

AMERICAN COMMERCE SOLUTIONS Inc  
Form 10-K  
June 15, 2009  
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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, 2009

**“ 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)

**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 past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  YES  NO

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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 (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

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

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company   
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act)  YES  NO

The Aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter, August 31, 2008 was \$2,000,771.

There were 266,769,522 shares of the Registrant's \$0.002 par value common stock outstanding as of February 28, 2009.

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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 two wholly owned subsidiaries operating in the manufacturing segment and the fiberglass segment. The operating subsidiaries are International Machine and Welding, Inc. located in Bartow, Florida and Chariot Manufacturing Company located in Tampa, Florida.

The Company intends to expand its holdings by acquiring additional subsidiaries to facilitate its business plan while divesting itself of unprofitable operations. 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 two 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, which was acquired on October 11, 2003 from a related party, manufactures motorcycle trailers with fiberglass bodies. These trailers are sold on the retail level. The company also provides non-warranty repairs and modification of existing Chariot Trailers. The Company has also begun manufacturing fiberglass septic tanks and other fiberglass parts under contract with Tampa Fiberglass, Inc., owned by ACS affiliates.

Subsequent to February 28, 2009, the Board of Directors of American Commerce Solutions, Inc. has determined that it will seek to divest the company of fiberglass manufacturing operations 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.



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### ACQUISITIONS AND DIVESTITURES

On October 11, 2003, the Company acquired 100 percent of the outstanding common stock of Chariot Manufacturing Company, from a related party for \$360,000. The acquisition was financed through the assignment of a note receivable valued at \$150,000, \$30,000 worth of common stock and a note payable for \$180,000.

It is anticipated that the company will divest itself of Chariot Manufacturing Company during the second quarter of 2010. Terms and conditions of sale continue to be negotiated.

The company continues to seek acquisition opportunities that will complement and expand its other operations.

### BUSINESS STRATEGY

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 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

The Fiberglass Segment through Chariot Manufacturing Company produces a line of fiberglass trailers suitable for a wide range of uses. Some of the uses include the transportation of motorcycles, ATVs, personal watercraft, small vehicles, vending, mobile fiber optic workstations, utility and other specialized applications. The trailers are 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 produces fiberglass components for an affiliated company, Tampa Fiberglass, Inc.

### 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.

#### Fiberglass Segment

Likewise, Chariot Manufacturing Company has a ready supply of material available through both seasoned and new suppliers and vendors.





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### 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.

#### Fiberglass Segment

Chariot Manufacturing Company sells directly to individuals. Inquiries from individuals come from a number of sources including the Company's participation in industry events, the Company's web site and from people who have seen the product on the road and called the Company's phone number, (which is on every trailer produced either in graphic form or molded into the fiberglass body). Many inquiries result from referrals from existing customers. The Company has a 30-year history and is well known in the industry.

Chariot's infrastructure has allowed it to provide subcontract product manufacturing services to Tampa Fiberglass, Inc. These products are produced based upon the sales and marketing efforts of Tampa Fiberglass, Inc.

### COMPETITION

#### Manufacturing Segment

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.

#### Fiberglass Segment

Chariot Manufacturing's principal competitors include companies such as Pace American, Hallmark, Feather Light and Wells Cargo. Chariot is competitively priced when compared to comparably equipped trailers. Chariot is positioned in the market as a premium product. Many features are standard equipment on the Chariot, while they are options on competitive products. Chariot's aerodynamic styling, lightweight, unibody construction, balance, resale value and standard features differentiate it from the competition.

### 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 -30% of the division's revenues in fiscal 2009 compared to 32% in fiscal 2008, while the industrial and mining industries accounted for approximately 24% and 44% in fiscal 2009 compared to 20% and 47% in fiscal 2008, 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.



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Although the division does not rely on a single customer, during the year ended February 28, 2009, three of the Company's customers accounted for approximately 45% of total revenues. These customers were the Mosaic Company 34%, GIW/KSB Florida Service Center 6% and Central Maintenance and Welding 5%.

### Fiberglass Segment

Chariot Manufacturing Company has a wide base of customers. The loss of a single customer or dealer would not have a material adverse effect on the business. The primary use of the product is to transport motorcycles. The motorcycle industry growth has been strong in recent years. Sales for the Company's products, however, are not tied to sales of new motorcycles.

### EMPLOYEES

At February 28, 2009, the Company and its subsidiaries had 21 full-time employees and the parent operation has two full time executives. The Manufacturing segment employs 14 full time employees. Chariot Manufacturing Company employs 5 full time workers.

### 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.

### 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, 2009 of \$19,402,721 and net loss to common shareholders of \$1,151,785 for the year ended February 28, 2009. The Company had an accumulated deficit of \$18,250,936, and net loss to common shareholders of \$1,036,246 for the year ended February 29, 2008. 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

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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, 2009. 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 2009. 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.

**Expected Volatility in Share Price.** The market price of our stock has traded in a wide range. From March 1, 2001 through February 28, 2009 the price of our common shares has ranged from \$0.002 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, 2009, the balance on this note is \$697,462. This note was refinanced in December 2005 for three years and has been extended for an additional year during fiscal 2009. It is anticipated that the Valrico State Bank note will be renewed for an additional three (3) years at 7% interest in June 2009.

