Aftermarket Enterprises, Inc.
Form 10-Q
July 26, 2011

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

FORM 10-Q

x QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2011

o TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from __________ to __________

Commission File Number 333-141676

Aftermarket Enterprises, Inc.
(Exact name of registrant as specified in its charter)

Nevada	20-5354797
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

933 S. 4th Street, Unit A, Grover Beach, CA 93433
(Address of principal executive offices) (Zip Code)

(805) 457-6999
(Registrant's telephone number, including area code)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act Yes x No o

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o Registrant is not yet part of the interactive data system.

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

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

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

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked prices of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: The shares trade very sporadically or infrequently. When the shares trade it is usually only one order that is traded with low volume. As such we were attempting to provide additional disclosure to potential investors as to the lack of liquidity and the potential for swings in prices. Although the shares do not trade frequently, there is a bid and ask price listed by the market makers.

As of July 21, 2010, the Registrant had 3,076,996 shares of common stock issued and outstanding. The aggregate market value of common equity held by non-affiliates, as of the last business day of the registrant's most recently completed second fiscal quarter was 27,016.32

Part I - FINANCIAL INFORMATION

Item 1. Financial Statements

Aftermarket Enterprises, Inc.
FINANCIAL STATEMENTS
(UNAUDITED)
June 30, 2011

The financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. However, in the opinion of management, all adjustments (which include only normal recurring accruals) necessary to present fairly the financial position and results of operations for the periods presented have been made. These financial statements should be read in conjunction with the accompanying notes, and with the historical financial information of the Company.

AFTERMARKET ENTERPRISES, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited)

	June 30, 2011	December 31, 2010
ASSETS		
Current Assets		
Cash	3,154	3,502
Accounts Receivable	-	2,659
Total Current Assets	3,154	6,161
TOTAL ASSETS	3,154	6,161
LIABILITIES		
Current Liabilities		
Accounts Payable	7,356	3,674
Accrued Liabilities	2,459	2,459
Loan Payable, Related Party	11,500	13,000
Sales tax payable	1,565	1,379
Total Current Liabilities	22,880	20,512
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred Stock: ($0.001 par value, 10,000,000 shares authorized; no shares issued and outstanding)		
Common Stock: ($0.001 par value, 90,000,000 shares authorized; 3,076,996 issued and outstanding)	3,078	3,078
Additional Paid-in Capital	196,553	196,553
Accumulated Deficit	(219,355)	(213,981)
Total Stockholder's Equity (Deficit)	(19,726)	(14,351)
Total Liabilities and Stockholders' Equity (Deficit)	3,154	6,161

The accompanying notes are an integral part of these financial statements.

AFTERMARKET ENTERPRISES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Quarters and Years Ended June 30, 2011 and 2010
(UNAUDITED)

	Three Months Ended		Six Months Ended	
	06/30/11	06/30/10	06/30/11	06/30/10
Revenues				
Sales (net of returns)	17,563	26,660	30,463	56,927
Cost of Goods Sold	(11,954)	(18,056)	(19,691)	(37,001)
Gross Profit	5,609	8,604	10,772	19,926
Expenses				
Credit Card Discount	755	1,198	1,709	2,413
Other General & Administrative	5,479	7,214	14,437	19,842
	6,234	8,412	16,146	22,255
Gain/(Loss) from Operations	(624)	192	(5,375)	(2,329)
Other income/expense:	-	-	-	-
Provision for State Taxes	-	-	-	-
Net Profit/(Loss)	(624)	192	(5,375)	(2,329)
Net income/(loss) per common share	(0.00)	0.00	(0.00)	(0.00)
Weighted average number of common shares outstanding	3,076,996	2,776,996	3,076,996	2,776,996

The accompanying notes are an integral part of these financial statements.

AFTERMARKET ENTERPRISES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	6 months ended 6/30/11	6 months ended 6/30/10
Operating Activities		
Net Income/(loss)	$(5,375)	$(2,329)
Items reconciling net loss to cash provided (used by) operating activities:		
(Increase) decrease in other current assets	2,659	-
Increase (decrease) in accounts payable	3,682	1,377
Increase (decrease) in accrued liabilities	-	(487)
Increase (decrease) in sales tax payable	186	1088
Increase (decrease) in deferred revenue	-	(225)
Cash provided by (used in) operating activities	1,152	(576)
Investing Activities		
None	-	-
Cash used in investing activities	-	-
Financing Activities		
Payment of loan(s) payable – related party	(1,500)	-
Cash provided by financing activities	(1,500)	-
Increase (decrease) in cash position	(348)	(576)
Cash position at beginning of period	3,502	6,771
Cash position at end of period	3,154	6,195

The accompanying notes are an integral part of these financial statements

Aftermarket Enterprises, Inc.
Notes to Consolidated Financial Statements
June 30, 2011

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Aftermarket Enterprises, Inc. (the Company) is presented to assist in understanding the Company's financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the accompanying consolidated financial statements.

