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

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended June 30, 2013

or

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

For the Transition Period from _________ to _________

Commission file number: 333-153381

FRESH START PRIVATE MANAGEMENT, INC.

(Exact name of registrant as specified in its charter)

Nevada	**26-1972677**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

601 North Parkcenter Drive, Suite 103
Santa Ana, California 92705
(Address of principal executive offices) (zip code)

(714) 462-4880
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant 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 (§ 232.405 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer (Do not check if a smaller reporting company)	☐	Smaller reporting company	☒

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

As of August 19, 2013, there were 117,868,501 shares of registrant's common stock outstanding.

FRESH START PRIVATE MANAGEMENT, INC.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FRESH START PRIVATE MANAGEMENT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2013 (unaudited)	December 31, 2012
ASSETS		
Current assets:		
Cash	$ 54,705	$ 6,002
Accounts receivable, net	1,635,399	1,074,552
Prepaid expenses	149,567	24,317
Total current assets	1,839,671	1,104,871
Property and equipment, net	10,516	5,342
Other assets:		
Licensing agreement	3,970,575	3,970,575
Deposits	5,334	2,278
Total assets	$ 5,826,096	$ 5,083,066
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 758,313	$ 615,304
Due to factor	38,405	154,990
Income tax payable	-	1,600
Deferred revenue	537,909	262,938
Advances from lenders	485,000	885,000
Convertible note payable, net of debt discount	346,499	5,708
Notes payable, net of debt discount	336,301	95,736
Notes payable, related party	101,362	144,815
Warrant liability	15,174	-
Derivative liability	324,400	80,039
Total current liabilities	2,943,363	2,246,130
Stockholders' equity:		
Common stock, $0.001 par value; 200,000,000 shares authorized, 117,743,501 and 100,768,501 shares issued and outstanding as of June 30, 2013 and December 31, 2012, respectively	117,744	100,769
Common stock subscribed	100,000	100,000
Additional paid in capital	4,473,160	4,234,758
Deficit	(1,808,171)	(1,598,591)
Total stockholders' equity	2,882,733	2,836,936
Total liabilities and stockholders' equity	$ 5,826,096	$ 5,083,066

See the accompanying notes to the unaudited condensed consolidated financial statements

FRESH START PRIVATE MANAGEMENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2013	**2012**	**2013**	**2012**
Sales, net	$ 499,951	$ 179,209	$ 887,160	$ 440,092
Cost of sales	70,260	124,168	149,366	283,507
Gross profit	429,691	55,041	737,794	156,585
Operating expenses:				
Selling, general and administrative	347,915	432,523	600,039	546,410
Depreciation and amortization	836	487	1,491	974
Total operating expenses	348,751	433,010	601,530	547,384
Net income (loss) from operations	80,940	(377,969)	136,264	(390,799)
Other income (expenses):				
Gain on settlement of debt	800	-	17,800	-
Interest expense	(81,398)	(60,568)	(170,435)	(66,579)
Loss on change in fair value of derivative liability	(155,278)	-	(193,209)	-
Net loss before income taxes	(154,936)	(438,537)	(209,580)	(457,378)
Income taxes (benefit)	-	-	-	-
Net loss	$ (154,936)	$ (438,537)	$ (209,580)	$ (457,378)
Net loss per common share, basic and diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding, basic and diluted	116,623,446	105,260,712	115,410,490	111,781,481

See the accompanying notes to the unaudited condensed consolidated financial statements

FRESH START PRIVATE MANAGEMENT, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2013
(unaudited)

	Common stock		Common stock Subscribed	Additional Paid in Capital	Retained Earnings (deficit)	Total
	Shares	Amount				
Balance, December 31, 2012	100,768,501	$ 100,769	$ 100,000	$ 4,234,758	$ (1,598,591)	$ 2,836,936
Common stock issued for services rendered	15,500,000	15,500	-	199,848	-	215,348
Common stock issued in past services	100,000	100	-	2,900	-	3,000
Common stock issued in connection with notes payable	1,375,000	1,375	-	20,004	-	21,379
Common stock issuable in connection with note payable	-	-	-	15,650	-	15,650
Net loss	-	-	-	-	(209,580)	(209,580)
Balance, June 30, 2013	117,743,501	$ 117,744	$ 100,000	$ 4,473,160	$ (1,808,171)	$ 2,882,733

See the accompanying notes to the unaudited condensed consolidated financial statements

FRESH START PRIVATE MANAGEMENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Six months ended June 30, 2013	Six months ended June 30, 2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (209,580)	$ (457,378)
Adjustments to reconcile net income (loss) to cash flows used in operating activities:		
Depreciation and amortization	1,491	974
Amortization of debt discount	71,151	18,052
Gain on settlement of debt	(17,800)	-
Stock based compensation	104,503	114,200
Common stock issued in settlement of interest	-	11,820
Loss on change of fair value of derivative liability	193,209	-
Changes in operating assets and liabilities:		
Accounts receivable	(560,847)	(406,836)
Prepaid expenses	(14,406)	2,523
Accounts payable and accrued expenses	163,810	(93,428)
Income taxes payable	(1,600)	-
Due to factor	(116,585)	(80,000)
Deferred revenue	274,971	274,685
Net cash used in operating activities	(111,683)	(615,388)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition and cancelation of treasury shares	-	(75,000)
Payment of long term deposits	(3,056)	-
Purchase of equipment	(6,665)	-
Net cash used in investing activities	(9,721)	(75,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	314,980	161,325
Proceeds from lender advances	-	725,000
Repayments of notes payable	(101,420)	-
Net repayments of notes payable, related party	(43,453)	(32,703)
Net cash provided by financing activities	170,107	853,622
Net increase (decrease) in cash	48,703	163,234
Cash, beginning of the period	6,002	1,657
Cash, end of period	$ 54,705	$ 164,891
Supplemental disclosures of cash flow information:		
Interest paid	$ 99,284	$ -
Taxes paid	$ -	$ -
Non-cash financing activities:		
Common stock issued in settlement of notes payable	$ -	$ 37,100
Common stock issued in settlement of interest	$ -	$ 11,820
Common stock issued in in settlement of outstanding accounts payable	$ 3,000	$ -

See the accompanying notes to the unaudited condensed consolidated financial statements

FRESH START PRIVATE MANAGEMENT, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2013
(unaudited)

NOTE 1 - BUSINESS AND RECAPITALIZATION

Fresh Start Private Management, Inc. through its wholly owned subsidiary Fresh Start Private, Inc. ("we", "us", "our", "the Company") provides an innovative alcohol treatment program that empowers patients to succeed in their overall recovery. We offer a unique treatment philosophy that combines medical intervention, a singular focus and a comprehensive approach, and a focus on family and friends.