Chariot Manufacturing Co. has its corporate offices at the International Machine and Welding facilities in Bartow, Florida. Its manufacturing operations are housed in approximately 20,000 feet of metal buildings and 12,500 square feet of canvas, moveable facilities located in Tampa, Florida. The land that the facility is housed on, approximately 4.0 acres, is under a lease /option by TGI from Steve Cook. It is anticipated that

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the facilities will be adequate to meet the company's sales projections until a more permanent facility can be secured or the land is purchased to create a more permanent operation.

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None.

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

During the year ended February 28, 2009, the Company did not submit any matters to a vote of its security holders.

**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
<b>FISCAL 2009</b>		
First Quarter (March 1, 2008 through May 31, 2008)	\$ 0.012	\$ 0.005
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
<b>FISCAL 2008</b>		
First Quarter (March 1, 2007 through May 31, 2007)	\$ 0.013	\$ 0.008
Second Quarter (June 1, 2007 through August 31, 2007)	\$ 0.012	\$ 0.0085
Third Quarter (September 1, 2007 through November 30, 2007)	\$ 0.012	\$ 0.004
Fourth Quarter (December 1, 2007 through February 29, 2008)	\$ 0.008	\$ 0.005

On February 28, 2009 the closing bid price of the Company's Common Stock as reported by the OTCBB was \$0.002 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.

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<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options</b>	<b>Weighted average price of outstanding options</b>	<b>Number of securities remaining available for future issuance</b>
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			



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### **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).

#### **RESULTS OF OPERATIONS**

The Company owns two subsidiaries that operated in the manufacturing segment and the fiberglass segment during the fiscal year ended February 28, 2009 and February 29, 2008. 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, which was acquired on October 11, 2003 from a related party, manufactures motorcycle trailers with fiberglass bodies. These trailers are sold on the retail level. The company also provides non warranty repairs, modification of existing Chariot Trailers. Other fiberglass parts are manufactured by contract with an affiliate company, Tampa Fiberglass, Inc.

#### **FISCAL YEAR 2009 COMPARED TO FISCAL YEAR 2008**

##### **General**

The Company's consolidated net sales decreased to \$2,584,854 for the fiscal year ended February 28, 2009, a decrease of \$265,914 or 9%, from \$2,850,768 for the fiscal year ended February 29, 2008. This decrease was mainly due to the current state of the economy and therefore, the customer base is cutting back on their orders. The company does not expect this decrease to be a continuing trend.

Gross profit for the consolidated operations decreased to \$1,097,468 for the fiscal year ended February 28, 2009 from \$1,213,454 for the fiscal year ended February 29, 2008. Gross profit as a percentage of sales decreased in fiscal year 2009 to 42% from 43% in fiscal year ended 2008. The decrease in gross profit margin was due to an increase in sales in the machining operations, which has a smaller gross profit margin related to International Machine and Welding, Inc.

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Consolidated interest expense in fiscal 2009 was \$222,306 compared to \$193,192 in fiscal 2008. The overall increase in interest expense was due to the Company increasing the amount of outstanding debt.

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Selling, general and administrative expenses decreased to \$2,045,443 for fiscal 2009 from \$2,057,215 for fiscal 2008, a decrease of \$11,772 or 1%. The decrease in selling, general and administrative expenses is due to better control over costs.

The Company incurred a net consolidated loss of \$1,151,785 for the year ended February 28, 2009 compared to a loss of \$1,036,246 for the year ended February 29, 2008. The increase in the consolidated net loss is primarily due to the decrease in revenue of the manufacturing segment during the year ended February 28, 2009. As a result of the continued losses, the Independent Auditors have questioned the Company's continuation as a going concern.

### **Manufacturing Segment**

The manufacturing operation, International Machine and Welding, Inc. provided net sales of \$2,307,666 for the fiscal year ended February 28, 2009 compared to \$2,640,796 for the fiscal year ended February 29, 2008. The machining operations provided \$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 as compared to machining operations contributing \$818,280 or 31% of net sales with parts and service providing \$1,822,516 or 69% of net sales for the fiscal year ended February 29, 2008.

Gross profit from International Machine and Welding, Inc. was \$1,060,999 for the fiscal year ended February 28, 2009 compared to \$1,195,589 in fiscal 2008 providing gross profit margins of 46% and 45%, respectively. The decrease is due to the Company having higher sales in the machining operations, which has a smaller profit margin.

Selling, general and administrative expenses for International Machine and Welding, Inc. were \$1,004,857 for the fiscal year ended February 28, 2009 compared to \$1,009,069 for the fiscal year ended February 29, 2008. The decrease in selling, general and administrative expenses is due to the Company controlling costs relative to sales.

Interest expense was \$145,277 for the fiscal year ended February 28, 2009 compared to \$138,405 for the fiscal year ended February 29, 2008. The increase in interest expense, net is due to the full year of interest expense from the Company's additional debt that had been taken on during the year ended February 29, 2008.

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 Segment**

The fiberglass manufacturing operation, Chariot Manufacturing Company was acquired during the year ended February 2004 and provided net sales of \$277,188 for the fiscal year ended February 28, 2009 as compared to \$209,972 for the fiscal year ended February 29, 2008. The increase in net sales was due to a full year of production and the addition of new customers.