Business Activity
Aftermarket Enterprises, Inc. (the Company) is a Nevada corporation organized on August 4, 2006 to market and sell aftermarket automotive products through the Internet. On May 12, 2004, Everything SUV, LLC was organized to sell aftermarket automotive products for SUV's through the Internet. On July 24, 2006, all rights, titles and interests to any and all memberships and ownership interests in Everything SUV, LLC were transferred to Aftermarket Express, Inc. The Company acquired all the outstanding shares of common stock of Aftermarket Express, Inc. on September 1, 2006 in a business combination. The Company has elected a fiscal year end of December 31st. All intercompany balances have been eliminated on consolidation.

Cash and Cash Equivalents
The Company considers all highly-liquid instruments with a maturity of three months or less to be cash equivalents. The Company had $3,154 in cash and cash equivalents at June 30, 2011.

Use of Estimates in the preparation of the financial statements
The preparation of the Company's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. In Management's opinion all adjustments necessary for a fair statement of the results for the interim periods have been made, and all adjustments are of a normal recurring nature. Actual results could differ from those estimates.

Revenue Recognition
The Company recognizes revenue from product sales when the following four revenue recognition criteria are met: persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the selling price is fixed or determinable, and collectability is reasonably assured. Product sales and shipping revenues are recorded when the products are shipped and title passes to customers. The customer's credit card is authorized at the time the order is placed, thereby providing reasonable assurance of collectability. The credit card is then charged for the amount of the sale when the product is shipped from the supplier. Our suppliers notify us via email when orders have been shipped and, with rare exceptions, all orders for merchandise that is in stock are shipped within 48 hours of the time of the order. Delivery to the customer is deemed to have occurred when the product is shipped from the supplier.

Return/Refund Policy
Customers may return/exchange their merchandise within 30 days of the sale unless the item is embroidered or otherwise customized, in which case all sales are final. Return shipping charges are the responsibility of the customer unless an error has been made on our part. The return of certain items may incur a restocking fee. If so, the customer is made aware at the time of the sale. Refunds for returned merchandise are processed promptly upon confirmation of receipt of the returned merchandise in like-new condition, less any applicable restocking and/or shipping charges. Our revenues and costs of goods sold are reported without making an allowance for returned merchandise due to the fact

that our return rate is less than one half of one percent of gross revenue.

Advertising

The Company expenses advertising costs as incurred. There were no advertising costs incurred during the fiscal quarter ending June 30, 2011.

Shipping and Handling Costs

Shipping and handling costs are included in cost of sales.

Aftermarket Enterprises, Inc.
Notes to Consolidated Financial Statements, Continued
June 30, 2011

Earnings per share
The Company follows ASC Topic 260 to account for the earnings per share. Basic earning per common share ("EPS") calculations are determined by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted earning per common share calculations are
determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding. During periods when common stock equivalents, if any, are anti-dilutive they are not considered in the computation.

NOTECOMMITMENTS
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None.

NOTERELATED PARTY TRANSACTIONS
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As of June 30, 2011, the Company had received loans totaling $13,000 from the Company's President, Adam Anthony. These loans are non-interest bearing and are due upon demand. $1,500 has been paid against these loans to date, leaving an outstanding balance due of $11,500 as of June 30, 2011.

On September 28, 2010, the Company issued 300,000 shares of stock to its CEO/President, Adam Anthony as a management bonus for services rendered during Q3, 2010. The Board has not made any determinations as to future stock issuances for management services.

NOTEWEBSITE
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We receive all of our revenues through our website. Once the order is received from the website, the customer's credit card is authorized for the total cost of the sale, including shipping and handling. Upon successful authorization of the credit card, the order is sent to the appropriate supplier via email. Upon confirmation that the order has been shipped by the supplier, the customer's credit card is charged for the full value of the sale. If the item is not available for immediate shipment, electronic communication is sent to the customer informing them of any delays.

The value of our website has been fully ammortized over time. The ammortization schedule is as follows:

Year	Initial Value	Accumulated Ammortization	
	$35,610		
2006		$ 3,957	
2007		11,872	
2008		11,872	
2009		7,911	
12/31/09	$35,610	$ 35,612	*

*the discrepancy between initial value and Accumulated Ammortization is attributable to rounding done for reporting purposes only.