On October 31, 2011 (the “Closing Date”), the Company entered into a Share Exchange Agreement (the “Exchange Agreement”) by and among (i) Fresh Start Private Management, Inc. (the “Company”), (ii) our former principal stockholder, (iii) Fresh Start Private, Inc. (“FSP”), and (iv) the former shareholders of FSP. Pursuant to the terms of the Exchange Agreement, each of the former shareholders of FSP transferred to us all of their shares of FSP in exchange for the issuance of 37,000,000 shares of our common stock, which represented approximately 31.3% of our total shares outstanding immediately following the closing of the transaction (such transaction, the “Share Exchange”). As a result of the Share Exchange, FSP became our wholly-owned subsidiary. We are now a holding company, which through FSP, is now engaged in alcohol treatment. Upon completion of the Share Exchange, Fresh Start Private, Inc. became Fresh Start Private Management, Inc.'s wholly-owned subsidiary. As the owners and management of Fresh Start Private, Inc. obtained voting and operating control of Fresh Start Private Management, Inc. after the Share Exchange and Fresh Start Private Management, Inc. was non-operating, had no assets or liabilities and did not meet the definition of a business, the transaction has been accounted for as a recapitalization of Fresh Start Private, Inc., accompanied by the issuance of its common stock for outstanding common stock of Fresh Start Management, Inc., which was recorded at a nominal value. The accompanying financial statements and related notes give retroactive effect to the recapitalization as if it had occurred on July 8, 2009 (inception date) and accordingly all share and per share amounts have been adjusted.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Interim Financial Statements

The following (a) condensed consolidated balance sheet as of December 31, 2012, which has been derived from audited financial statements, and (b) the unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information and the instructions to Form 10-Q and Rule 8-03 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and six months ended June 30, 2013 are not necessarily indicative of results that may be expected for the year ending December 31, 2013. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2012 included in the Company’s Annual Report on Form 10-K, filed with the Securities and Exchange Commission (“SEC”) on April 15, 2013.

Basis of Presentation:

The condensed consolidated financial statements include the accounts of Fresh Start Private Management, Inc. and its wholly owned subsidiary, Fresh Start Private, Inc. (hereafter referred to as the “Company” or “Fresh Start”). All significant intercompany balances and transactions have been eliminated in consolidation.

Reclassifications

Certain reclassifications have been made in the prior year’s financial statements to conform to classifications used in the current year.

Revenue Recognition

The Company generates revenue from services and product sales. Revenue is recognized in accordance with Accounting Standards Codification subtopic 605-10, Revenue Recognition ("ASC 605-10") which requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the services delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related revenue are recorded. The Company defers any revenue for which the services has not been performed or is subject to refund until such time that the Company and the customer jointly determine that the services has been performed or no refund will be required.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Actual results could differ from those estimates. Significant estimates include assumptions used in the fair value of stock-based compensation and the fair value of other equity and debt instruments.

Accounts Receivable

Accounts receivable are recorded at original invoice amount less an allowance for uncollectible accounts that management believes will be adequate to absorb estimated losses on existing balances. Management estimates the allowance based on collectability of accounts receivable and prior bad debt experience. Accounts receivable balances are written off upon management's determination that such accounts are uncollectible. Recoveries of accounts receivable previously written off are recorded when received. Management believes that credit risks on accounts receivable will not be material to the financial position of the Company or results of operations. The allowance for doubtful accounts was $886,752 and $866,315 as of June 30, 2013 and December 31, 2012, respectively.

Fair Value Of Financial Instruments

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of June 30, 2013 and December 31, 2012. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values. These financial instruments include cash and accounts payable. Fair values were assumed to approximate carrying values for cash and payables because they are short term in nature and their carrying amounts approximate fair values or they are payable on demand. See Footnote 8 and 9 for derivative liabilities.

Segment Information

Accounting Standards Codification subtopic Segment Reporting 280-10 ("ASC 280-10") establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information for those segments to be presented in interim financial reports issued to stockholders. ASC 280-10 also establishes standards for related disclosures about products and services and geographic areas. Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision-making group, in making decisions how to allocate resources and assess performance. The information disclosed herein materially represents all of the financial information related to the Company's principal operating segment.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is calculated using the straight-line method over the asset's estimated useful life, which is five years for furniture and all other equipment. Expenditures for maintenance and repairs are expensed as incurred.

Long-Lived Assets

The Company follows FASB ASC 360-10-15-3, "Impairment or Disposal of Long-lived Assets," which established a "primary asset" approach to determine the cash flow estimation period for a group of assets and liabilities that represents the unit of accounting for a long-lived asset to be held and used. Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

Net Loss Per Share

The Company accounts for net loss per share in accordance with Accounting Standards Codification subtopic 260-10, Earnings Per Share ("ASC 260-10"), which requires presentation of basic and diluted earnings per share ("EPS") on the face of the statement of operations for all entities with complex capital structures and requires a reconciliation of the numerator and denominator of the basic EPS computation to the numerator and denominator of the diluted EPS.

Basic net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during each period. It excludes the dilutive effects of any potentially issuable common shares. Diluted net loss share is calculated by including any potentially dilutive share issuances in the denominator. As of June 30, 2013, potentially dilutive shares issuances were comprised of convertible notes payable and vested employee stock options. As of June 30, 2012, the Company did not have any potentially issuable common shares.

Concentrations of Credit Risk

The Company's financial instrument that is exposed to a concentration of credit risk is cash and cash equivalents. Generally, the Company's cash in interest-bearing accounts does not exceed FDIC insurance limits. The financial stability of these institutions is periodically reviewed by senior management.

Derivative Financial Instruments

Accounting Standards Codification subtopic 815-40, Derivatives and Hedging, Contracts in Entity's own Equity ("ASC 815-40") became effective for the Company on October 1, 2009. The Company's convertible debt and reset warrants have variable conversion rates to the exercise price, which prohibit the Company from determining the number of shares needed to settle the conversion of the debt.

Advertising

The Company follows the policy of charging the costs of advertising to expense as incurred. The Company charged to operations $10,350 as advertising costs for the three and six months ended June 30, 2013 and $43,393 and $120,034 for the three and six months ended June 30, 2012, respectively.

