respectively. As of February 28, 2010 and 2009, the Company has issued all of the options available under this plan.

A summary of the Company's stock option activity is as follows:

	Number of Shares	Weighted-Average Exercise Price per Share
Options outstanding, February 29, 2008	362,500	0.27
Granted		
Exercised		
Expired, forfeited		
Options outstanding, February 28, 2009	362,500	0.27
Granted		
Exercised		
Expired, forfeited		
Options outstanding, February 28, 2010	362,500	0.27

The following table summarizes information about options outstanding and exercisable as of February 28, 2010:

Range of Exercise Price	Outstanding Options			Exercisable Options		
	Number Outstanding	Weighted Average Remaining Life	Weighted Average Price	Weighted Average Remaining Life	Number Exercisable	Weighted Average Price
\$0.04-\$0.57	362,500	2.29 years	\$ 0.27	2.29 years	362,500	\$ 0.27

11. INCOME TAXES

The Company has incurred significant operating losses since its inception and, therefore, no tax liabilities have been incurred for the periods presented. As of February 28, 2010, the amount of unused tax losses available to carry forward and apply against taxable income in future years totaled approximately \$33,622,500. The loss carry forwards began expiring in 2008. Due to the Company's continued losses, management has established a valuation allowance equal to the amount of deferred tax asset because it is more likely than not that the Company will not realize this benefit.

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Temporary differences giving rise to the deferred tax assets, are as follows:

	February 28, 2010	February 28, 2009
Unused operating loss carryforwards	\$ 6,676,300	\$ 7,236,700
Excess depreciation for tax purposes over the amount for financial reporting purposes	(822,900)	(1,044,800)
Deferred compensation	990,800	492,000
Gain on disposal	498,800	
Write down in the value of investment	3,900	2,900
Other	24,200	26,200
	7,371,100	6,713,000
Valuation allowance	(7,371,100)	(6,713,000)
	\$	\$

The valuation allowance increased by \$264,300 during the year ended February 28, 2010. Differences between the federal benefits computed at a statutory rate and the Company's effective tax rate and provision are as follows for the years ended February 28, 2010 and 2009:

	2010	2009
Statutory benefit	\$ (241,900)	\$ (391,600)
State tax benefit, net of federal effect	(26,500)	(41,200)
Non-deductible expenses	4,100	4,300
Other		7,100
Expiration of net operating loss carryforwards		163,000
Increase in deferred income tax valuation allowance	264,300	258,400
	\$	\$

The Internal Revenue Code contains provisions that may limit the net operating loss carry forwards available for use in any given year if significant changes in ownership interest of the Company occur.

12. RELATED PARTY TRANSACTIONS

During the years ended February 28, 2010 and 2009, two executives who are stockholders of the Company deferred \$232,400 and \$232,400, respectively, of compensation earned during the year. The balance due to stockholders at February 28, 2010 and 2009, totaled \$1,539,910 and \$1,307,510, respectively. The amounts are unsecured, non-interest bearing, and have no specific repayment terms; however, the Company does not expect to repay these amounts within the next year.

During the years ended February 28, 2010 and 2009, the Company issued 16,627,044 and 16,019,229 shares of common stock to a related party and related company, respectively, valued at \$69,251 and \$108,931, respectively, in exchange for guarantees of a note payable. As of February 28, 2010 and 2009, \$47,517 and \$108,931 of these guarantee fees have been amortized.

During the years ended February 28, 2010 and 2009, the Company sold fiberglass products totaling \$30,575 and \$83,550, respectively, to Tampa Fiberglass, Inc., a company owned by a stockholder and officer of Chariot Manufacturing, Inc.

During the year ended February 28, 2010, the Company entered into an agreement with Public Acquisition Company, Inc. (PAC) to sell property and equipment with a net book value of \$253,230 in exchange for a one year non-interest bearing term note of \$263,940, which may be settled in cash or stock. The transaction resulted in a \$13,719 loss due to the \$24,429 imputed interest discount applied to the note receivable. The loss is recorded in the accompanying Consolidated Statements of Operations under Other expense.

