

Wind Works Power Corp.
Form S-1/A
May 05, 2010

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

FORM S-1 A-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

WIND WORKS POWER CORP.
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of Incorporation)

3510
(Primary Industrial
Classification Code)

98-0409895
(I.R.S. Employer
Identification No.)

346 Waverley Street
Ottawa, Ontario Canada K2P 0W5

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Ingo Stuckmann
346 Waverley Street
Ottawa, Ontario Canada
K2P 0W5
(613)226-7883

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of all communications, including all communications sent to the agent for service, should be sent to:

Jeffrey G. Klein, P.A.
2600 North Military Trail
Suite 270
Boca Raton, Florida 33431
(561)997-9920

Approximate date of commencement of proposed sale to the public:
From time to time after the effective date of this registration statement.



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If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act Registration Statement number of the earlier effective registration statement for the same offering.

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

Large Accelerated Filer

Accelerated Filer

Non-accelerated Filer

Smaller Reporting Company

CALCULATION OF REGISTRATION FEE

Title of Each Class Of Securities To Be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share(2)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(2)
Common Stock	3,000,000	\$1.00	\$3,000,000	\$213.90

(1) The shares of our Common Stock being registered hereunder are being registered for resale by Kodiak Capital Group, LLC in accordance with the terms of an Investment Agreement being provided to the Company.. The number of shares of our Common Stock registered hereunder represents a good faith estimate by us of the number of shares of our Common Stock issuable upon delivery of a "Put" notice. Should the number of shares being registered in an insufficient number of shares to fully utilize the credit facility, we will not rely upon Rule 416, but will file a new registration statement to cover the resale of such additional shares should that become necessary.

In the event of a stock split, stock dividend, or similar transaction involving the common stock, the number of shares registered shall automatically be increased to cover the additional shares of common stock issuable pursuant to Rule 416 under the Securities Act.

(2) Based on Rule 457 under the Securities Act.

(3) This amount represents the maximum aggregate value of common stock which may be put to the selling stockholder by the registrant pursuant to the terms and conditions of an Investment Agreement between the selling stockholder and the registrant.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. The securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Information in this preliminary prospectus is not complete and may be changed. This preliminary prospectus is not an offer to sell these securities, and they are not soliciting an offer to buy these securities, in any jurisdiction where the offer or sale is not permitted.

**PRELIMINARY PROSPECTUS
DATED MAY 4, 2010**

WIND WORKS POWER CORP.

3,000,000 Shares of Common Stock

This prospectus relates to the resale of up to 3,000,000 shares of the common stock of Wind Works Power Corp., a Nevada corporation, by Kodiak Capital Group, LLC ("Kodiak" or the "Selling Stockholder"), a Delaware Corporation, and a selling stockholder pursuant to a "put right" under an investment agreement (the "Investment Agreement"), also referred to as an Equity Line of Credit, that we have entered into with Kodiak. The Investment Agreement permits us to "put" up to \$103 million in shares of our common stock to Kodiak. We are registering \$3 million of our common stock. We will have to either amend this registration statement or file a new registration statement if we intend to sell to Kodiak \$10 million of our common stock. We are not selling any shares of common stock in this offering. Therefore, we will not receive any proceeds from the sale of these shares by Kodiak. However, we will receive proceeds from the sale of securities pursuant to our exercise of this put right. We will bear all costs associated with this registration.

Kodiak has informed us that they do not have any agreement or understanding, directly or indirectly, with any person to distribute their common stock. We agree to pay the expenses of registering the foregoing shares of our Common Stock.

Pursuant to registration rights granted by us to Kodiak, we are obligated to register the shares acquired by Kodiak. The distribution of the shares by Kodiak is not subject to any underwriting agreement. We will receive none of the proceeds from the sale of shares by the selling stockholders. The selling stockholders identified in this prospectus will receive the proceeds from any sale of their shares.

Upon the effective date of this registration statement, Kodiak will commit to purchase up to \$3,000,000 worth of the Company's common stock over the course of thirty six (36) months (the "Line"). The Company will be entitled to put to Kodiak such number of shares of Common Stock as equals either (i) \$1,000,000 or (2) 200% of the average daily volume (U.S. market only) multiplied by the closing price on the date that Kodiak receives notice of the Company's request to draw down on the Line (the "Put Date").

The offering price of the securities relative to Kodiak will equal 95% of the volume average weighted price of the securities during the three consecutive trading days immediately after the Put Date. There will be no underwriters discounts or commissions,

Our common stock currently trades on the Over the Counter Bulletin Board ("OTCBB") under the symbol "WWPW.OB."