Guarantor-Factoring Agreement

August 1, 2011, Start Fresh Alcohol Recovery Clinic Inc. (the "Clinic") entered into an agreement with a factoring company to provide a debt facility secured against the approved insurance clients of the Company. The agreement is for one year, for a maximum facility of $500,000. The facility bears a Funding fee equal to the greater of (i) the prime rate of interest plus 6.5% multiplied by the outstanding facility position, calculated monthly and (ii) $4,500 and a Collateral Management Fee equal to 1% of the factored accounts receivable. If both fees are less than $6,000 per month, then the combined fee is $6,000. Up to October 31, 2011, the aforementioned fees are capped at 50% of the greater amount. Additionally the Company is responsible for monthly maintenance fees of $350 per month and an origination fee of 3% of the facility cap or $15,000. The Company is guarantor for this facility. The security for the facility has been provided by way of a security interest against the receivables of the Clinic, a general security assignment over all of the assets of the Clinic and the Company and personal guarantees of two of the Company's directors. $38,405 and $154,990 was due to factor as of June 30, 2013 and December 31, 2012, respectively.

On February 26, 2013 Fresh Start Private Management, Inc. (The Company) entered into an agreement with the factoring company to repay the outstanding sum of $140,000 no later than August 30, 2013.

Stock Based Compensation

Share-based compensation issued to employees is measured at the grant date, based on the fair value of the award, and is recognized as an expense over the requisite service period. The Company measures the fair value of the share-based compensation issued to non-employees using the stock price observed in the arms-length private placement transaction nearest the measurement date (for stock transactions) or the fair value of the award (for non-stock transactions), which were considered to be more reliably determinable measures of fair value than the value of the services being rendered. The measurement date is the earlier of (1) the date at which commitment for performance by the counterparty to earn the equity instruments is reached, or (2) the date at which the counterparty's performance is complete.

As of June 30, 2013 and December 31, 2012, 9,000,000 employee stock options were outstanding with 9,000,000 shares vested and exercisable.

Income Taxes

Income tax provisions or benefits for interim periods are computed based on the Company's estimated annual effective tax rate. Based on the Company's historical losses and its expectation of continuation of losses for the foreseeable future, the Company has determined that it is not more likely than not that deferred tax assets will be realized and, accordingly, has provided a full valuation allowance. As the Company anticipates or anticipated that its net deferred tax assets at December 31, 2013 and 2012 would be fully offset by a valuation allowance, there is no federal or state income tax benefit for the three and six months ended June 30, 2013 and 2012 related to losses incurred during such periods.

Recent Accounting Pronouncements

There were various updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to a have a material impact on the Company's consolidated financial position, results of operations or cash flows.

NOTE 3 - GOING CONCERN MATTERS

The Company's consolidated financial statements are prepared using generally accepted accounting principles applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has incurred significant recurring losses which have resulted in an accumulated deficit of $1,808,171, working capital deficiency of $1,103,692 at June 30, 2013 and negative cash flows from operations of $111,683 for the six months ended June 30, 2013 which raises substantial doubt about the Company's ability to continue as a going concern.

Continuation as a going concern is dependent upon obtaining additional capital and upon the Company's attaining profitable operations. The Company will require a substantial amount of additional funds to build a sales and marketing organization, and to fund additional losses which the Company expects to incur over the next few years. The Company recognizes that, if it is unable to raise additional capital, it may find it necessary to substantially reduce or cease operations. The accompanying consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result from the outcome of this uncertainty.

NOTE 4 - PROPERTY AND EQUIPMENT

The Company's property and equipment at June 30, 2013 and December 31, 2012 :

	June 30, 2013	December 31, 2012
Office equipment	$ 14,649	$ 10,049
Computer equipment	2,574	509
Leasehold improvements	20,014	20,014
	37,237	30,572
Less accumulated depreciation	(26,721)	(25,230)
	$ 10,516	$ 5,342

Depreciation expense charged to operations amounted to $836 and $1,491, respectively, for the three and six months ended June 30, 2013 and $487 and $974, respectively, for the three and six months ended June 30, 2012.

NOTE 5 - LICENSING RIGHTS

On October 28, 2010, the Company acquired an exclusive product license, which included the right to use the Naltrexone Implant and any procedures related to the licensed product. The Company paid a onetime license fee of 7.5% of the total common shares outstanding on the date of the agreement, or 5,672,250 common shares at the market value of $0.70 per share as of the date of the agreement. Total value of the license is recorded as $3,970,575. Additionally, the Company will pay $600 for each prescription request of the licensed product. The agreement will remain in force for so long as the Company continues to use the Licensed Product.

For the purposes of the Asset Purchase Agreement, "Assets" shall mean those assets that are related to the Trademark and the Intellectual Property that are or were used or created by Licensor in its conduct of business, including all assets, rights, interests, and properties of Licensor of whatever nature, tangible or intangible, real or personal, fixed or contingent, except for the Trademark and the Intellectual Property. For all assets received, the Company paid $10 in cash.

At December 31, 2012, the Company management performed an evaluation of its intangible assets (licensing rights) for purposes of determining the implied fair value of the assets at December 31, 2012. The test indicated that the recorded book value of its licensing rights did not exceed its fair value for the year ended December 31, 2012 as determined by discounted future cash flows. Considerable management judgment is necessary to estimate the fair value. Accordingly, actual results could vary significantly from management's estimates.

NOTE 6 - DEFERRED REVENUE

On January 27, 2012, the Company granted licensing rights for five years in the state of Florida for $300,000 payable as the licensee performs procedures. The licensing fees are amortized to income over the term on the license agreement. The remaining unrecognized balance as of June 30, 2013 and December 31, 2012 was $214,701 and $244,438, respectively.

On August 2, 2013, the Company granted licensing rights perpetually for the 48 most northern counties in the state of California for $334,000. The licensing fees are amortized to income over the estimated expected useful life of five years. The remaining unrecognized balance as of June 30, 2013was $323,208.

In addition, the Company received $18,500 in advance licensing fees as of December 31, 2012.

NOTE 7 - ADVANCE FROM LENDERS

During the year ended December 31, 2012, the Company received an aggregate of $885,000 net proceeds in connection with the expected issuance of convertible debt. As of June 30, 2013, $485,000 of the notes have yet to be executed and finalized, however, the Company accrued $75,343 and $66,916 as estimated interest as of June 30, 2013 and December 31, 2012, respectively.