Aftermarket Enterprises, Inc.
Notes to Consolidated Financial Statements, Continued
June 30, 2011

NOTEINCOME TAXES
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The Company follows FASB ASB 740-10, "Income Taxes" for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change.

Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods. Deferred taxes are classified as current or non-current, depending on the classification of assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or non-current depending on the periods in which the temporary differences are expected to reverse.

	June 30, 2011	June 30, 2010
Loss	$(5,375)	$(2,329)
Deferred Tax Asset (30%)	$1,613	$699
Impairment of Deferred Tax Asset	$(1,613)	$(699)
Net Deferred Tax Asset	$0	$0

NOTEGOING CONCERN
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The Company's financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management's plans to obtain such resources for the Company include (1) obtaining capital from management and significant shareholders sufficient to meet its minimal operating expenses, and (2) seeking out and completing a merger with an existing operating company. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTESTOCKHOLDERS EQUITY
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We have 100,000,000 shares of stock authorized for issuance, consisting of 10,000,000 preferred and 90,000,000 common.

Currently there are no shares of preferred stock issued or outstanding.

As of December 31, 2006, there were 1,100,000 shares of common stock issued and outstanding.

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Aftermarket Enterprises, Inc.
Notes to Consolidated Financial Statements, Continued
June 30, 2011

During the fiscal year 2007, 492,452 shares of common stock were issued in connection with the conversion of outstanding promissory notes into common stock.

During the fiscal year 2008, we issued 1,054,544 shares of common stock for cash of $126,485 and 130,000 shares for consulting services valued at $3,900.

On September 28, 2010, we issued 300,000 shares of common stock as a management bonus valued at $9,000.

As of December 31, 2010, and June 30, 2011, there were 3,076,996 shares of common stock issued and outstanding.

NOTERECENT ACCOUNTING PRONOUNCEMENTS
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Recently Issued Accounting Pronouncements

The Company has evaluated all recent accounting pronouncements through the issuance of these financial statements and does not expect that the adoption of any of these changes will have a material impact on the Company's financial position, or statements.

NOTESUBSEQUENT EVENTS
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The Company has evaluated subsequent events from the date the Financial Statements were issued through July 21, 2011 and has determined that there are no items to disclose.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Special Note Regarding Forward-Looking Statements

This periodic report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the Plan of Operations provided below, including information regarding the Company's financial condition, results of operations, business strategies, operating efficiencies or synergies, competitive positions, growth opportunities, and the plans and objectives of management. The statements made as part of the Plan of Operations that are not historical facts are hereby identified as "forward-looking statements."

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the unaudited Financial Statements and accompanying notes. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from these estimates under different assumptions or conditions. The Company believes there have been no significant changes during the three month periods ended June 30, 2011, to the items disclosed as significant accounting policies since the Company's last audited financial statements for the year ended December 31, 2010.

The Company's accounting policies are more fully described in Note 1 of the consolidated financial statements. As discussed in Note 1, the preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions about the future events that affect the amounts reported in the consolidated financial statements and the accompanying notes. The Company believes that the following addresses the Company's most critical accounting policies.

We recognize revenue in accordance with Securities and Exchange Commission Staff Accounting Bulletin No. 104, "Revenue Recognition" ("SAB 104"). Under SAB 104, revenue is recognized at the point of passage to the customer of title and risk of loss, when there is persuasive evidence of an arrangement, the sales price is determinable, and collection of the resulting receivable is reasonably assured. We recognize revenue as services are provided. Revenues are reflected net of coupon discounts.

We account for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS No. 109). Under SFAS No. 109, deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets will be reflected on the balance sheet when it is determined that it is more likely than not that the asset will be realized. A valuation allowance has currently been recorded to reduce our deferred tax asset to $0.

Overview

Although we have reduced our expenses to better reflect anticipated revenue, we are in need of additional capital to grow the Company and expand into new product lines. At this time, we are dependent on the continued financial support of our officer and director to fund any short falls. As market conditions improve, we would like to expand into offering additional automobile products and drop ship items in the automobile area. "Drop ship" items are products which we sell through our website, but which are shipped directly to the customer from the manufacturer. Upon receipt the order, we send a purchase order to the manufacturer and the manufacturer "drop ships" the product to the customer. 100% of the products we sell are "drop ship" items. Currently, we continue to find that consumers are reluctant to spend disposable income on automobile accessories and as such, our suppliers have reduced their product offering, further hampering our ability to offer product. We are hopeful as the economy continues to improve that suppliers will expand their product offering and consumers will start to spend more of their disposable income. Until conditions improve, we will continue to operate at a loss or break even. Additionally, our ability to expand and generate additional revenue sources will be hampered.