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During the year ended February 28, 2010, the Company entered into an agreement with Public Acquisition Company, Inc. (PAC) to sell the fiberglass subsidiary, Chariot Manufacturing, Inc. (Chariot), effective on June 1, 2009, in exchange for a one year, non-interest bearing, term note of \$1,009,792, which may be settled in cash or stock. A discount of \$91,891 for imputed interest was recorded against the note receivable and is being amortized over one year.

During the year ended February 28, 2010, the Company advanced Public Acquisition Company, Inc. (PAC) monies for operations in the amount of \$297,704. The monies are due on demand, uncollateralized and non-interest bearing.

The above amounts are not necessarily indicative of the amounts that would have been incurred had comparable transactions been entered into with independent parties.

13. SEGMENT INFORMATION

The Company had two reportable segments during 2010 and 2009; manufacturing and fiberglass. Although both of these segments are in the manufacturing industry, they provide different types of products and services and each segment is subject to different marketing, production and technology strategies. Therefore, for the years ended February 28, 2010 and 2009 the Company has included segment reporting. As of February 28, 2010, the Company has classified the fiberglass segment as a discontinued operation, see note 14.

For the year ended February 28, 2010, information regarding operations by segment is as follows:

	Manufacturing	Other (a)	Total Continuing Operations	Fiberglass (discontinued operation)
Revenue	\$ 2,349,285		2,349,285	
Interest expense (income), net	\$ 123,219	(22,506)	100,713	
Depreciation	\$ 249,024		249,024	
Net income (loss)	\$ 712,057	69,630	781,687	(70,156)
Property and equipment, net of accumulated depreciation	\$ 3,259,954		3,259,954	
Segment assets	\$ 3,807,381	1,312,102	5,119,483	

For the year ended February 28, 2009, information regarding operations by segment is as follows:

	Manufacturing	Other (a)	Total Continuing Operations	Fiberglass (discontinued operation)
Revenue	\$ 2,307,666	0	2,307,666	277,188
Interest expense	\$ 145,277	46,813	192,090	30,216
Depreciation	\$ 252,703	403	253,106	115,243
Net (loss)	\$ (70,960)	(758,320)	(829,280)	(322,505)
Property and equipment, net of accumulated depreciation	\$ 3,732,570		3,732,570	622,682
Segment assets	\$ 4,000,705	18,852	4,019,557	673,285

- (a) The other segment is mainly related to the holding company expenses and general overhead, as well as the stock based compensation awards.

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Segment 1, manufacturing, consists of International Machine and Welding, Inc. and derives its revenues from machining operations, sale of parts and service. Segment 2, fiberglass, consists of Chariot Manufacturing Company and derives its revenues from the manufacture, sale and service of fiberglass trailers ,as well as other parts manufacture by contract.

The manufacturing segment, International Machine and Welding, Inc. has a broad and diverse base of customers. The segment does not rely on any single customer, the loss of which would have a material adverse effect on the segment. However, this segment does generate a significant amount of revenues from sales and services provided to three different industries. For the year ended February 28, 2010, the construction industry accounted for approximately 18% of the segment s revenues, while the industrial and mining industries accounted for approximately 27% and 52%, respectively, of the segment s total revenues.

Although the division does not rely on a single customer, during the year ended February 28, 2010, two of the Company s customers accounted for approximately 49% of total revenues. These customers were the Mosaic Company 41% and Solid Waste PBC for 8%.

14. DISCONTINUED OPERATIONS

During the year ended February 28, 2010, the Board of Directors of American Commerce Solutions, Inc. determined to divest the fiberglass manufacturing segment in favor of expansion of manufacturing, fabricating, erecting and construction operations.

On September 29, 2009, American Commerce Solutions, Inc. (ACS) entered into an agreement with Public Acquisition Company, Inc. (PAC) which is owned by the President of the Fiberglass subsidiary and a shareholder of the Company, to sell the fiberglass subsidiary, Chariot Manufacturing, Inc. (Chariot), effective on June 1, 2009, in exchange for a one year, non-interest bearing, term note of \$1,009,792, which may be settled in cash or stock, and the assumption of \$1,102,291 of liabilities. The transaction resulted in a gain on the sale of \$1,339,172, which has been recorded in the statement of operations as Gain on the Sale of Discontinued Operations. A discount of \$91,891 for imputed interest was recorded against the note receivable and is being amortized over one year.