Gross profit from Chariot was \$36,469 for the fiscal year ended February 28, 2009 as compared to \$17,864 for the fiscal year ended February 29, 2008 providing a gross profit margin of 13% and 9%, respectively. The increase in gross profit and the related gross profit margin was primarily due to the increase in customers as the Company added the production of fiberglass septic tanks to their product list.

Selling, general and administrative expenses were \$329,081 for 2009 and \$306,375 for 2008. The increase in selling, general and administrative expenses was due to the rising cost of fuel, an increase in rent expense and an increase in marketing expenses.

## **LIQUIDITY AND CAPITAL RESOURCES**

During the fiscal years ended February 28, 2009 and February 29, 2008, the Company used net cash for operating activities of \$388,894 and \$381,185, respectively. The decrease in use of cash is mainly due to the decrease in the net loss.

During the years ended February 28, 2009 and February 29, 2008, the Company used funds for investing activities of \$5,915 and \$155,897, respectively. This decrease in cash used from investing activities is mainly due to the Company having minimal acquisitions of property and equipment during the year ended February 28, 2009.

During the years ended February 28, 2009 and February 29, 2008, the Company provided cash from financing activities of \$389,394 and \$526,909, 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 2009. As of February 28, 2009, the Company had a working capital deficit of \$3,026,942. 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

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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.

## **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**

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 141 (revised 2007), Business Combinations (SFAS 141R). SFAS 141R establishes the principles and requirements for how an acquirer: 1) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree; 2) in a business combination achieved in

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stages, sometimes referred to as a step acquisition, recognizes the identifiable assets and liabilities, as well as the non-controlling interest in the acquiree, at the full amounts of their fair values; 3) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase. SFAS 141R establishes disclosure requirements to enable users of the financial statements to evaluate the nature and financial effects of the business

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combination. This Statement is to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The adoption of SFAS 141R will have an impact on our accounting for future business combinations; however, the materiality of that impact cannot be determined.

On December 4, 2007, the Financial Accounting Standards Board ( FASB ) issued Statement of Financial Accounting Standards 160, Non-controlling Interests in Consolidated Financial Statements, an amendment of ARB No. 51 ( SFAS 160 ). This new standard will significantly change the accounting for and reporting of non-controlling (minority) interests in consolidated financial statements. SFAS 160 became effective for the Company for the year ended February 28, 2009. The impact of adopting SFAS 160 on the consolidated financial statements will only apply to the extent we have business combinations in the future.

In May 2008, the FASB released SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles*. SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that presented in conformity with generally accepted accounting principles in the United States of America. SFAS No. 162 will be effective 60 days following the SEC's approval of the PCAOB amendments to AU Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*. The FASB has stated that it does not expect SFAS No. 162 will result in a change in current practice. The Company does not believe the application of SFAS 162 will have a significant impact, if any, on the Company's financial statements.

On May 28, 2009, FASB issued SFAS No. 165, *Subsequent Events*. The objective of this statement is to establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. SFAS No. 165 is not expected to have a material impact on the financial reporting of the Company.

In December 2007, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 110 ( SAB 110 ) which allows companies that do not have sufficient historical experience for estimating the expected term of plain vanilla share option grants to provide a reasonable estimate and to continue use of the simplified method after December 31, 2007. SAB 110 extends the opportunity to use the simplified method beyond December 31, 2007, as was allowed by Staff Accounting Bulletin No. 107 ( SAB 107 ). Adoption of SAB 110 will not impact our financial statements as we did not use the simplified method to estimate lives of share-based awards.

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.

## **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, 2009 and February 29, 2008 and for the*

*Years Ended February 28, 2009 and February 29, 2008*

*Report of Independent Registered Public Accounting Firm*



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American Commerce Solutions, Inc. and Subsidiaries

Consolidated Financial Statements

As of February 28, 2009 and February 29, 2008 and

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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 sheets of American Commerce Solutions, Inc. and Subsidiaries as of February 28, 2009 and February 29, 2008 and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the years ended February 28, 2009 and February 29, 2008. 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 audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the 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 audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of American Commerce Solutions, Inc. and Subsidiaries as of February 28, 2009 and February 29, 2008 and the results of its operations and its cash flows for the years ended February 28, 2009 and February 29, 2008 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

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## American Commerce Solutions, Inc. and Subsidiaries

## Consolidated Balance Sheets

	February 28, 2009	February 29, 2008
<b>Assets</b>		
Current assets:		
Cash	\$ 1,046	\$ 6,461
Accounts receivable, net of allowance of \$224 and \$1,328, respectively	17,352	36,260
Accounts receivable, factored	50,556	57,104
Inventories	216,602	210,096
Other receivables	25,856	47,123
Other current assets	9,814	39,699
<b>Total current assets</b>	<b>321,226</b>	<b>396,743</b>
Property and equipment, net of accumulated depreciation of \$2,801,056 and \$2,630,808, respectively	4,355,252	4,702,248
Other assets	16,364	
Intangible assets, net of accumulated amortization of \$190,000 and \$166,778, respectively		23,222
	<b>\$ 4,692,842</b>	<b>\$ 5,122,213</b>
<b>Liabilities and Stockholders Equity</b>		
Current liabilities:		
Current portion of notes payable	\$ 1,333,255	\$ 1,349,377
Current portion of notes payable, related party	797,697	591,336
Bank overdraft		6,571
Accounts payable; including related party balances of \$272,904 and \$216,158, respectively	671,608	507,290
Accrued expenses	178,523	178,377
Accrued interest	275,800	208,456
Deferred revenue	91,285	116,655
<b>Total current liabilities</b>	<b>3,348,168</b>	<b>2,958,062</b>
Notes payable, net of current portion	35,844	44,867
Due to stockholders	1,307,510	1,075,110
<b>Total Liabilities</b>	<b>4,691,522</b>	<b>4,078,039</b>
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; 267,291,522 and 251,272,293 shares issued; 266,769,522 and 250,750,293 shares outstanding, respectively	534,584	502,545
Additional paid-in capital	19,144,980	19,068,088
Stock subscription receivable	(10,000)	(10,000)
Treasury stock, at cost	(265,526)	(265,526)
Accumulated deficit	(19,402,721)	(18,250,936)