On May 4, 2010 the last reported sale price for our common stock on the OTCBB was \$0.65 per share.

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The securities offered in this prospectus involve a high degree of risk. You should purchase shares only if you can afford the entire loss of your investment. See "Risk Factors" beginning on page 8 of this prospectus to read about factors you should consider before buying shares of our common stock.

The information in this prospectus is not complete and may be changed. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. No one may sell these securities nor may offers to buy be accepted until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer, solicitation or sale is not permitted.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

None.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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You may only rely on the information contained in this prospectus or that we have referred you to. We have not authorized anyone to provide you with different information. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the common stock offered by this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any common stock in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus nor any sale made in connection with this prospectus shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus or that the information contained by reference to this prospectus is correct as of any time after its date.

About This Prospectus

Wind Works Power Corp. (“Wind Works”) has not authorized anyone to give any information or make any representation about the offering that differs from, or adds to, the information in this Prospectus or the documents that are publicly filed with the Securities and Exchange Commission (“SEC”). Therefore, if anyone does give you different or additional information, you should not rely on it. The delivery of this Prospectus does not mean that there have not been any changes in the condition of Wind Works since the date of this Prospectus. If you are in a jurisdiction where it is unlawful to offer to purchase or exercise the securities offered by this Prospectus, or if you are a person to whom it is unlawful to direct such activities, then the offer presented by this Prospectus does not extend to you. This Prospectus speaks only as of its date except where it indicates that another date applies. Documents that are incorporated by reference in this Prospectus speak only as of their date, except where they specify that other dates apply. The information in this Prospectus may not be complete and may be changed. The selling shareholders may not sell any securities until the registration statement filed with the SEC is effective. This Prospectus is not an offer to purchase these securities and it is not soliciting an offer to purchase these securities in any state or other jurisdiction where the purchase or exercise is not permitted.

This prospectus, together with the applicable prospectus supplements and amendments includes all material information relating to this offering. To the extent that any statement that we make in a prospectus supplement is inconsistent with statements made in this prospectus, the statements made in this prospectus will be deemed modified or superseded by those made in a prospectus supplement. You should read both this prospectus and any prospectus supplement together with additional information described under the heading “Where You Can Find More Information.”

Market data and certain industry forecasts used in this prospectus were obtained from market research, publicly available information and industry publications. We believe that these sources are generally reliable, but the accuracy and completeness of such information is not guaranteed. We have not independently verified this information, and we do not make any representation as to the accuracy of such information.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. You should read the entire prospectus carefully, including, the section entitled "Risk Factors" before deciding to invest in our common stock. Wind Works Power Corp. is referred to throughout this prospectus as "Wind Works," "we" or "us."

The Company

Wind Works is a Nevada corporation which was incorporated November 20, 2002 as Reese Corp. On August 9, 2006, we amended our certificate of incorporation and changed our name to AmMex Gold Mining Corp. On March 25, 2009 we further amended our certificate of incorporation and changed our name to Wind Works Power Corp. Since our inception we have been engaged in several different business fields. Our initial focus was to develop high speed wireless internet access to the public via public hot spots. This business venture was not successful and was terminated in early 2006. In June 2006, we changed our business focus to concentrate on precious metal exploration, primarily gold and silver. Neither of these business ventures was successful. In March 2009, we changed our name to Wind Works Power Corp. to reflect management's decision to investigate opportunities in wind power. Management believes that renewable energy supplies, such as wind power, will be in increasing demand over the next ten years.

Since adopting its new business plan, management has entered into several joint venture agreements.. We also acquired all of the issued and outstanding shares of common stock of Zero Emission People , LLC ("Zero Emission"). Zero Emission is a Delaware limited liability company. It was incorporated on May 1, 2008 by our current chief executive officer, Dr. Ingo Stuckmann. Zero Emission began its commercial operations in July 2008 when Zero Emission acquired an early stage wind farm project located near Bethany, Ontario. A second 10 MW wind farm was also acquired near Maxville, Ontario. Since then we have acquired equity interests in additional project companies that hold the assets for wind farms located in Ontario, Canada, Illinois and Montana. Wind Works has also entered into option agreements for project acquisitions in Belgium and Hungary.