The following are the assets and liabilities of the fiberglass segment at June 1, 2009:

Accounts receivable and other current assets	\$ 52,250
Inventory	33,695
Property and equipment, net of accumulated depreciation	595,078
Assets to be disposed of	\$ 681,023
Accounts payable and accrued expenses	\$ 281,881
Deferred revenue	114,083
Notes payable and accrued interest	408,623
Liabilities to be disposed of	\$ 804,587
Additional liability for intercompany payable not relieved	297,704
Total liabilities assumed	\$ 1,102,291

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On February 12, 2010, the Company dismissed our independent registered auditor, Pender Newkirk & Co, LLP of Tampa Florida (PNC). There were no disagreements between the Company and PNC on any matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of PNC, would have caused PNC to make reference to the subject matter of the disagreement in their reports on the Company s financial statements for such years, and there were no reportable events within the meaning set forth in Item 304(a)(1)(v) of Regulation S-K. PNC s prior year audit report is included in the consolidated financial statements.

The Company engaged Peter Messineo, CPA of Palm Harbor Florida, as our new independent registered auditor on February 17, 2010. Prior to February 17, 2010, the Company did not consult with Mr. Messineo regarding (i) the application of accounting principles, (ii) the type of audit opinion that might be rendered by Mr. Messineo, or (iii) any other matter that was the subject of a disagreement between us and our former auditor or was a reportable event as each term is defined in Items 304(a)(1)(iv) or (v) of Regulation S-K, respectively.

ITEM 9A(T). CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Management conducted its evaluation based on the framework in *Internal Control Integrated Framework* issued by the Committee on Sponsoring Organizations of the Treadway Commission (COSO). Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that, at February 28, 2010, such disclosure controls and procedures were not effective.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

Management s Annual Report on Internal Control over Financial Reporting

The Company s management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Internal control over financial reporting is a process, including policies and procedures, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles. Our management assessed our internal control over financial reporting based on the *Internal Control Integrated Framework* issued by the COSO. Based on the results of this assessment, our management concluded that our internal control over financial reporting was not effective as of February 28, 2010 based on such criteria.

A control system, no matter how well conceived or operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met under all potential conditions, regardless of how remote, and may not prevent or detect all errors and all fraud. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Limitations on the Effectiveness of Controls

Our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our disclosure control system are met. Because of inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been

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detected. Based on their evaluation as of the end of the period covered by this report, management concluded that our disclosure controls and procedures were sufficiently effective to provide reasonable assurance that the objectives of our disclosure control system were met.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the fourth fiscal quarter ended February 28, 2010 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Auditor's Report on Internal Control over Financial Reporting

This Annual Report does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this Annual Report.

ITEM 9B. OTHER INFORMATION

None

Part III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth information about each person who serves as an executive officer or director of the Company:

Name	Age	Positions with the Company
Robert E. Maxwell	75	Chairman of the Board and Director
Frank D. Puissegur	51	Chief Financial Officer and Director
Daniel L. Hefner	59	Chief Executive Officer, President and Director

Directors of the Company hold office until the earlier of the next annual meeting of the stockholders and until their successors have been duly elected and qualified, or their death, resignation, or removal. Our officers are elected annually by the board of directors to hold office until the next annual meeting of our board and their successors have been duly elected and qualified. There are no family relationships between any of our officers and directors. Set forth below is a description of the business experience during the past five years or more and biographical information for directors and executive officers identified above:

Mr. Maxwell has been a director and the Chairman of the Board of Directors of the Company since June 2000. Mr. Maxwell serves as a consultant to International Machine and Welding, Inc., a subsidiary of the Company. He was the owner/operator of Florida Machine and Welding, Inc., located in Bartow, Florida, for 24 years until the sale of its assets in June 2000. Mr. Maxwell has served on various bank and charitable boards of directors.

Mr. Puissegur joined the Company in June 2001 as Chief Financial Officer and Director. He became a Certified Public Accountant with his certificate from the State of Florida and the creation of a sole practitioner office in 1982. The practice grew and has evolved into its current form as the partnership of Puissegur, Finch, & Slivinski, P.A., a full service accounting firm. He is a member of the American and Florida Institutes of Certified Public Accountants and the National and Polk County Estate Planning Councils. The American Institute of Tax Studies has awarded Mr. Puissegur the designation of Certified Tax Professional. He also holds the designation from the State of Florida as a Certified Family Mediator.