Plan of Operations

We have an established web store presence and supplier relationships in the aftermarket SUV accessories marketplace. This presence was obtained through the purchase of the website and related business of Aftermarket Express, Inc. Currently, our product line focuses on the SUV marketplace.

We offer a wide variety of SUV accessories through our online store are adding products to offering and focusing promotional efforts on products that are commonly purchased and readily available, such as floor mats, cargoliners and roof racks. In addition, we are seeking out vendors that are manufacturing accessories for newer model years and attempting to establish relationships with them. If we are unable to source manufacturers that are making accessories for current model year vehicles, and if current vendors don't continue to add items to their product offering for current model years, we will be unable to provide shoppers with products and our revenues will suffer. We believe that by focusing on products offered by vendors who are keeping up with current model years and by adding new vendors in areas where old vendors are not keeping up with current model years, our product offering will remain relevant and in demand and we can stabilize revenue. We hope by focusing on specific product offerings and establishing promotions for them, we can increase revenue in the future. In addition, we are currently establishing "upsell" product offerings in our online store in hopes that we can increase the revenue potential of each customer. The term "upsell" refers to an effort to increase the value of each order. "Upsell" products are items that are offered to the consumer after they have chosen an item for purchase, but before they have completed their order. For example, if a customer is ordering a roof rack, they would be offered a cargo net as an "upsell" product in an effort to increase the value of to the Company of that particular order.

Results of Operations

We generated a net loss of $624 during the three months ended June 30, 2011, compared to a net profit of $192 for the three months ended June 30, 2010. For the six months ended June 30, 2011, we had a net loss of $5,375 compared to a net loss for the six months ended June 30, 2010, of $2,329. We had sales of $17,563 for the three months ended June 30, 2011 compared to sales of $26,660 for the three months ended June 30, 2010. For the six months ended June 30, 2011, we had sales of $30,463 compared to sales for the six months ended June 30, 2010, of $56,927. Our decreased revenue are attributable primarily to a decrease in availability of accessories for many of the current model year vehicles which resulted in the cancelation of some orders during the period and a falloff of website traffic in general. Our losses for the quarter were primarily attributable to legal and professional fees associated with our year end audit for the fiscal year 2010. We expect our legal and professional fees, which include our audit and accounting fees, will continue for the foreseeable future and we expect them to remain at current levels.

Revenues were generated through our web site purchased in September 2006. We did not engage in any additional marketing or advertising as we focused on revising our web site and marketing plan. We anticipate sales to continue to be lower than last year, although we are taking steps to increase our website traffic and sales.

Since we are not a manufacturer of the products we sell and we buy from suppliers, our cost of goods sold is somewhat out of our hands and we have limited markup capabilities if we want to stay price competitive. On all products we carry, we perform a market analysis of the product and competing product prices both online and in available stores. This analysis can generally be performed online without much difficulty. Once a price point for a product is determined, we try and set the price at a competitive level, often matching competitor's prices or slightly reducing our price over a competitor if possible. Since we typically have no inventory carrying cost, we generally can be competitive on price point. Generally, our prices reflect a gross margin of an average of 25% to 35%. If a product is widely available at a price that forces us to sell it for less than a gross profit of 30%, we will still offer the product for sale but only if there is minimal customer service activity associated with the sale. As with most retail and online stores, we have to minimize all other expenses in order to have a chance to make a profit.

Liquidity and Capital Resources

As of June 30, 2011, we had working capital deficit of $19,726.   It is possible that we will need to raise additional capital to cover ongoing losses until we are able to increase our sales. We have reduced expenses to the lowest possible level and believe that we will be able to cover or nearly cover costs for the next quarter. However, even with reducing expenses, we still face severe challenges and may need additional capital if sales cannot be maintained or grown at a level that allows us to pay for all expenses of operation as they occur.

Our primary source of liquidity in the past has been cash provided by debt instruments and operating activities. If our efforts to increase sales are not successful, and if the reduction to expenses do not result in profits from current sales levels, or if current sales levels unexpectedly drop, we will have to obtain additional financing. Presently, we do not feel bank financing is feasible and believe we would have to rely on loans from existing stockholders and management or further equity offerings. At this time there are no commitments from any parties to provide further financing.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements as of June 30, 2011.