THE OFFERING

Common Stock offered to Kodiak Capital	Up to 3,000,000 shares of our Common Stock
Common Stock to be outstanding after the offering	30,049,046*
Use of Proceeds	We will not receive any proceeds from the sale of the common stock hereunder. We will, however, receive proceeds from the sale of our common stock pursuant to the Investment Agreement. See "Use of Proceeds" for a complete description. Upon the effective date of this registration statement, Kodiak will commit to purchase up to \$3,000,000 worth of Company's common stock over the course of thirty-six months

Risk Factors	The purchase of our common stock involves a high degree of risk. You should carefully review and consider "Risk Factors" as set forth herein.
OTC Bulletin Board Trading Symbol	WWPW.OB

* Based on the current issued and outstanding number of shares of 27,049,046 as of April 8, 2010, and assuming issuance of all shares registered herewith, the number of shares offered herewith represents approximately 10% of the total issued and outstanding shares of common stock. The Company is also obligated to issue approximately a further 26 million shares of our common stock pursuant to the Company's acquisition of Zero Emission People.

This prospectus relates to the resale of up to 3,000,000 shares of our common stock by Kodiak. We have entered into an Investment Agreement with Kodiak. Pursuant to this Agreement, Kodiak will commit to purchase up to \$10,000,000 (the "Facility") of our Common Stock over the course of 36 months ("Facility Period"), after a registration statement has been declared effective by the SEC (the "Effective Date"). We are registering \$3million of our common stock. As a result, we will not be able to draw down on the entire dollar amount of the equity credit line without filing either an amendment to this registration statement or a new registration statement for additional shares of common stock and that registration statement would have to be declared effective prior to the issuance of any additional shares of stock. The amount that we shall be entitled to request from each of the purchase "Puts", shall be equal to either (1) \$1,000,000 or (2) 200% of the average daily volume (U.S market only) ("ADV") of our Common Stock for the three trading days prior to the "Put" notice, multiplied by the average of the 3 daily closing prices immediately preceding the Put Date. The Pricing Period shall be the five (5) consecutive trading days immediately after the Put Date. The Market Price shall be the lowest closing bid price of the Common Stock during the Pricing Period. The Purchase Price shall be set at 95% of the Market Price. The Put Date shall be the date that the Investor receives a Put Notice of draw down by us of a portion of the Facility. There are put restrictions applied on days between the Put Date and the Closing Date with respect to that Put. During this time, we shall not be entitled to deliver another Put Notice.

For the purpose of determining the number of shares of common stock to be offered by this prospectus, we have assumed that we will issue not more than 3,000,000 shares pursuant to the exercise of our put right under the Investment Agreement, although the number of shares that we will actually issue pursuant to that put right may vary depending on the trading price of our common stock. We currently do not intend to exercise the put right in a manner which would result in our issuance of more than 3,000,000 shares, but if we were to exercise the put right in that manner, we would be required to file a subsequent registration statement with the Securities and Exchange Commission ("SEC") and that registration statement would have to be declared effective prior to the issuance of any additional shares.

The Investment Agreement with Kodiak provides that following notice to Kodiak, we may put to Kodiak up to \$10,000,000 in shares of our common stock for a purchase price equal to 95 percent of the lowest closing “best bid” price (the highest posted bid price) of the common stock during the five consecutive trading days immediately following the date of our notice to Kodiak of our election to put shares pursuant to the Investment Agreement. The dollar value that we will be permitted to put pursuant to the Investment Agreement will be either:

200 percent of the average daily volume (U.S. market only) of our common stock for the three Trading Days prior to the applicable Put Notice Date, multiplied by the average of the three daily closing prices immediately preceding the Put Date; or

\$1,000,000.

Notwithstanding the foregoing, we are registering \$3 million of our securities and as a result, we will not be able to put to Kodiak the entire amount of our credit facility.

To the extent that the disparity between the offering price and market price of the Common Stock is material, such disparity was determined by the Company to be fair in consideration of Kodiak establishing a line of credit to facilitate the Company’s ongoing operations.

Kodiak has indicated that it will resell those shares in the open market, resell our shares to other investors through negotiated transactions, or hold our shares in its portfolio. This prospectus covers the resale of our stock by Kodiak either in the open market or to other investors through negotiated transactions. The obligations of Kodiak under the Investment Agreement are not transferable and this registration statement does not cover sales of our common stock by transferees of Kodiak.