Mr. Hefner has been President of the Company since September 2002 and Chief Executive Officer since March 2002. He previously served as Executive Vice President from June 2000 to June 2001 and as interim President from June 2001 through February 2002. Mr. Hefner has been a director of the Company since June 2000. Mr. Hefner

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formerly served as President of International Machine and Welding, Inc. He formerly served as President, and is now serving as Vice President of International Commerce and Finance, Inc. an investment/consulting company for manufacturing and technology companies, and he has held this position since August 1999. Mr. Hefner has been active for the past eighteen years as an independent consultant to individuals or business seeking to begin operations or to create turnarounds of existing business. During the same period, Mr. Hefner also operated his own independent real estate brokerage operation where he continues to serve as President and Chief Executive Officer. From March to October 1999, Mr. Hefner was Chief Operating Officer for Chronicle Communications, Inc. (OTCBB: CRNC), a Tampa based printer.

AUDIT COMMITTEE

The Audit Committee consists of Frank Puissegur and Robert Maxwell. The Audit Committee selects the independent auditors; reviews the results and scope of the audit and other services provided by the Company's independent auditors, and reviews and evaluates the Company's internal control functions. The board of directors has determined that the audit committee does not have an independent financial expert; as such term is defined under federal securities law.

CODE OF ETHICS

We have adopted a code of ethics meeting the requirements of Section 406 of the Sarbanes-Oxley Act of 2002. We believe our code of ethics is reasonably designed to deter wrong doing and promote honest and ethical conduct; provide full, fair, accurate, timely and understandable disclosure in public reports; comply with applicable laws; ensure prompt internal reporting of violations; and provide accountability for adherence to the provisions of the code of ethic.

ITEM 11. EXECUTIVE COMPENSATION

The following summary compensation table sets forth cash and non-cash compensation awarded, paid or accrued, for the past three fiscal years of the Company's Chief Executive Officers, and all other, if any, whose total annual compensation exceeded \$100,000 for the past three fiscal years (collectively, the Named Executive Officers).

SUMMARY COMPENSATION TABLE

Name Principal Positions	Summary Compensation Table						Total (\$)
	Year Ended	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$) ^(A)	All Other Compensation (\$)	
Daniel Hefner, President and Chief Executive Officer	2010	150,000					150,000
	2009	150,000					150,000
Robert Maxwell, Chairman of the Board	2010	150,000					150,000
	2009	150,000					150,000

Both Hefner and Maxwell were compensated over \$100,000 for fiscal years 2010 and 2009.

The Company does not have any annuity, retirement, pension, deferred or incentive compensation plan or arrangement under which any executive officers are entitled to benefits, nor does the Company have any long-term incentive plan pursuant to which performance units or other forms of compensation are paid. Executive officers may participate in group life, health and hospitalization plans if and when such plans are available generally to all employees. All other compensation consisted solely of health care premiums.

EMPLOYMENT AGREEMENTS

The Company signed an employment agreement with Daniel L. Hefner on June 1, 2000 containing a base salary of \$60,000; a minimum cash bonus of \$15,000 per year and a 4% annual increase of the base pay. Stock options are granted on the signing and June 1 of each contract year at the rate of 100,000 common share equivalents. The contract also provided for a \$750 per month car allowance and the payment of all insurance,

fuel and maintenance costs and all perquisites related to health, dental, life or disability as may be offered to the executive management

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staff. All other provisions of the previous contract related to capital raises or warrant or exercise revenue were omitted except for the termination provisions stated above. This agreement expired in 2004 and Mr. Hefner has served without agreement since that time. In 2006, the Compensation Committee recommended, and the Board of Directors approved, an increase in base salary to \$150,000 annually, retroactive to June 2004.

Based upon the recommendation of the Compensation Committee and approval by the Board of Directors, the Company signed an employment agreement with Robert E. Maxwell, Chairman of the Board to mirror that received by Mr. Hefner.

DIRECTOR COMPENSATION

Directors of the Company who are not employees or consultants do not receive any compensation for their services as members of the Board of Directors, but are reimbursed for expenses incurred in connection with their attendance at meetings of the Board of Directors.