NOTE 8 - CONVERTIBLE NOTES PAYABLE

Asher Note

On December 11, 2012, the Company entered into a Securities Purchase Agreement with Asher Enterprises, Inc. ("Asher"), for the sale of an 8% convertible note in the principal amount of $58,000 (the "Note"). The financing closed on December 11, 2012. .

The Note bears interest at the rate of 8% per annum. All interest and principal must be repaid on September 13, 2013. The Note is convertible into common stock, at Asher's option, at a 42% discount to the average of the three lowest closing bid prices of the common stock during the 10 trading day period prior to conversion. In the event the Company prepays the Note in full, the Company is required to pay off all principal, interest and any other amounts owing multiplied by (i) 115% if prepaid during the period commencing on the closing date through 30 days thereafter, (ii) 120% if prepaid 31 days following the closing through 60 days following the closing, (iii) 125% if prepaid 61 days following the closing through 90 days following the closing and (iv) 130% if prepaid 91 days following the closing through 120 days following the closing. (v) 135% if prepaid 121 days following the closing through 150 days following the closing, (vi) 150% if prepaid 151 days following the closing through 180 days following the closing. After the expiration of 180 days following the date of the Note, the Company has no right of prepayment.

The Company has identified the embedded derivatives related to the above described Note. This embedded derivative included variable conversion features. The accounting treatment of derivative financial instruments requires that the Company record fair value of the derivative as of the inception date of the Note and to fair value as of each subsequent reporting date.

At the inception of the Note, the Company determined the aggregate fair value of $78,770 of embedded derivatives. The fair value of the embedded derivatives was determined using the Binomial Option Pricing Model based on the following assumptions: (1) dividend yield of 0%; (2) expected volatility of 258.65%, (3) weighted average risk-free interest rate of 0.16%, (4) expected life of 0.76 years, and (5) estimated fair value of the Company's common stock of $0.011 per share.

The determined fair value of the embedded derivative of $78,770 was charged as a debt discount up to the net proceeds of the note with the remainder, $20,770, charged to current period operations as non-cash interest expense.

On May 10, 2013, the Company paid off the above described note including accrued interest.

Convertible debenture issued on April 5, 2013

On April 5, 2013, the Company issued a convertible debenture for an aggregate of $425,000 comprised of $400,000 previous advances (see note 7 above) and $25,000 additional proceeds. The financing closed on April 5, 2013. .

The Note bears interest at the rate of 15% per annum. Interest is payable quarterly on April 15, July 15, October 15 and January 15 for the prior quarter and principal must be repaid on April 5, 2016. The Note is convertible into common stock, at holder's option, at a $0.50 per share with certain conversion adjustments in the event the Company issues additional shares of its common stock or securities convertible into the Company's common stock at a price per share less than the conversion price in effect or without consideration, then the conversion price upon each issuance shall be adjusted to the price equal to the consideration per share paid for such additional shares of the Company's common stock.

In connection with the issuance of the convertible debenture, the Company issued an aggregate of 1,275,000 shares of its common stock and detachable warrants granting the holder the right to acquire an aggregate of 425,000 shares of the Company's common stock at an initial exercise price of $1.00 per share for five years. The warrant contains exercise price adjustments in the event the Company issues additional shares of its common stock or securities convertible into the Company's common stock at a price per share less than the exercise price in effect or without consideration, then the exercise price upon each issuance shall be adjusted to the price equal to the consideration per share paid for such additional shares of the Company's common stock.

The Company has identified the embedded derivatives related to the above described debenture and warrants. This embedded derivative included variable conversion or exercise features. The accounting treatment of derivative financial instruments requires that the Company record fair value of the derivatives as of the inception date of the debenture and to fair value as of each subsequent reporting date.

The Company allocated proceeds based on the relative fair values of the debt, common stock and warrants, measured at an aggregate of $85,185, to the warrant and debt conversion provision liabilities (debt and warrants) and equity (common stock) to discount to convertible debenture. The fair values of the embedded derivatives were determined using the Binominal Option Pricing Model with the following assumptions: contractual terms of 3 to 5 years, an average risk free interest rate of 0.33% to 0.68%, a dividend yield of 0%, and volatility of 256.18%.

At June 30, 2013, the Company marked to market the fair value of the embedded derivative and determined a fair value of $324,400. The Company recorded a loss from change in fair value of derivative liability of $281,066 for the six months ended June 30, 2013. The fair value of the embedded derivatives was determined using Binomial Option Pricing Model based on the following assumptions: (1) dividend yield of 0%, (2) expected volatility of 245.95%, (3) weighted average risk-free interest rate of 0.66%, (4) expected life of 2.76 years, and (5) estimated fair value of the Company's common stock of $0.036 per share.

The charge of the amortization of debt discounts and costs for the six months ended June 30, 2013 was $6,684, which was accounted for as interest expense.

NOTE 9 – WARRANT LIABILITY

The Company issued warrants in conjunction with the issuance of convertible debentures. These warrants contain certain reset provisions. Therefore, in accordance with ASC 815-40, the Company reclassified the fair value of the warrant from equity to a liability at the date of issuance. Subsequent to the initial issuance date, the Company is required to adjust to fair value the warrant as an adjustment to current period operations.

The Company recorded a gain on change in fair value of warrant liability of $7,817 for the six months ended June 30, 2013.

At June 30, 2013, the fair value of the 425,000 warrants containing certain reset provisions were determined using the Binomial Option Pricing Model based on the following assumptions: (1) dividend yield of 0%, (2) expected volatility of 245.95%, (3) weighted average risk-free interest rate of 0.1.41%, (4) expected life of 4.76 years, and (5) estimated fair value of the Company's common stock of $0.036 per share.

NOTE 10 - NOTES PAYABLE

On April 3, 2012, the Company issued a unsecured promissory note payable for $150,000 due April 3, 2013 with a stated interest rate of 20% per annum, with fixed interest of $30,000 due upon maturity. In connection with the issuance of the above described promissory note, the Company issued 1,000,000 of its common stock. During the six months ended June 30, 2013, the Company repaid an aggregate of $93,420 of the unsecured promissory note.

The Company recorded a debt discount of $25,100 based on the fair value of the Company's common stock at the issuance date of the promissory note. The discount is amortized ratably over the term on the notes.

On January 22, 2013, the Company issued a unsecured promissory note payable for $200,000 due January 1, 2018, 2013 with a stated interest rate of 12% per annum beginning three months from issuance; payable monthly. Principal payments are due starting February 1, 2015 at $6,650 per month. The lender has an option to convert the note to licensing rights for the State of Oregon.

In connection with the issuance of the above described promissory note, the Company is obligated to issue 750,000 of its common stock.