Kodiak will only purchase shares when we meet the following conditions:

A registration statement shall have been declared effective and shall remain effective and available for the resale of all the registrable securities (as defined in the Registration Rights Agreement to be executed in connection with the Investment Agreement) at all times until the Closing with respect to the subject Put Notice;

At all times during the period beginning on the related Put Notice Date and ending on and including the related Closing Date, our common stock shall have been listed on the Principal Market and shall not have been suspended from trading thereon for a period of two consecutive Trading Days during the Open Period and we shall not have been notified of any pending or threatened proceeding or other action to suspend the trading of our common stock;

We have complied with our obligations and are otherwise not in breach of or in default under, the Investment Agreement, the Registration Rights Agreement or any other agreement executed in connection therewith which has not been cured prior to delivery of Kodiak' Put Notice Date;

No injunction shall have been issued and remain in force, or action commenced by a governmental authority which has not been stayed or abandoned, prohibiting the purchase or the issuance of the Securities; and

The issuance of the Securities will not violate any shareholder approval requirements of the Principal Market.

The representations and warranties of the Company shall be true and correct as of the date when made and as of the applicable Closing Date as though made at that time and the Company shall have performed, satisfied and complied with the covenants, agreements and conditions required by the Equity Credit Line.

If any of the events described above occurs during a Pricing Period, then Kodiak shall have no obligation to purchase the Put Amount of our common stock set forth in the applicable Put Notice.

The Investment Agreement will terminate when any of the following events occur:

When Kodiak has purchased an aggregate of \$10,000,000 of our common stock pursuant to the Investment Agreement; or,

On the date which is 36 months after the Effective Date of the Investment Agreement; or,

Upon written notice of Wind Works to Kodiak.

Any and all shares, or penalties, if any, due under the Investment Agreement shall be immediately payable and due upon termination of the agreement.

As we draw down on the Equity Line of Credit, shares of our common stock will be sold into the market by Kodiak. The sale of these additional shares could cause our stock price to decline. In turn, if the stock price declines and we issue more puts, more shares will come into the market, which could cause a further drop in the stock price. You should be aware that there is an inverse relationship between the market price of our common stock and the number of shares to be issued under the Equity Line of Credit. If our stock price declines, we will be required to issue a greater number of shares under the Equity Line of Credit. We have no obligation to utilize the full amount available under the Equity Line of Credit.

In addition to the shares to be issued pursuant to the Equity Line of Credit, we have agreed to pay to Kodiak a Commitment Fee equal to 2.5% of the Facility Amount, whereby the total Commitment Fee of \$250,000 is payable half on the first draw-down and the balance on the earlier of the second draw-down or six months from execution of the Term Sheet (December 19, 2009). We have issued Kodiak 75,000 shares of our restricted common stock. Said shares are not covered by the registration statement with respect to this prospectus and paid Kodiak \$10,000 in addition to the commitment fee.

RISK FACTORS

This investment has a high degree of risk. Before you invest you should carefully consider the risks and uncertainties described below and the other information in this prospectus. The risks and uncertainties described below are not the only ones facing the Company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of the following risks actually occur, our business, operating results and financial condition could be harmed and the value of our stock could go down. This means you could lose all or a part of your investment.

RISKS ASSOCIATED WITH THE COMPANY'S PROSPECTIVE BUSINESS AND OPERATIONS

It is unlikely that we will be able to sustain profitability in the future.

We have incurred significant losses to date and there can be no assurance that we will be able to reverse this trend. We have a working capital deficit. In addition, we expect to increase our infrastructure and operating expenses to fund our anticipated growth. As a result, we do not expect to generate profits in 2010 or thereafter and may not be able to support our operations or otherwise establish a return on invested capital. We cannot assure you that any of our business strategies will be successful or that significant revenues or profitability will ever be achieved or, if they are achieved, that they can be consistently sustained or increased on a quarterly or annual basis.

We expect our operating losses to continue.

We expect to incur increased operating expenses during fiscal year 2010 and 2011. The amount of net losses and the time required for us to reach and sustain profitability is uncertain. The likelihood of our success must be considered in light of the problems, expenses, difficulties, and delays frequently encountered in connection with a new business, including, but not limited to, uncertainty as to development and acquisitions and the time required for the Company's planned production to become available in the marketplace. There can be no assurance that we will ever generate increased product revenue or achieve profitability at all or on any substantial basis.

Risks and uncertainties can impact our growth.

There are several risks and uncertainties, including those relating to our ability to raise money and grow our business and potential difficulties in integrating new acquisitions. These risks and uncertainties can materially affect the results predicted. Other risks include the Company's limited operating history in wind energy, the limited financial resources, domestic or global economic conditions, activities of competitors and the presence of new or additional competition, and changes in federal, provincial or state laws and conditions of equity markets.