COMPENSATION COMMITTEE

Robert E. Maxwell, Daniel L. Hefner and Frank Puissegur are members of the Compensation Committee, which reviews and makes recommendations with respect to compensation of officers, employees and consultants, including the granting of options under the Company's NonQualifying Stock Option Plan approved effective July 10, 2002 and the Employee Stock Incentive Plan approved effective May 27, 2003. Additionally, the committee reviews executive compensation and makes recommendations to the Board of Directors.

NONQUALIFYING STOCK OPTION PLAN

On July 10, 2002 the Company adopted a Non-qualifying Stock Option/Stock Appreciation Rights Plan and reserved 7,000,000 common shares of stock for employees, officers and consultants. These options are granted by the Board at their discretion. As of February 28, 2010, the Company has 57,400 options available for future issuance under this plan.

EMPLOYEE STOCK INCENTIVE PLAN

Effective May 27, 2003, the Company adopted an employee stock incentive plan (the Plan) for the year 2003 that authorizes up to 20,000,000 shares of common stock for grants of both incentive stock options and non-qualified stock options to designated officers, employees, and certain non-employees. Effective July 2003, October 2003 and August 2004, the Company amended this plan to include an additional 20,000,000, 25,000,000 and 20,000,000 shares of common stock, respectively. Effective December 2004, the Company amended the plan to reduce the number of shares of common stock by 7,000,000 shares. Options granted under the Plan must be exercised within 10 years of the date of grant. The exercise price of options granted may not be less than 85 percent of the fair market value of the stock. As of February 28, 2010, the Company has no options available for future issuance under this plan.

Effective May 27, 2003, the Company also adopted a non-employee directors and consultants retainer stock plan for the year 2003. This plan authorizes up to 5,000,000 shares of common stock to be issued in the amount of compensation for services to directors and consultants at the deemed issuance price of not less than 85% of the fair market value of the stock. Effective July 2003, October 2003 and December 2004, the Company amended this plan to include an additional 1,000,000, 15,000,000 and 7,000,000 shares of common stock, respectively. As of February 28, 2010, the Company has no options available for future issuance under this plan.

At February 28, 2010, the Company did not have any long-term incentive plans nor had it awarded any restricted shares to any Named Executive Officer. The table set forth below contains information with respect to the award of stock options during the fiscal year ended February 28, 2010 and 2009 to the Named Executive Officers covered by the Salary Compensation Table.

OPTION GRANTS TO NAMED EXECUTIVES IN LAST FISCAL YEAR

During 2010, the Company did not grant any option awards to our executive officers.

Table of Contents**AGGREGATED OPTION/SAR EXERCISES IN LAST FISCAL YEAR****AND FISCAL YEAR-END OPTION/SAR VALUES**

The following table sets forth, for each Named Executive Officer in the Summary Compensation Table who holds stock options during fiscal 2010, the number of stock options held on February 28, 2010 and the realizable gain of stock options that are in-the-money.

Name	Shares Acquired or Exercised (#)	Value Realized	Number of Securities Underlying Unexercised Options at Fiscal Year End		Value of Unexercised In-the-Money Options At Fiscal Year End	
			Exercisable (#)	Unexercisable (#)	Exercisable \$	Unexercisable \$
Daniel L. Hefner	100,000	0	100,000	0	120(1)	0
Daniel L. Hefner	100,000	0	100,000	0	120(1)	0

(1) Based upon the closing price of the Common Stock as quoted on the Over The Counter Bulletin Board on February 26, 2010 of \$0.0012 per share.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information regarding the beneficial ownership of the Company's outstanding Common Stock as of February 28, 2010, by: (i) each director and nominee for director of the Company, (ii) each Named Executive Officer, (iii) all directors and executive officers of the Company as a group, and (iv) each person known to the Company beneficially owning more than 5% of the outstanding Common Stock. Except as otherwise indicated, the persons named in the table have sole voting and investment power with respect to all of the Common Stock owned by them.