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Total stockholders' equity	1,320	1,044,174
	\$ 4,692,842	\$ 5,122,213

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

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## American Commerce Solutions, Inc. and Subsidiaries

## Consolidated Statements of Operations

	Years Ended	
	February 28, 2009	February 29, 2008
Net sales, including related party sales of \$83,550 (2009)	\$ 2,584,854	\$ 2,850,768
Cost of goods sold	1,487,386	1,637,314
Gross profit	1,097,468	1,213,454
Selling, general and administrative expenses	2,045,443	2,057,215
Loss from operations	(947,975)	(843,761)
Other (expense) income:		
Other	18,496	707
Interest expense	(222,306)	(193,192)
Total other (expense) income	(203,810)	(192,485)
Net loss	\$ (1,151,785)	\$ (1,036,246)
Net loss per common share	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	266,637,857	249,565,938

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

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American Commerce Solutions, Inc. and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity

Years Ended February 28, 2009 and February 29, 2008

	Common Stock		Preferred Stock	
	Shares	Amount	Shares	Amount
Balance, February 28, 2007	239,539,317	\$ 479,080	3,944	\$ 3
Common shares issued for guaranty	3,272,103	6,544		
Common shares issued for pledge of assets	6,544,206	13,088		
Common shares issued for assignment of a note payable	1,916,667	3,833		
Net loss				
Balance, February 29, 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		
Amortization of loan costs				
Net loss				
Balance, February 28, 2009	267,291,522	\$ 534,584	3,944	\$ 3

Additional Paid-In Capital	Stock Subscription Receivable	Accumulated Deficit	Treasury Stock	Loan Costs	Total
\$18,955,911	\$ (10,000)	\$ (17,214,690)	\$ (265,526)	\$	\$ 1,944,778
31,003					37,547
62,007					75,095
19,167					23,000
		(1,036,246)			(1,036,246)
19,068,088	(10,000)	(18,250,936)	(265,526)		1,044,174
25,630				(36,310)	
51,262				(72,621)	
				108,931	108,931
		(1,151,785)			(1,151,785)
\$19,144,980	\$ (10,000)	\$ (19,402,721)	\$ (265,526)	\$	\$ 1,320

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

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## American Commerce Solutions, Inc. and Subsidiaries

## Consolidated Statements of Cash Flows

For the Years Ended February 28, 2009 and February 29, 2008

	2009	2008
<b>Operating activities:</b>		
Net loss	\$ (1,151,785)	\$ (1,036,246)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	391,568	417,293
Amortization of loan costs	108,931	112,642
(Gain) loss on disposal of property	(18,168)	2,202
Decrease in allowance for doubtful accounts	(1,104)	(1,296)
Decrease (increase) in:		
Accounts receivables	20,012	32,430
Inventories	(6,506)	3,703
Other assets	37,521	83
Increase (decrease) in:		
Accounts payable and accrued expenses	256,007	84,108
Deferred revenue	(25,370)	3,896
<b>Net cash used by operating activities</b>	<b>(388,894)</b>	<b>(381,185)</b>
<b>Investing activities:</b>		
Decrease in other receivables	21,267	13,625
Proceeds from sale of assets	8,000	
Acquisition of property and equipment	(35,182)	(169,522)
<b>Net cash used by investing activities</b>	<b>(5,915)</b>	<b>(155,897)</b>
<b>Financing activities:</b>		
Decrease in bank overdraft	(6,571)	(4,602)
Decrease in due from factor	6,548	2,349
Proceeds from notes payable and long-term debt	393,683	602,831
Principal payments on notes payable	(236,666)	(306,069)
Increase in advances from stockholders	232,400	232,400
<b>Net cash provided by financing activities</b>	<b>389,394</b>	<b>526,909</b>
<b>Net decrease in cash</b>	<b>(5,415)</b>	<b>(10,173)</b>
<b>Cash, beginning of year</b>	<b>6,461</b>	<b>16,634</b>
<b>Cash, end of year</b>	<b>\$ 1,046</b>	<b>\$ 6,461</b>
<b>Supplemental disclosures of cash flow information and noncash investing and financing activities:</b>		
Cash paid during the period for interest	\$ 154,962	\$ 137,149

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.

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During the years ended February 28, 2009 and February 29, 2008, the Company increased notes payable by \$24,199 and \$24,265 respectively for an accrual of interest.

During the year ended February 29, 2008, the Company issued 1,916,667 shares of common in relief of a note payable and related accrued interest, valued at \$23,000.