Our future operating results over both the short and long term will be subject to annual and quarterly fluctuations due to several factors, some of which are outside of our control. of the Company. These factors include but are not limited to fluctuating market demand for our services, and general economic conditions.

Failure to close acquisition opportunity.

We will need to identify, locate, or address replacing current potential acquisitions or strategic alliances with new prospects or initiate other existing available projects that may have been planned for later stages of growth and the Company may therefore not be ready to activate. This process can place a strain on the Company. New acquisitions, business opportunities, and alliances, take time for review, analysis, inspections and negotiations. The time taken in the review activities is an unknown factor, including the business structuring of the project and related specific due diligence factors.

We must submit a competitive bid with respect to the wind power contracts.

We have and will be continue to submit applications or bids for wind power contracts to various utilities. If we secure the contracts and have not accurately calculated the return on investment or the costs to generate the wind energy, we will not maximize the value of the power contracts. If potential buyers of our wind parks do not believe that the power contracts are not economically viable or represent minimum profitability, we will not be able to sell these wind farms or if we sell these wind parks, we will not be able to generate the revenues we expect.

Our acquisitions were not negotiated at arm's length.

The acquisition of Zero Emission and other projects in which we have an interest were not transactions negotiated at arm's length. While we believe that the consideration paid for the acquisitions or investment opportunities, is equivalent to the consideration that would be paid to a third party, there can be no assurance that in fact we paid fair market value for the acquisitions. We did not retain an independent analyst to determine the value of any of these acquisitions.

Our Independent Registered Public Accounting Firm has issued a going concern opinion.

Due to our operating losses and deficits, our independent registered public accounting firm in their financial statements have raised substantial doubts about our ability to continue as a going concern. If we are not able to continue as a going concern, our operations will terminate and any investment in the Company will likely become worthless.

We will need to raise additional capital.

The commercial exploitation of wind power technology will require additional capital. The development of the wind farm projects will require significant capital infusion. There is no commitment in place to secure this additional financing. Any equity financing may be dilutive to shareholders, and debt financing, if available, would increase expenses and may involve restrictive covenants. The Company will be required to raise additional capital, at times and in amounts, which are uncertain, especially under the current capital market conditions. Under these circumstances, if the Company is unable to acquire additional capital or is required to raise it on terms that are less satisfactory than desired, it may have a material adverse effect on its financial condition and you will lose your investment.

Our executive officers, board of directors and key employees are crucial to our business, and we may not be able to recruit, integrate and retain the personnel we need to succeed.

Our success depends upon a number of key management, sales, technical and other critical personnel, including our executive officers, our board of directors and key employees with expertise in the industry. The loss of the services of any key personnel, or our inability to attract, integrate and retain highly skilled technical, management, sales and marketing personnel could result in significant disruption to our operations, including our inability or limited success in locating new sites, effectiveness of sales efforts, quality of customer service, and completion of our initiatives, including growth plans and the results of our operations. Any failure by us to find suitable replacements for our key senior management may be disruptive to our operations. Competition for such personnel in the technology industries is intense, and we may be unable to attract, integrate and retain such personnel successfully.

Any revenues from the sale or lease of our wind farms will be subject to fluctuating market prices for energy and capacity.

Any revenues that can be generated by wind farms depend on market prices of energy in competitive energy markets. Market prices for both energy and capacity are volatile and depend on numerous factors outside our control including economic conditions, population growth, electrical load growth, government and regulatory policy, weather, the availability of alternate generation and transmission facilities, balance of supply and demand, seasonality, transmission and transportation constraints and the price of natural gas and alternative fuels or energy sources. These factors will impact the value of our wind farms.

We may fail to establish and maintain strategic relationships.

We believe that the establishment of strategic partnerships will greatly benefit the growth of our business, and we intend to seek out and enter into strategic alliances. We may not be able to enter into these strategic partnerships on commercially reasonable terms, or at all. Even if we enter into strategic alliances, our partners may not attract significant numbers of customers or otherwise prove advantageous to our business. Our inability to enter into new distribution relationships or strategic alliances could have a material and adverse effect on our business.

There are a small number of wind turbine manufacturers, and increased demand may lead to difficulty in obtaining wind turbines and related components at affordable prices or in a timely manner.

There are only a small number of companies that have the expertise and access to the necessary components to build multi-megawatt class wind turbines. The rapid growth in the aggregate worldwide wind energy industry has created significantly increased demand for wind turbines and their related components that is currently not being adequately satisfied by suppliers. Wind turbine suppliers have had significant supply backlogs in the past, which tend to drive up prices and delay the delivery of ordered wind turbines and components. If this continues, our wind farms will become less attractive.