The Company recorded a debt discount of $11,250 based on the fair value of the Company's common stock at the issuance date of the promissory note. The discount is amortized ratably over the term on the notes.

On May 9, 2013, the Company issued a unsecured promissory note for $75,000, due Ju ly 8, 2013 at 0.0% interest.

In connection with the issuance of the above described promissory note, the Company is obligated to issue 100,000 of its common stock.

The Company recorded a debt discount of $4,400 based on the fair value of the Company's common stock at the issuance date of the promissory note. The discount is charged to amortized ratably over the term on the notes.

NOTE 11 - NOTES PAYABLE-RELATED PARTY

As of June 30, 2013 and December 31, 2012, we have received an advance from Jorge Andrade, President, and Neil Muller, director as loans from related parties. The loans are payable on demand and without interest

NOTE 12 - STOCKHOLDERS' EQUITY

Common stock

The Company is authorized to issue 200,000,000 shares of common stock with par value $.001 per share. As of June 30, 2013 and December 31, 2012, the Company had 117,743,501 shares and 100,768,501 shares of common stock issued and outstanding.

In January 2013, the Company issued an aggregate of 14,500,000 shares of its common stock for services valued at $170,347, net of prior year accretion. The fair value of the common stock issued is amortized to operations over the underlying contractual period.

In February 2013, the Company issued 100,000 shares of its common stock in settlement of a past services previously accrued at December 31, 2012.

In April 2013, the Company issued an aggregate of 1,275,000 shares of its common stock in connection with an issued convertible debenture.

In June 2013, the Company issued 100,000 shares of its common stock in settlement of interest relating to an issued notes payable.

In June 2013, the Company issued 1,000,000 shares of its common stock in payment of legal fees incurred valued at $45,000.

NOTE 13 - STOCK OPTIONS AND WARRANTS

Options

On December 13, 2012, the Company ratified, confirmed and approved the granting of 2012 stock options in aggregate of 9,000,000 to Jorge Andrade, Neil Muller and Lourdes Felix, officers and directors of the Company under the Company's 2012 Stock Option Plan. The issued options are exercisable immediately at $0.015 per share for five years.

The following table summarizes the changes in options outstanding and the related prices for the shares of the Company's common stock issued to employees of the Company under the 2012 Stock Option Plan:

Options Outstanding			Options Exercisable		
Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$ 0.015	9,000,000	4.49	$ 0.015	9,000,000	$ 0.015

Transactions involving stock options issued to employees are summarized as follows:

	Number of Shares	Weighted Average Exercise Price Per Share
Outstanding at January 1, 2012	-	$ -
Granted	9,000,000	0.015
Exercised	-	-
Cancelled or expired	-	-
Outstanding at December 31, 2012	9,000,000	$ 0.015
Granted	-	-
Exercised	-	-
Expired	-	-
Outstanding at June 30, 2013	9,000,000	$ 0.015

Warrants:

The following table summarizes the changes in warrants outstanding and the related prices for the shares of the Company's common stock:

Warrants Outstanding			Options Exercisable		
Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$ 1.00	425,000	4.76	$ 1.00	425,000	$ 1.00

Transactions involving warrants are summarized as follows:

	Number of Shares	Weighted Average Exercise Price Per Share
Outstanding at January 1, 2012	-	$ -
Issued	-	-
Exercised	-	-
Cancelled or expired	-	-
Outstanding at December 31, 2012	-	$ -
Issued	425,000	1.00
Exercised	-	-
Expired	-	-
Outstanding at June 30, 2013	425,000	$ 1.00

As described in Note 8, above, the Company issued detachable warrants granting the holder the right to acquire an aggregate of 425,000 shares of the Company's common stock at an initial exercise price of $1.00 per share for five years. The warrant contains exercise price adjustments in the event the Company issues additional shares of its common stock or securities convertible into the Company's common stock at a price per share less than the exercise price in effect or without consideration, then the exercise price upon each issuance shall be adjusted to the price equal to the consideration per share paid for such additional shares of the Company's common stock.

NOTE 14 - RELATED PARTY TRANSACTIONS

The Company has a consulting agreement with Terranautical Global Investments ("TGI"). TGI is a company controlled by Jorge Andrade that provides consulting services to the Company. There is no formal agreement between the parties and is on a month to month basis. The remuneration ranges between $5,000 and $10,000 per month depending on the services provided. During the three and six months ended June 30, 2013, the Company incurred $50,000 and $96,667 as consulting fees. As of June 30, 2013, there was an unpaid balance of $145,032.

The Company has a consulting agreement with Premier Aftercare Recovery Service, ("PARS"). PARS is a Company controlled by Neil Muller that provides consulting services to the Company. There is no formal agreement between the parties and the amount of remuneration depends on the services provided and ranges between $5,000 and $10,000 per month. During the three and six months ended June 30, 2013, the Company incurred $50,000 and $96,667 as consulting fees and expense reimbursements. As of June 30, 2013, there was an unpaid balance of $141,307.

The Company has a consulting contract with Felix Financial Enterprises ("FFE"). FFE is a Company controlled by Lourdes Felix that provides consulting services to the Company. There is no formal agreement between the parties and the amount of remuneration depends on services provided. During the three and six months ended June 30, 2013 and 2012, $50,000 and $62,500 consulting fees were incurred, respectively. As of June 30, 2013, there was an unpaid balance of $50,000.

West Coast Health Consulting, Inc. is a company controlled by Neil Muller that previously provided consulting services to the Company. During the six months ended June 30, 2012, the Company paid $1,700 as consulting fees. As of June 30, 2013, there was an unpaid balance of $nil.

NOTE 15 - SUBSEQUENT EVENTS

Subsequent stock issuances

On July 15, 2013, the Company issued 125,000 shares of its common stock for services rendered.

Material Agreements

Fresh Start Private Midwest LLC License

The Board of Directors authorized the execution of a five year license agreement dated July 31, 2013 (the "License Agreement") with Fresh Start Private Midwest LLC, a Nebraska limited liability company ("Fresh Start Midwest"). The Company is involved in establishing alcohol rehabilitation and treatment center and has created certain alcohol therapeutic and rehabilitation programs (the "Counseling Programs") consisting of a Naltrexone implant that is placed under the skin in the lower abdomen coupled with life counseling sessions from specialized counselors (the "Naltrexone Implant"). The Company has an exclusive license with Trinity Rx pursuant to which Trinity Rx provides the Company with Naltrexone Implant.