Name and Address or Number in Group	Amount and Nature of Beneficial Ownership (1)	Percentage of Class (2)
Directors and Executive Officers		
Robert E. Maxwell (3)		
1400 Chamber Drive		
Bartow, FL	92,561,041	32.67%
Frank D. Puissegur		
1400 Chamber Drive		
Bartow, FL	1,000,000	.0035%**
Daniel L. Hefner (4)		
1400 Chamber Dr.		
Bartow, FL	36,946,360	13.04%
All Directors and Executive Officers as a Group (3 persons)(5)		46.05%

(**) Less than 1%

(1) In accordance with Rule 13d-3 promulgated pursuant to the Securities Exchange Act of 1934, a person is deemed to be the beneficial owner of a security for purposes of the rule if he or she has or shares voting power

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- or dispositive power with respect to such security or has the right to acquire such ownership within sixty days. As used herein, voting power is the power to vote or to direct the voting of shares, and dispositive power is the power to dispose or direct the disposition of shares, irrespective of any economic interest therein.
- (2) In calculating the percentage ownership for a given individual or group, the number of shares of Common Stock outstanding includes unissued shares subject to options, warrants, rights or conversion privileges exercisable within sixty days held by such individual or group, but are not deemed outstanding by any other person or group.
 - (3) Includes (a) 348,360 shares of Common Stock held by his spouse Barbara Maxwell, (b) 92,212,681 shares of Common Stock beneficially owned as the President of International Commerce and Finance, Inc.
 - (4) Includes (a) 200,000 shares of Common Stock, which may be acquired pursuant to currently exercisable options (b) 36,946,360 shares of Common Stock held personally
 - (5) Total shares controlled by all directors and executive officers as a group.

The Company has two classes of preferred stock outstanding comprised of 102 shares of Series A Preferred Stock and 3,944 shares of Series B Preferred Stock. Each outstanding class of preferred stock has voting rights and is convertible into Common Stock. Each share of Series A Preferred Stock converts to 1,289 shares of Common Stock and votes on an as converted basis. 3,207 shares of Series B Preferred Stock is convertible into 641,400 shares of Common Stock and 737 Series B Preferred Shares convert into 737,000 shares of Common Stock and votes on an as converted basis.

Gerald Hoak, of 235 Deerfield Drive, Pottsville, PA 17901, owner of 20 shares or 19.61% of Series A Preferred Stock, and Merit Capital Associates, (substantially owned by Russ and Sylvia Newton) of 1221 Post Road East, Westport, CT 06880 owner of 40 shares or 39.22% of Series A Preferred Stock are the only owners of more than 5% of the class. No director or officer is the beneficial owner of any of the Series A or Series B Preferred Stock.

Beneficial Voting Power Held

The following table sets forth the voting power in the Company's equity securities, as of February 28, 2010 held by: (i) each director of the Company, (ii) each Named Executive Officer, (iii) all directors and executive officers as a group, and (iv) each person known by the Company to own more than 5% of any class of outstanding equity security of the Company. The voting power set forth in this table is the beneficial voting power held, directly and indirectly, by such person as of the date indicated assuming no conversion of the preferred stock (i.e., includes shares that may be acquired within 60 days by reason of option or warrant exercise but not those that could be obtained upon conversion of preferred stock).

Name	Percent of Outstanding Voting Power Held (1)
Directors and Executive Officers	
Robert E. Maxwell (3)	32.67%
Frank Puissegur	*
Daniel L. Hefner (2)	13.04%
All directors and executive officers as a group (3 persons)	46.05%
International Commerce and Finance (4)	32.54%

* Less than 1%

(1) Based upon 283,396,566 outstanding shares of common stock, 102 outstanding shares of Series A Preferred Stock and 3944 outstanding shares of Series B Preferred Stock. Each share of Common Stock is entitled to one

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vote per share. Each outstanding share of Series A Preferred Stock is entitled to 1,289 votes. 3,207 shares of Series B Preferred Stock are entitled to 200 votes per share and 737 shares of Series B Preferred are entitled 1,000 votes each. Accordingly, as of Feb 28, 2004, the Series A Preferred Stock and Series B Preferred Stock are entitled to an aggregate of 131,478 votes and 1,378,400 votes, respectively. Voting rights are calculated in the same manner described in footnote 2 to table above disclosing the Security Ownership of Management and Certain Beneficial Owners (Beneficial Ownership Table). Totals could exceed 100% due to such calculations and overlapping beneficial voting rights held between holders as set forth herein.