During the years ended February 28, 2009 and February 29, 2008, the Company issued 16,019,229 and 9,816,309 shares of common stock to a related party and related company, respectively, valued at \$108,931 and \$112,642, respectively, in exchange for guarantees of a note payable. As of February 28, 2009 and February 29, 2008, all of these guarantee fees have been amortized.

*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 18, 2009 and February 29, 2008 and for the**

**Years Ended February 28, 2009 and February 29, 2008**

**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.

**2. GOING CONCERN**

The Company has incurred substantial operating losses since inception and has used approximately \$388,894 of cash in operations for the year ended February 28, 2009. The Company recorded losses from continuing operations of \$1,151,785 and \$1,036,246 for the years ended February 28, 2009 and February 29, 2008, respectively. Current liabilities exceed current assets by \$3,026,942 at February 28, 2009. 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.

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 \$224 and \$1,328 is considered adequate at February 28, 2009 and February 29, 2008, 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.

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The Company follows SFAS No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities to account 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.

Acquired identifiable intangible assets with a cost of approximately \$190,000 consist of values assigned to brand recognition, customer list and web site of Chariot Manufacturing Company. These intangibles are amortized on a straight-line method over 5 years. During the years ended February 28, 2009 and February 29, 2008, approximately \$23,200 and \$38,000 was recognized as amortization expense related to these identifiable intangible assets. As of February 28, 2009, these intangible assets were fully amortized.

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, 2009 and February 29, 2008, the Company incurred amortization expense of \$108,931 and \$112,642, 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.

The Company follows SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. SFAS No. 144 addresses the financial accounting and reporting for the impairment of long-lived assets, excluding goodwill and intangible assets, to be held and used or disposed of. In accordance with SFAS No. 144, the carrying values of long-lived assets are periodically reviewed by the Company and impairments would be recognized if the expected future operating non-discounted cash flows derived from an asset were less than its carrying value and if the carrying value is more than the fair value of the asset. At February 28, 2009 and February 29, 2008, the Company did not have any assets that it considered impaired.

The Company accounts for its share-based payment arrangements in accordance with SFAS No. 123 (revised 2004), Share-Based Payment ( SFAS 123R ). SFAS 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values. Under SFAS 123R, the Company is required to measure the cost of employee services received in exchange for stock options and similar awards based on the grant-date fair value of the award and recognize this cost in the income statement over the period during which an employee is required to provide service in exchange for the award.



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In accordance with SFAS 123R, companies must choose among alternative valuation models and amortization assumptions. After assessing alternative valuation models and amortization assumptions, the Company has elected to use the Black-Scholes valuation model and has elected to use the ratable method to amortize compensation expense over the vesting period of the grant.

The value of each grant under SFAS 123R is estimated at the grant date using the Black-Scholes option model. There were no options granted during the years ended February 28, 2009 and February 29, 2008.

During 2009 and 2008, there was \$0 of cash received from the exercise of stock options.

The aggregate intrinsic value of options outstanding and exercisable at February 28, 2009, based on the Company's closing stock price of \$0.002 as of the last business day of the year ended February 28, 2009, which would have been received by the optionees had all options been exercised on that date was \$0. There were no options exercised during the years ended February 28, 2009 and February 29, 2008.

Fair value estimates discussed herein 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 and approximates the carrying amounts of the notes.

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 Interpretation No. 48, Accounting for Uncertainty in Income Taxes (FIN 48) on January 1, 2007. FIN 48 prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return, including a decision whether to file or not to file in a particular jurisdiction. The adoption of FIN 48 did not have a material impact to the Company's financial statements.

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

Earnings per common share are computed in accordance with SFAS No. 128, Earnings per Share, which requires companies to present basic earnings per share and diluted earnings per share. Basic earnings per share are computed by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per common share are computed by dividing net income 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 diluted earnings per share due to the Company's losses and their anti-dilutive effect.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 141 (revised 2007), Business Combinations (SFAS 141R). SFAS 141R establishes the principles and requirements for how an acquirer: 1) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree; 2) in a business combination achieved in stages, sometimes referred to as a step acquisition, recognizes the identifiable assets and liabilities, as well as the non-controlling interest in the acquiree, at the full amounts of their fair values; 3) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase. SFAS 141R establishes disclosure requirements to enable users of the financial statements to evaluate the nature and financial effects of the business combination. This Statement is to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The adoption of SFAS 141R will have an impact on our accounting for future business combinations; however, the materiality of that impact cannot be determined.

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On December 4, 2007, the Financial Accounting Standards Board ( FASB ) issued Statement of Financial Accounting Standards 160, Non-controlling Interests in Consolidated Financial Statements, an amendment of ARB No. 51 ( SFAS 160 ). This new standard will significantly change the accounting for and reporting of non-controlling (minority) interests in consolidated financial statements. SFAS 160 became effective for the Company for the year ended February 28, 2009. The impact of adopting SFAS 160 on the consolidated financial statements will only apply to the extent we have business combinations in the future.

In May 2008, the FASB released SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles*. SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that presented in conformity with generally accepted accounting principles in the United States of America. SFAS No. 162 will be effective 60 days following the SEC's approval of the PCAOB amendments to AU Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*. The FASB has stated that it does not expect SFAS No. 162 will result in a change in current practice. The Company does not believe the application of SFAS 162 will have a significant impact, if any, on the Company's financial statements.