In accordance with the terms and provisions of the License Agreement: (i) the Company shall grant to Fresh Start Midwest for the territory consisting of the State of Nebraska (the "Territory") an exclusive license to use and distribute the Counseling Programs and certain products, including the Naltrexone Implant, constituting the Fresh Start Private Alcohol Rehabilitation Program; and (ii) Fresh Start Midwest shall pay to the Company on a monthly basis as consideration for the grant of the license, the greater of: (a) $5,000 for each month of the term of the License Agreement; or (b) 20% of the revenue generated by Fresh Start Midwest or any entity (a third party seller) distributing the Naltrexone Implant or the Counseling Program during any month of the term of the License Agreement.

Fresh Start NoCal License and Distribution Agreement

The Board of Directors authorized the execution of a license and distribution agreement dated August 2, 2013 (the "Distribution and License Agreement") with Fresh Start NoCal LLC, a California limited liability company ("Fresh Start NoCal"). In accordance with the terms and provisions of the Distribution and License Agreement: (i) the Company shall grant to Fresh Start NoCal an exclusive license for the territory consisting of the forty-eight most northern counties of the state of California (the "Territory") to use and distribute the Counseling Programs and certain products, including the Naltrexone Implant; (ii) Fresh Start NoCal shall pay to the Company a one-time payment of $334,000 and a maximum of $1,000,000 (the "Up-Front License Fee"); and (iii) 40% of the gross revenues (the "Revenue Royalty Rate").

The Up-Front License Fee shall be adjusted as follows: (1) if $500,000 is paid as the Up-Front License Fee, the Revenue Royalty Rate shall be reduced to 30% and for every one dollar in excess of $500,000 but no more than $1,000,000 paid to the Company for the Up-Front License Fee, the Revenue Royalty Rate shall be reduced by 0.00004%.

In order to maintain the exclusivity of the license granted to Fresh Start NoCal, the total minimum Revenue Royalty Rate paid by Fresh Start NoCal to the Company on or before the second anniversary of the opening of any clinic in the Territory shall be greater than $80,000. Thereafter, the total minimum Revenue Royalty Rate paid by Fresh Start NoCal to the Company for each calendar year commencing on the second anniversary of the opening of any clinic in the Territory shall not be less than $80,000.

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

This Management's Discussion and Analysis of Financial Condition and Results of Operations includes a number of forward-looking statements that reflect Management's current views with respect to future events and financial performance. You can identify these statements by forward-looking words such as "may," "will," "expect," "anticipate," "believe," "estimate" and "continue," or similar words. Those statements include statements regarding the intent, belief or current expectations of us and members of our management team as well as the assumptions on which such statements are based. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risk and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements.

Readers are urged to carefully review and consider the various disclosures made by us in this report and in our other reports filed with the Securities and Exchange Commission. Important factors currently known to Management could cause actual results to differ materially from those in forward-looking statements. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in the future operating results over time. We believe that our assumptions are based upon reasonable data derived from and known about our business and operations. No assurances are made that actual results of operations or the results of our future activities will not differ materially from our assumptions. Factors that could cause differences include, but are not limited to, expected market demand for our products, fluctuations in pricing for materials, and competition.

Business Overview

Through our wholly owned subsidiary, we are an alcohol rehabilitation and treatment center headquartered in Santa Ana, California. We were established in January 2010 and currently operating in Santa Ana, California. Our alcohol rehabilitation program consists of a Naltrexone implant that is placed under the skin in the lower abdomen coupled with life counseling sessions from specialized counselors.

We operate within the *Specialty Hospitals, Expert Psychiatric* industry, specifically within the industry subsets of *Alcoholism Rehabilitation Hospital*. We offer a unique treatment program and, to date, we have experienced a high rate of success with very few of our patients starting to drink during the first year after the implant is inserted. The Fresh Start program gives the alcoholic a 12 month window of sobriety. Statistics are still being compiled for after the 12 month period, as the program has been in place barely over one year.

Results of Operations

The following table summarizes changes in selected operating indicators of the Company, illustrating the relationship of various income and expense items to net sales for the respective periods presented (components may not add or subtract to totals due to rounding):

Three months ended June 30,

	2013	2012
Revenue	$ 499,951	$ 179,209
Cost of Revenue	70,260	124,168
Gross Profit	429,691	55,041
Total Expenses	(348,751)	(433,010)
Gain On Settlement of Debt	800	-
Loss On Change In Derivative	(155,278)	-
Interest Expense	(81,398)	(60,568)
Net Loss	$ (154,936)	$ (438,537)

Three months ended June 30, 2013 Compared with Three months ended June 30, 2012

Revenue

Revenues for the three months ended June 30, 2013 were $499,951, compared with $179,209 for the three months ended June 30, 2012, reflecting an increase of 179%. The increase in revenues is primarily attributable increased business activities in the current period as compared to the same period, last year.

Cost of Revenue

Cost of revenue for the three months ended June 30, 2013 was $70,260 compared with $124,168 for the three months ended June 30, 2012, reflecting a decrease of 43%. The decrease in cost of revenue is directly related to the decrease in costs associated with revenue earned for this period. See explanation under Gross Profit.

Gross Profit

Gross profit percentage for the three months ended June 30, 2013 was 85.9% compared to 30.7% for the three months ended June 30, 2012. The gross profit percentage increase reflects the shift from cash paying customers that were given discounts to promote the Company to insured patients acquired having a higher patient fee while incurring the same medical and therapist costs.

Total Operating Expenses

Total expenses for the three months ended June 30, 2013 and 2012 were $348,751 and $433,010 reflecting a decrease of 19%. Specifically, comparing the three months ended June 30, 2013 to June 30, 2012, consulting fees decreased from $215,244 to $191,169, accounting fees increased from $9,345 to $31,687, advertising decreased from $43,393 to $10,350, and rent increased from $9,968 to $8,619. The deceases were due to the support of the activity executing our business plan.

Gain on settlement of Debt

During the three months ended June 30, 2013, we settled accounts payable in aggregate of $800 for $-0-, with a gain of settlement of debt of $800, as compared to nil the same period, last year.

Interest Expense

Interest expense for the three months ended June 30, 2013 and 2012 were $81,398 and $60,568, respectively, reflecting additional costs incurred from our 2012 and 2013 borrowings.