- (2) Consisting of 200,000 votes upon exercise of currently exercisable options to purchase Common Stock and 36,946,360 shares of Common Stock.
- (3) Includes 348,360 shares of Common Stock held by his spouse Barbara Maxwell, 92,212,681 shares of Common Stock beneficially owned as the President of International Commerce and Finance, Inc.
- (4) Consisting of 92,212,681 shares of Common Stock.

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE
STOCKHOLDERS AGREEMENT**

A Stockholders Agreement dated April 9, 1998 was entered into among ULLICO, the Company, David N. DeBaene, Annette DeBaene, Norman DeBaene, Thomas Lisi, and Steve Panneton (each, a Holder). The Stockholders Agreement provides that the Company shall have a right of first refusal before any Holder may transfer any shares of Common Stock. ULLICO has a right of second refusal and co-sale rights; if the Company does not elect to buy all of the securities it is offered. If ULLICO enters into an agreement to transfer, sell or otherwise dispose of all of its Preferred Stock, Warrants and any Common Stock issued upon conversion or exercise of the former (such agreement referred to as a Tag-Along Sale), each Holder has the right to participate in the Tag-Along Sale. If ULLICO, alone or with another person, accepts an offer from any party who is unaffiliated with it to purchase any of ULLICO s shares which results in such party having the ability to elect a majority of the Company s Board of Directors, then, at the request of ULLICO, each Holder shall sell all shares of Common Stock held by such Holder (referred to as a Drag-Along Sale).

During the years ended February 28, 2010 and 2009, two executives who are stockholders of the Company deferred \$232,400 and \$232,400, respectively, of compensation earned during the year. The balance due to stockholders at February 28, 2010 totaled \$1,539,910. The amounts are unsecured, non-interest bearing, and have no specific repayment terms.

During the years ended February 28, 2010 and 2009, the Company issued 16,627,044 and 16,019,229 shares of common stock to a related party and related company, respectively, valued at \$69,251 and \$108,931, respectively, in exchange for guarantees of a note payable. As of February 28, 2010 and 2009, \$47,517 and \$108,931 of these guarantee fees have been amortized.

The above amounts are not necessarily indicative of the amounts that would have been incurred had comparable transactions been entered into with independent parties.

ITEM 14. PRINCIPAL ACCOUNTANTS FEES AND SERVICES

Audit Fees

During 2010 and 2009, we were billed by our accountants, Pender Newkirk & Company, approximately \$78,200 and \$68,000 for audit and review fees associated with our 10-K and 10-Q filings.

Non-Audit related fees

None

Tax Fees

During 2009 we were billed by our accountants, Bella, Hermida, Gillman, Hancock, & Mueller Certified Public Accountants approximately \$4,500 to prepare our federal and state tax returns.

During 2010 we were billed by our accountants, Frank Puissegur, CPA approximately \$4,5090 to prepare our federal and state tax returns.

Table of Contents***All Other Fees***

None

Audit Committee Pre-Approval Process, Policies and Procedures

Our principal auditors have performed their audit procedures in accordance with pre-approved policies and procedures established by our Audit Committee. Our principal auditors have informed our Audit Committee of the scope and nature of each service provided. With respect to the provisions of services other than audit, review, or attest services, our principal accountants brought such services to the attention of our Audit Committee, or one or more members of our Audit Committee for the members of our Board of Directors to whom authority to grant such approval had been delegated by the Audit Committee, prior to commencing such services.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

List of Exhibits

(a) The exhibits that are filed with this report or that are incorporated herein by reference are set forth in the Exhibit Index below:

EXHIBIT INDEX

Incorporated Documents	SEC Exhibit Reference	Sequentially Numbered
3.1	Certificate of Incorporation of the Registrant, As amended as filed with the Registrant's Form SB-2, on October 27, 1995, File No. 33-98486	N/A
3.2	By-Laws of the Registrant, as amended As filed with the Registrant's Form SB-2 on October 27, 1995, File No. 33-98486	N/A
4.1	Form of Warrant Agreement As filed with the Registrant's Form SB-2, on October 27, 1995, File No. 33-98486	N/A
4.2	Form of Warrant of the Registrant issued in the Registrant's January 1995 Private Placement, as filed with the Registrant's Form SB-2 on October 27, 1995, File No. 33-98486	N/A
4.3	Form of Unit Purchase Option issued to Merit Capital Associates, Inc., as filed with the Registrant's Form SB-2 on October 27, 1995, File No. 33-98486	N/A
4.4	Form of 11% Convertible Subordinated Note of the Registrant issued in the Registrant's August 1995 Private Placement, as filed with the Registrant's Form SB-2 on October 27, 1995, File No. 33-98486	N/A
4.5	Form of Warrant of the Registrant issued in the Registrant's August 1995 Private Placement, as filed with the Registrant's Form SB-2 on October 27, 1995, File No. 33-98486	N/A