On May 28, 2009, FASB issued SFAS No. 165, *Subsequent Events*. The objective of this statement is to establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. SFAS No. 165 is not expected to have a material impact on the financial reporting of the Company.

In December 2007, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 110 ( SAB 110 ) which allows companies that do not have sufficient historical experience for estimating the expected term of plain vanilla share option grants to provide a reasonable estimate and to continue use of the simplified method after December 31, 2007. SAB 110 extends the opportunity to use the simplified method beyond December 31, 2007, as was allowed by Staff Accounting Bulletin No. 107 ( SAB 107 ). Adoption of SAB 110 will not impact our financial statements as we did not use the simplified method to estimate lives of share-based awards.

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 year ended February 28, 2009 and February 29, 2008, the Company factored receivables of approximately \$1,766,459 and \$1,942,662, respectively. In connection with the factoring agreement, the Company incurred fees of approximately \$65,100 and \$69,300 during the years ended February 28, 2009 and February 29, 2008, respectively. As of February 28, 2009 and February 29, 2008, certain customers had remitted \$2,799 and \$16,237, 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, 2009	February 29, 2008
Work-in process	\$ 27,197	\$ 15,941
Finished goods	176,167	184,587
Raw materials	13,238	9,568
Total inventories	\$ 216,602	\$ 210,096

**6. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

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	February 28, 2009	February 29, 2008
Land	\$ 186,045	\$ 186,045
Building and improvements	2,738,912	2,797,268
Machinery and equipment	3,754,913	3,696,831

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Office furniture and equipment	95,717	91,756
Trucks and automobiles	201,960	382,395
Equipment held for lease	178,761	178,761
	7,156,308	7,333,056
Less accumulated depreciation	2,801,056	2,630,808
	\$ 4,355,252	\$ 4,702,248

Depreciation expense for the years ended February 28, 2009 and February 29, 2008 was \$368,346 and \$379,293, respectively.

**7. INTANGIBLE ASSETS**

The following is a summary of intangible assets:

	February 28, 2009		February 29, 2008	
	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Web Site	\$ 86,125	\$ 86,125	\$ 86,125	\$ 75,599
Brand Recognition	59,455	59,455	59,455	52,188
Customer List	44,420	44,420	44,420	38,991
	\$ 190,000	\$ 190,000	\$ 190,000	\$ 166,778

Amortization expense for the years ended February 28, 2009 and February 29, 2008 was \$23,222 and \$38,000.

**8. NOTES PAYABLE**

Notes payable consist of:

	February 28, 2009	February 29, 2008
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; 14.66% interest; monthly payments of principal and interest of \$278; due October 18, 2008; collateralized by equipment		2,108
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	72,147
Notes payable; related party; interest payable in the amount of \$1,000; due on demand; unsecured	5,850	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
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	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	60,000
Note payable; related party; 8% interest; due on demand, unsecured	13,936	13,936
Note payable; related party; 15% interest; due on demand; unsecured	90,555	67,021
Note payable; related party; 10% interest; due on demand; unsecured	9,654	9,654
Note payable; related party; no interest; past maturity; unsecured	20,205	20,205



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Note payable; related party; 18% interest; due on demand; unsecured		570
Note payable; related party; 18% interest; due on demand; unsecured	59,195	59,195
Note payable; related party; 15% interest; due on demand; unsecured	28,227	24,416
Notes payable; related party; 15% interest; due on demand; unsecured	24,534	25,650
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	9,312
Note payable; related party; 15% interest; due on demand; unsecured		300
Note payable; related party; 15% interest; due on demand; unsecured	37,382	30,582
Note payable; related party; 15% interest; due on demand; unsecured	17,375	17,375
Note payable; related party; 12% interest; due on demand; unsecured	6,000	6,000
Note payable; related party; 8% interest; due on demand; unsecured	7,600	5,000
Note payable; related party; 15% interest; past maturity; unsecured	3,761	13,189
Note payable; 13.70% interest; monthly principle and interest payments of \$1,490; due February 12, 2009; secured by a vehicle		15,231
Note payable; related party; 10% interest; due on demand; unsecured	138,283	18,800
Note payable; 20% interest; due on demand; unsecured	13,000	13,000
Note payable; 8.5% interest; due March 9, 2022; secured by trailer	27,842	28,804
Note payable; 10.99% interest; matures December 14, 2011; secured by a 16 foot enclosed trailer	15,358	18,375
Note payable; related party; 7% interest; due on demand; unsecured		8,392
Note payable; related party; 10% interest; due March 22, 2009; unsecured	5,000	
Note payable; related party; 25% interest; due on demand; unsecured	20,000	
Note payable; related party; 8% interest; due on demand; unsecured	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	
Note payable; related party; 8% interest; due on demand; unsecured	9,900	
Note payable to Internal Revenue Service pursuant to a Chapter 11 reorganization plan; 8% interest; secured by tax lien; past maturity	388,449	364,750
Note payable to a financial institution; 7.5% interest; monthly principal and interest payments of \$6,756; collateralized by fixed assets, key man life insurance policy and 1,000,000 shares of common stock owned by a stockholder; guaranteed by a stockholder; due April 2009	697,462	721,926
	2,166,796	1,985,580
Less current portion	(2,130,952)	(1,940,713)
	\$ 35,844	\$ 44,867

As of February 28, 2009, the notes payable listed above include \$668,707, which are currently in default.