Loss on change in Fair Value of Derivative Liability

As of June 30, 2013, we had outstanding a convertible debenture and warrants with variable conversion provisions that had the possibility of exceeding our common shares authorized when considering the number of possible shares that may be issuable to satisfy settlement provision of this note. As such, we are required to determine the fair value of this derivative and mark to market each reporting period. For the three months ended June 30, 2013, we incurred a $155,278 loss on change in fair value of our derivative liabilities compared to nil the same period, last year.

Net loss

For the three months ended June 30, 2013, the Company experienced a loss of $154,936 compared with a net loss of $438,537 for the three months ended June 30, 2012.

Six months ended June 30,

	2013	2012
Revenue	$ 887,160	$ 440,092
Cost of Revenue	149,366	283,507
Gross Profit	737,794	156,585
Total Expenses	(601,530)	(547,384)
Gain On Settlement of Debt	17,800	-
Loss On Change In Derivative	(193,209)	-
Interest Expense	(170,435)	(66,579)
Net Loss	$ (209,580)	$ (457,378)

Six months ended June 30, 2013 Compared with Six months ended June 30, 2012

Revenue

Revenues for the six months ended June 30, 2013 were $887,160, compared with $440,092 for the six months ended June 30, 2012, reflecting an increase of 102%. The increase in revenues is primarily attributable increased business activities in the current period as compared to the same period, last year.

Cost of Revenue

Cost of revenue for the six months ended June 30, 2013 was $149,366 compared with $283,507 for the six months ended June 30, 2012, reflecting a decrease of 47%. The decrease in cost of revenue is directly related to the decrease in costs associated with revenue earned for this period. See explanation under Gross Profit.

Gross Profit

Gross profit percentage for the six months ended June 30, 2013 was 83.2% compared to 35.6% for the six months ended June 30, 2012. The gross profit percentage increase reflects the shift from cash paying customers that were given discounts to promote the Company to insured patients acquired having a higher patient fee while incurring the same medical and therapist costs.

Total Operating Expenses

Total expenses for the six months ended June 30, 2013 and 2012 were $601,530 and $547,384 reflecting a decrease of 10%. Specifically, comparing the six months ended June 30, 2013 to June 30, 2012, consulting fees increased from $216,944 to $323,120, accounting fees increased from $18,585 to $46,562, advertising decreased from $91,879 to $10,350, and rent increased from $21,116 to $21,553. The deceases were due to the support of the activity executing our business plan.

Gain on settlement of Debt

During the six months ended June 30, 2013, we settled accounts payable in aggregate of $21,800 for $4,000, with a gain of settlement of debt of $17,800, as compared to nil the same period, last year.

Interest Expense

Interest expense for the six months ended June 30, 2013 and 2012 were $170,435 and $66,579, respectively, reflecting additional costs incurred from our 2012 and 2013 borrowings.

Loss on change in Fair Value of Derivative Liability

As of June 30, 2013, we had outstanding a convertible debenture and warrants with variable conversion provisions that had the possibility of exceeding our common shares authorized when considering the number of possible shares that may be issuable to satisfy settlement provision of this note. As such, we are required to determine the fair value of this derivative and mark to market each reporting period. For the six months ended June 30, 2013, we incurred a $193,209 loss on change in fair value of our derivative liabilities compared to nil the same period, last year.

Net loss

For the six months ended June 30, 2013, the Company experienced a loss of $209,580 compared with a net loss of $457,378 for the six months ended June 30, 2012.

Liquidity and Capital Resources

As of June 30, 2013, we had cash and cash equivalents of approximately $54,705. The following table provides a summary of our net cash flows from operating, investing, and financing activities.

Six months ended June 30,

		2013		2012
Net cash used in operating activities	$	(111,683)	$	(615,388)
Net cash used in investing activities		(9,721)		(75,000)
Net cash provided by financing activities		170,107		853,622
Net increase in cash and cash equivalents		48,703		163,234
Cash and cash equivalents, beginning of period		6,002		1,657
Cash and cash equivalents, end of period	$	54,705	$	164,891

Currently we have no material commitments for capital expenditures as of the end of the period ending June 30, 2013. We historically sought and continue to seek financing from private sources to move our business plan forward. In order to satisfy the financial commitments, we had relied upon private party financing that has inherent risks in terms of availability and adequacy of funding.

For the next twelve months, we anticipate that our revenues will be adequate to provide the minimum operating cash requirements to continue as a going concern. In 2011, the company started accepting insurance payments for patient services. To accelerate cash flows, we have initially factored some receivables as collection from insurance can take extended periods of time. We believe that by factoring the receivables from the insurance companies that sufficient cash flows can be maintained while the Company grows its revenue base. New patients acquired through the advertising contract are expected to provide sufficient revenues to maintain the operations of the Company.

We may require additional capital investments or borrowed funds to meet cash flow projections and carry forward our business objectives. There can be no guarantee or assurance that we can raise adequate capital from outside sources. If we are unable to raise funds when required or on acceptable terms, we may have to significantly scale back, or discontinue, our operations.

Net cash flow from operating activities

Net Cash used in operating activities was $111,683 for the six months ended June 30, 2013 compared to $615,388 for the same period in 2012 due to the Company expanding operations and sales.

Net cash flow from investing activities

Net cash used in investing activities was by $9,721 for the six months ended June 30, 2013 compared to $75,000 for the same period in 2012 due to purchase of furniture and equipment and payment of long term deposit in 2013.

Net cash flow from financing activities

Net cash provided by financing activities was $170,107 for the six months ended June 30, 2013 compared to $853,622 for the same period in 2012. In 2013, we received proceeds of $314,980 from issuance of notes payable, net of repayments of $101,420 and repayments of related party notes payable of $43,453.

Going Concern

The Company's financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern. This contemplates the realization of assets and the liquidation of liabilities in the normal course of business. As of June 30, 2013 and December 31, 2012, the Company has a working capital deficit of $1,103,692 and $1,141,259, and an accumulated deficit of $1,808,171 and $1,598,591. The Company has increased revenues in the past through an advertising contract and feels it will be able to meet its obligation. If the current expansion is not sustained, we will be dependent upon the raising of additional capital through placement of our common stock in order to implement our business plan or by using outside financing. There can be no assurance that the Company will be successful in these situations in order to continue as a going concern. The Company is funding its operations through normal operating activities and additional debt issuances.

Off Balance Sheet Arrangements

We do not have any off balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, sales or expenses, results of operations, liquidity or capital expenditures, or capital resources that are material to an investment in our securities.