Forward-looking Statements

The Private Securities Litigation Reform Act of 1995 (the "Act") provides a safe harbor for forward-looking statements made by or on behalf of our Company. Our Company and our representatives may from time to time make written or oral statements that are "forward-looking," including statements contained in this Quarterly Report and other filings with the Securities and Exchange Commission and in reports to our Company's stockholders. Management believes that all statements that express expectations and projections with respect to future matters, as well as from developments beyond our Company's control including changes in global economic conditions are forward-looking statements within the meaning of the Act. These statements are made on the basis of management's views and assumptions, as of the time the statements are made, regarding future events and business performance. There can be no assurance, however, that management's expectations will necessarily come to pass. Factors that may affect forward-looking statements include a wide range of factors that could materially affect future developments and performance, including the following:

Changes in Company-wide strategies, which may result in changes in the types or mix of businesses in which our Company is involved or chooses to invest; changes in U.S., global or regional economic conditions, changes in U.S. and global financial and equity markets, including significant interest rate fluctuations, which may impede our Company's access to, or increase the cost of, external financing for our operations and investments; increased competitive pressures, both domestically and internationally, legal and regulatory developments, such as regulatory actions affecting environmental activities, the imposition by foreign countries of trade restrictions and changes in international tax laws or currency controls; adverse weather conditions or natural disasters, such as hurricanes and earthquakes, labor disputes, which may lead to increased costs or disruption of operations.

This list of factors that may affect future performance and the accuracy of forward-looking statements is illustrative, but by no means exhaustive. Accordingly, all forward-looking statements should be evaluated with the understanding of their inherent uncertainty.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

NA-Smaller Reporting Company

Item 4T. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our President and CFO, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our President and CFO concluded that our disclosure controls and procedures as of the end of the period covered by this report were effective such that the information required to be disclosed by us in reports filed under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our President and CFO, as appropriate to allow timely decisions regarding disclosure. A controls system cannot provide absolute assurance, however, that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Management's Report on Internal Control over Financial Reporting

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

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving their control objectives.

Our management, with the participation of the President and CFO, evaluated the effectiveness of our internal control over financial reporting as of June 30, 2011. Based on this evaluation, our management, with the participation of the President and CFO, concluded that, as of June 30, 2011, our internal control over financial reporting was effective. As we grow our business we will be actively looking at how to segregate our duties to provide better controls.

Changes in internal control over financial reporting

There have been no changes in internal control over financial reporting that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. Legal Proceedings

None

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

Recent Sales of Unregistered Securities

We have not sold any restricted securities during the three months ended June 30, 2011.

Use of Proceeds of Registered Securities

On April 15, 2008, the SEC declared our registration statement effective, file no. 333-141676. On August 11, 2008, we closed our offering under the registration statement having sold 1,054,545 shares of our common stock for gross proceeds of $126,545. Cost of the offering was $60 leaving net proceeds of $126,485. No commissions were paid to anyone. No officer or director received any of the proceeds of the offering. We used the proceeds of the offering to repay $21,995 in indebtedness and $51,632 of accounts payable. The balance of the proceeds were used to purchase equipment and software and for marketing.

Purchases of Equity Securities by Us and Affiliated Purchasers

During the three months ended June 30, 2011, we have not purchased any equity securities nor have any officers or directors of the Company.

ITEM 3. Defaults Upon Senior Securities

We are not aware of any defaults upon senior securities.

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ITEM 4. Removed and Reserved

ITEM 5. Other Information.

None

ITEM 6. Exhibits

(a) Exhibits.*

The following exhibits are filed herewith or are incorporated by reference to exhibits previously filed.

Exhibit #	Title of Document	Location
3 (i)	Articles of Incorporation	Incorporated by reference**
3 (ii)	Bylaws	Incorporated by reference**
4	Specimen Stock Certificate	Incorporated by reference**
21	Subsidiaries of Registrant	This filing
31	Rule 13a-14(a)/15d-14a (a) Certification – CEO & CFO	This filing
32	Section 1350 Certification – CEO & CFO	This filing

*XBRL Interactive Data File will be filed by amendment to this Form 10-Q within 30 days of the filing date of this Form 10-Q, as permitted by Rule 405(a)(2)(ii) of Regulation S-T.

**Incorporated by reference from the original filing of Aftermarket Enterprises, Inc.'s registration statement on Form SB-2, file number 333-141676, filed on March 30, 2007.

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.

Aftermarket Enterprises, Inc.
(Registrant)

Date: July 21, 2010

By: /s/ Adam Anthony
Adam Anthony, CEO, Principal Accounting Officer, CFO and Sole Director

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