The aggregate principal maturing in subsequent years is:

<b>Year Ending February 28,</b>	
2010	\$ 2,130,952
2011	6,610
2012	6,345
2013	1,819
2014	1,980
Thereafter	19,090
	\$ 2,166,796

At February 28, 2009 and February 29, 2008, the above notes payable to related parties in the amount of \$797,697 and \$591,336, 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, 2009, 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

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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 \$1,357,463 and \$1,053,102 at February 28, 2009 and February 29, 2008, respectively. Dividends may be paid in stock at a conversion rate of \$1.00 per share. For the years ended February 28, 2009 and February 29, 2008, 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 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, 2009 and February 29, 2008, 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, 2009 and February 29, 2008, 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, 2009 and February 29, 2008, 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 28, 2007	362,500	0.27
Granted	0	
Exercised	0	
Expired, forfeited	0	
Options outstanding, February 29, 2008	362,500	0.27
Granted	0	
Exercised	0	
Expired, forfeited	0	
Options outstanding, February 28, 2009	362,500	0.27

The following table summarizes information about options outstanding and exercisable as of February 28, 2009:

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	3.29 years	\$ 0.27	3.29 years	362,500	\$ 0.27



**Table of Contents****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, 2009, the amount of unused tax losses available to carry forward and apply against taxable income in future years totaled approximately \$30,028,300. 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.

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

	February 28, 2009	February 29, 2008
Unused operating loss carryforwards	\$ 7,236,700	\$ 7,318,700
Excess depreciation for tax purposes over the amount for financial reporting purposes	(1,044,800)	(1,042,500)
Deferred compensation	492,000	
Write down in the value of investment	2,900	
Other	26,200	17,600
	6,713,000	6,291,600
Valuation allowance	(6,713,000)	(6,291,600)
	\$ 0	\$ 0

The valuation allowance increased by \$258,400 during the year ended February 28, 2009. 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, 2009 and February 29, 2008:

	2009	2008
<b>Statutory benefit</b>	\$ (391,600)	\$ (352,300)
State tax benefit, net of federal effect	(41,200)	(37,000)
<b>Nondeductible expenses</b>	4,300	4,500
<b>Other</b>	7,100	
Expiration of net operating loss carryforwards	163,000	286,400
Increase in deferred income tax valuation allowance	258,400	98,400
	\$ 0	\$ 0

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, 2009 and February 29, 2008, 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, 2009 and February 29, 2008, totaled \$1,307,510 and \$1,075,110, 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, 2009 and February 29, 2008, the Company issued 16,019,229 and 9,816,309 shares of common stock to a related party and related company, respectively, valued at \$108,931 and \$112,642, respectively, in exchange for guarantees of a note payable. As

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of February 28, 2009 and February 29, 2008, all of these guarantee fees have been amortized.

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

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 has two reportable segments during 2009 and 2008, 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, 2009 and February 29, 2008 the Company has included segment reporting.

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

	<b>Manufacturing</b>	<b>Fiberglass</b>	<b>Other</b>	<b>Total</b>
Revenue	\$ 2,307,666	277,188	0	2,584,854
Interest expense	\$ 145,277	30,216	46,813	222,306
Depreciation	\$ 252,703	115,243	403	368,349
Net (loss)	\$ (70,960)	(322,505)	(758,320)	(1,151,785)
Property and equipment, net of accumulated depreciation	\$ 3,732,570	622,682		4,355,252
Segment assets	\$ 4,000,705	673,285	18,852	4,692,842

For the year ended February 29, 2008, information regarding operations by segment is as follows:

	<b>Manufacturing</b>	<b>Fiberglass</b>	<b>Other</b>	<b>Total</b>
Revenue	\$ 2,640,796	209,972	0	2,850,768
Interest expense	\$ 138,405	25,016	29,771	193,192
Depreciation	\$ 267,737	110,866	690	379,293
Net (loss)	\$ 48,330	(312,827)	(771,749)	(1,036,246)
Property and equipment, net of accumulated depreciation	\$ 3,974,876	726,969	403	4,702,248
Segment assets	\$ 4,293,641	787,379	41,193	5,122,213

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, 2009, the construction industry accounted for approximately 30% of the segment's revenues, while the industrial and mining industries accounted for approximately 24% and 44%, respectively, of the segment's total revenues.

Although the division does not rely on a single customer, during the year ended February 28, 2009, three of the Company's customers accounted for approximately 45% of total revenues. These customers were the Mosaic Company 34%, GIW/KSB Florida Service Center 6% and Central Maintenance and Welding 5%. During the year ended February 29, 2008, three of the Company's customers accounted for approximately 48% of total revenues. These customers were the Mosaic Company 36%, Bul-Head Corporation 6% and Marden Industries 6%.

**14. SUBSEQUENT EVENT.**

Subsequent to February 28, 2009, the Board of Directors of American Commerce Solutions, Inc. has determined that it will seek to divest the Company of the fiberglass manufacturing operations in favor of expansion of manufacturing, fabricating, erecting and construction operations. The following are the assets and liabilities of the fiberglass segment at February 28, 2009:

Accounts receivable and other current assets	\$ 17,973
Inventory	\$ 32,630
Property and equipment, net of accumulated depreciation	\$ 622,682
Accounts payable and accrued expenses	\$ 277,880
Deferred revenue	\$ 91,285



Notes payable

\$ 324,603

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**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**  
NONE

**ITEM 9A(T). CONTROLS AND PROCEDURES**

The Company's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the fiscal period ending February 28, 2009 covered by this Annual Report on Form 10-K. Based upon such evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures were not effective as required under Rules 13a-15(e) and 15d-15(e) under the Exchange Act. This conclusion by the Company's Chief Executive Officer and Chief Financial Officer does not relate to reporting periods after February 28, 2009.