Critical Accounting Policies

Revenue Recognition

The Company generates revenue from services. Revenue is recognized in accordance with Accounting Standards Codification subtopic 605-10, Revenue Recognition ("ASC 605-10") which requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the services delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related revenue are recorded. The Company defers any revenue for which the services has not been performed or is subject to refund until such time that the Company and the customer jointly determine that the services has been performed or no refund will be required.

Use of Estimates

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

Derivative Financial Instruments

Accounting Standards Codification subtopic 815-40, Derivatives and Hedging, Contracts in Entity's own Equity ("ASC 815-40") became effective for the Company on October 1, 2009. The Company's convertible debt has variable conversion rates to the exercise price, which prohibit the Company from determining the number of shares needed to settle the conversion of the debt.

Stock Based Compensation

Share-based compensation issued to employees is measured at the grant date, based on the fair value of the award, and is recognized as an expense over the requisite service period. The Company measures the fair value of the share-based compensation issued to non-employees using the stock price observed in the arms-length private placement transaction nearest the measurement date (for stock transactions) or the fair value of the award (for non-stock transactions), which were considered to be more reliably determinable measures of fair value than the value of the services being rendered. The measurement date is the earlier of (1) the date at which commitment for performance by the counterparty to earn the equity instruments is reached, or (2) the date at which the counterparty's performance is complete.

Recent Accounting Pronouncements

There were various updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to a have a material impact on the Company's consolidated financial position, results of operations or cash flows.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required under Regulation S-K for "smaller reporting companies."

ITEM 4 - CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on management's evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as a result of the material weaknesses described below, as of June 30, 2013, our disclosure controls and procedures are not designed at a reasonable assurance level and are ineffective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The material weaknesses, which relate to internal control over financial reporting, that were identified are:

a) We did not have sufficient personnel in our accounting and financial reporting functions. As a result we were not able to achieve adequate segregation of duties and were not able to provide for adequate reviewing of the financial statements. This control deficiency, which is pervasive in nature, results in a reasonable possibility that material misstatements of the financial statements will not be prevented or detected on a timely basis; and

b) We did not maintain sufficient personnel with an appropriate level of technical accounting knowledge, experience, and training in the application of U.S. GAAP commensurate with our complexity and our financial accounting and reporting requirements. This control deficiency is pervasive in nature. Further, there is a reasonable possibility that material misstatements of the financial statements including disclosures will not be prevented or detected on a timely basis as a result.

We are committed to improving our accounting and financial reporting functions. As part of this commitment, we appointed Lourdes Felix as our Chief Financial Officer to appropriately address non-routine or complex accounting matters. In addition, we have engaged an outside accounting consultant to provide additional knowledgeable personnel with technical accounting expertise to further support the current accounting personnel at the Company.

Management believes that hiring additional knowledgeable personnel with technical accounting expertise will remedy the following material weaknesses: (A) lack of sufficient personnel in our accounting and financial reporting functions to achieve adequate segregation of duties; and (B) insufficient personnel with an appropriate level of technical accounting knowledge, experience, and training in the application of U.S. GAAP commensurate with our complexity and our financial accounting and reporting requirements.

Management believes that the hiring of additional personnel who have the technical expertise and knowledge with the non-routine or technical issues we have encountered in the past will result in both proper recording of these transactions and a much more knowledgeable finance department as a whole. Due to the fact that our accounting staff consists of a Chief Financial Officer and a bookkeeper, additional personnel will also ensure the proper segregation of duties and provide more checks and balances within the department. Additional personnel will also provide the cross training needed to support us if personnel turnover issues within the department occur. We believe this will eliminate or greatly decrease any control and procedure issues we may encounter in the future.

We will continue to monitor and evaluate the effectiveness of our disclosure controls and procedures and our internal controls over financial reporting on an ongoing basis and are committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow.

(b) Changes in internal control over financial reporting.

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or 15d-15 under the Exchange Act that occurred during the quarter ended June 30, 2013 that have materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are currently not a party to any material legal proceedings or claims.

Item 1A. Risk Factors

Not required under Regulation S-K for “smaller reporting companies.”

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

On February 29, 2012 one Chief Executive Officer and member of the Board of Directors, Jorge Andrade Jr., filed for bankruptcy protection in the United States Bankruptcy Court for the Central District of California under Chapter 7 of the United State Bankruptcy Code, as amended, case no. 8:12-bk-12653-TA ("Chapter 7 Bankruptcy"). Under the Chapter 7 Bankruptcy, Dr. Andrade was seeking discharge of most of his debts. On June 18, 2012, the U.S. Bankruptcy court issued a Discharge of Debtor Order declaring that Dr. Andrade was granted a discharge under Section 727 of Title 11 of the U.S. Bankruptcy Code.

Item 6. Exhibits

31.01	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.02	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.01	Certifications of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
	Certifications of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101 INS	XBRL Instance Document*
101 SCH	XBRL Schema Document*
101 CAL	XBRL Calculation Linkbase Document*
101 LAB	XBRL Labels Linkbase Document*
101 PRE	XBRL Presentation Linkbase Document*
101 DEF	XBRL Definition Linkbase Document*

* The XBRL related information in Exhibit 101 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section and shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	FRESH START PRIVATE MANAGEMENT, INC.
Date: August 19, 2013	By: /s/ *Dr. Jorge Andrade* Dr. Jorge Andrade Chief Executive Officer, Secretary and Director
Date: August 19, 2013	By: /s/ *Lourdes Felix* Lourdes Felix Chief Financial Officer and Director

EXHIBIT 31.01

CERTIFICATION

I, Jorge Andrade, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Fresh Start Private Management, Inc..;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonable likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: August 19, 2013

/s/ JORGE ANDRADE

Jorge Andrade
Chief Executive Officer, Secretary, Director

EXHIBIT 31.02

CERTIFICATION

I, Lourdes Felix, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Fresh Start Private Management, Inc..;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonable likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: August 19, 2013

/s/ LOURDES FELIX

Lourdes Felix
Chief Financial Officer and Director

EXHIBIT 32.01

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jorge Andrade, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Fresh Start Private Management, Inc. on Form 10-Q for the quarter ended June 30, 2013 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Fresh Start Private Management, Inc.

Date: August 19, 2013

By: *Jorge Andrade*
Name: Jorge Andrade
Title: *Chief Executive Officer, Secretary and Director*

I, Lourdes Felix, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Fresh Start Private Management, Inc. on Form 10-Q for the quarter ended June 30, 2013 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Fresh Start Private Management, Inc.

Date: August 19, 2013

By: */s/ LOURDES FELIX*
Name: Lourdes Felix
Title: *Chief Financial Officer and Director*