The federal government may not extend or may decrease tax incentives for renewable energy, including wind energy, which would have an adverse impact on our development strategy.

Tax incentives offered by the United States and other governments make wind energy an attractive business opportunity. If these incentives are eliminated or reduced, our wind farms will be less attractive to prospective purchasers.

Currently, federal tax incentives applicable to the wind energy industry currently in effect include the production tax credit ("PTC") and business energy investment tax credit ("ITC") together with accelerated tax depreciation for certain assets of wind farms. The PTC provides the owner of a wind turbine placed in operation before the end of 2012 with a ten-year credit against its federal income tax obligations based on the amount of electricity generated by the wind turbine. The ITC provides a 30% credit in the form of a tax credit for property placed in service before the end of year 2012, or, alternatively, a 30% cash grant from the U.S. Treasury Department if an application is submitted by October 2011. The accelerated depreciation for certain assets of wind farms provides for a five-year depreciable life for these assets, rather than the 15 to 25 year depreciable lives of many non-renewable energy assets, with an additional 50% bonus depreciation allowed for wind energy assets placed in service by the end of 2009.

The PTC and ITC are scheduled to expire on December 31, 2012, and, unless extended or renewed by the U.S. Congress, will not be available for energy generated from wind turbines placed in service after that date. We cannot assure you that current or any subsequent efforts to extend or renew this tax incentive will be successful or that any subsequent extension or renewal will be on terms that are as favorable as those that currently exist. In addition, there can be no assurance that any subsequent extension or renewal of the PTC and/or ITC would be enacted prior to its expiration or, if allowed to expire, that any extension or renewal enacted thereafter would be enacted with retroactive effect. We also cannot assure you that the tax laws providing for accelerated depreciation of wind farm assets will not be modified, amended or repealed in the future. If the federal PTC or ITC are not extended or renewed, or are extended or renewed at lower rates, financing options for wind farms will be reduced and development plans for additional wind farms will be adversely affected.

The effect of probable governmental regulation on the business domestically and in foreign countries may adversely affect our operations.

As we expand our efforts to develop our business, we will have to remain attentive to relevant federal and state regulations. We intend to comply fully with all laws and regulations, and the constraints of federal, state and provincial restrictions could impact the success of our efforts.

Our new business operations and services may become established in multiple states and foreign countries. These jurisdictions may claim that we are required to qualify to do business as a foreign corporation in each such state and foreign country. New legislation or the application of laws and regulations from jurisdictions in this area could have a detrimental effect upon our business. We cannot predict the impact, if any, that future regulatory changes or developments may have on our business, financial condition, or results of operation.

At this time no regulatory or additional regulatory approvals are necessary and, to the best knowledge of the officers, we have complied with all laws, rules and regulations.

Insufficient transmission capacity might prevent our Ontario projects from realization.

A majority of our projects are located in Ontario, Canada. We have applied for 15 Feed-In-Tariff contracts(FIT contracts) to the Ontario Power Authority. On April 8, 2010, we have been notified that we are being awarded a total of seven FIT contracts. Even though we have been awarded a FIT contract, there may not be sufficient transmission capabilities to connect the project. In the alternative, if we move forward with the project, we will incur significant costs in improving transmission capacity and by devoting these resources to this project, our other projects and business plan may be adversely affected. The remainder of our project applications, a total of 8 projects, have been placed into the Economic Testing Round as a result of limited connection capacity at the point of interconnection proposed in the application to the Ontario Power Authority.

The performance of wind farms is dependent upon meteorological and atmospheric conditions that fluctuate over time.

Identifying suitable locations for our wind farms is critical. The production of electricity generated by wind farms will be highly dependent on meteorological and atmospheric conditions.

Site selection requires the evaluation of the quality of the wind resources based upon a variety of factors. The wind data gathered on site and data collected through other sources form the basis of wind resource projections for a wind farm's performance. Wind resource projections do not predict the wind at any specific period of time in the future. Therefore, even in the event where prediction of a wind farm's wind resources becomes validated over time, the wind farm will experience hours, days, months and even years that are below wind resource predictions. Wind resource projections may not predict the actual wind resources observed by the wind farm over a long period of time. Assumptions included in wind resource projections, such as the interference between turbines, effects of vegetation and land use, and terrain effects may not be accurate. Wind resources average monthly and average time of day long