**Management's Report on Internal Control Over Financial Reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) of the Company. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

The Company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management, under the supervision of the Company's Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company's internal control over financial reporting was not effective as of February 28, 2009 under the criteria set forth in the *Internal Control - Integrated Framework*.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. Management has determined that material weaknesses exist due to the lack of an independent Board member or Audit Committee member. During the year ended February 29, 2008 the Company's independent Board member and Audit Committee member passed away. The Company is currently seeking a replacement, but has not yet identified a person to fill those independent positions.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only management's report in this Annual Report on Form 10-K.

**Changes in Internal Control Over Financial Reporting**

No change in the Company's internal control over financial reporting occurred during the quarter ended February 28, 2009, that materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

**ITEM 9B. OTHER INFORMATION**

None

**Table of Contents****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:

<b>Name</b>	<b>Age</b>	<b>Positions with the Company</b>
Robert E. Maxwell	74	Chairman of the Board and Director
Frank D. Puissegur	50	Chief Financial Officer and Director
Daniel L. Hefner	58	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 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 due to the death of Mr. Andrew Mueller (previous member), 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).

**Table of Contents****SUMMARY COMPENSATION TABLE**

Name Principal Positions	Summary Compensation Table						Total (\$)
	Year Ended	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$) <sup>(A)</sup>	All Other Compensation (\$)	
Daniel Hefner, President and Chief Executive Officer	2009	150,000					
	2008	150,000					
Robert Maxwell, Chairman of the Board	2009	150,000					
	2008	150,000					

Both Hefner and Maxwell were compensated over \$100,000 for fiscal years 2009 and 2008.

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 provides 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 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, 2009, 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



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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, 2009, 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, 2009, the Company has no options available for future issuance under this plan.

At February 28, 2009, 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, 2009 and February 29, 2008 to the Named Executive Officers covered by the Salary Compensation Table.

**OPTION GRANTS TO NAMED EXECUTIVES IN LAST FISCAL YEAR**

During 2009, the Company did not grant any option awards to our executive officers.

**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 2009, the number of stock options held on February 28, 2009 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	200(1)	0
Daniel L. Hefner	100,000	0	100,000	0	200(1)	0

(1) Based upon the closing price of the Common Stock as quoted on the Over The Counter Bulletin Board on February 28, 2009 of \$0.002 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 29, 2008, 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)
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Directors and Executive Officers

Robert E. Maxwell (3)

1400 Chamber Drive

Bartow, FL	84,247,519	31.52%
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Frank D. Puissegur

1400 Chamber Drive

Bartow, FL	1,000,000	.0037%**
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Daniel L. Hefner (4)

1400 Chamber Dr.

Bartow, FL	28,632,838	10.7%
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All Directors and Executive Officers as a Group (3 persons)(5)		42.2237%
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(\*\*) Less than 1%

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- (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 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) 83,899,159 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) 12,413,609 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, 2009 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)
<b>Directors and Executive Officers</b>	
Robert E. Maxwell (3)	29.58%
Frank Puissegur	*
Daniel L. Hefner (2)	3.89%
All directors and executive officers as a group (3 persons)	34.31%
International Commerce and Finance (4)	29.27%

\* Less than 1%

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- (1) Based upon 267,291,522 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 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 12,413,609 shares of Common Stock.
- (3) Includes 348,360 shares of Common Stock held by his spouse Barbara Maxwell, 83,899,159 shares of Common Stock beneficially owned as the President of International Commerce and Finance, Inc.
- (4) Consisting of 69,970,153 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, 2009 and February 29, 2008, 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, 2009 totaled \$1,307,510. The amounts are unsecured, non-interest bearing, and have no specific repayment terms.

During the years ended February 28, 2009 and February 29, 2008, the Company issued 16,019,229 and 9,816,309 shares of common stock to a related party and related company, respectively, valued at \$108,931 and \$112,642, respectively, in exchange for guarantees of a note payable. As of February 28, 2009 and February 29, 2008, all 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 SERVICIES**

**Audit Fees**

During 2009 and 2008, we were billed by our accountants, Pender Newkirk & Company, approximately \$68,000 and \$52,000 for audit and review fees associated with our 10-K and 10-Q filings.

**Non-Audit related fees**

None

**Table of Contents****Tax Fees**

During 2009 and 2008 we were billed by our accountants, Bella, Hermida, Gillman, Hancock, & Mueller Certified Public Accountants approximately \$4,500 and \$4,500 to prepare our federal and state tax returns.

**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

<b>Incorporated Documents</b>	<b>SEC Exhibit Reference</b>	<b>Sequentially Numbered</b>
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 Placement	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 Form10-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	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbaenes-Oxley Act of 2002	

(b) Reports on Form 8-K  
None

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 14, 2009

By: /s/ Daniel L. Hefner  
Daniel L. Hefner, President

Date: June 14, 2009

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