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4.6	Securities Purchase Agreement dated April 9, 1998, as filed with the Registrant's Form 10KSB on June 13, 1999	N/A
4.7	Certificate of Designation of Series B Preferred Stock, as filed with the Registrant's Form 10 KSB on June 13, 1999	N/A
4.8	Stockholders' Agreement dated April 9, 1998, As filed with the Registrant's Form 10 KSB on June 13, 1999	N/A
4.9	Registration Rights Agreement dated April 9, 1998, As filed with the Registrant's Form 10 KSB on June 13, 1999	N/A
4.10	Warrant Certificate issued to ULLICO, as filed with the Registrant's Form 10 KSB on June 13, 1999	N/A
4.11	Escrow Agreement as filed with the Registrant's Form 10 KSB on June 13, 1999	N/A
4.12	Certificate of Designations of Series A Preferred Stock, as filed with the Registrant's Form 10-KSB on June 11, 1998	N/A
4.13	Certificate of Designation of Series C Preferred Stock, As filed with the Registrant's Form 10-KSB on June 12, 2000	N/A
4.14	Amendment to the Articles of Incorporation of JD American Workwear, Inc. for name change to American Commerce Solutions, Inc. and the increase in authorized shares, as filed with the Registrant's Form 10-KSB on June 14, 2001	N/A
10.2	Employment Agreement with Steven D. Smith, As filed with Registrant's Form 10-KSB on July 19, 2001	N/A
10.3	Registrant's 1995 Stock Option Plan, as filed with the Registrant's Form SB-2 on October 27, 1995, File No. 33-98486	N/A
10.4	Form of Option Agreement under the Registrant's 1995 Stock Option Plan, as filed with the Registrant's Form SB-2 on October 27, 1995, File No. 33-98486	N/A
10.5	Employment Agreement with Norman Birmingham, As filed with Registrant's Form 10-KSB on June 12, 2000	N/A
10.6	Consulting Agreement with Richard Sullivan, As filed with Registrant's Form 10-KSB on June 12, 2000	N/A
10.7	Option to Purchase Businesses between Registrant and International Commerce and Finance, Inc., As filed with Form 10-KSB on June 12, 2000	N/A
10.8	Stock Purchase Agreement between Registrant and Patina Corporation, as filed with Registrant's Form 10-KSB on June 12, 2000	N/A

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10.9	Employment Agreement with David DeBaene January 1, 2001, as filed with Registrant s Form 10-KSB on June 12, 2000	N/A
10.10	Asset Sale Agreement between Registrant and David N. Debaene June 1, 2001, as filed with Registrant s Form 10-QSB on July 26, 2001	N/A
10.11	Stock Purchase Agreement between Registrant and Rhode Island truck and Equipment, Corp. October 31, 2001, as filed with Registrant s Form 10-QSB on December 14, 2001	N/A
10.12	Employment Agreement with Daniel L. Hefner dated June 1, 2000, as filed with the Registrant s Form 10-KSB on May 27, 2004	N/A
14	Code of Ethics, As filed with the Registrant s Form 10-QSB on May 27, 2004	N/A
31.1	Certification of the Chief Financial Officer	
31.2	Certification of the Chief Executive Officer	
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbaenes-Oxley Act of 2002 of the Chief Financial Officer	
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbaenes-Oxley Act of 2002 of the Chief Executive Officer	
(b) Reports on Form 8-K		
None		

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SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMERICAN COMMERCE SOLUTIONS, INC.

Date: June 1, 2010

By: */s/ DANIEL L. HEFNER*
Daniel L. Hefner, President

Date: June 1, 2010

By: */s/ FRANK D. PUISSEUR*
Frank D. Puissegur, CFO and Chief Accounting Officer

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