

**Annual Report
For Fiscal Year Ending December 31, 2011**

Quasar[®]



Part A General Company Information

Item 1 The exact name of the issuer and its predecessor (if any).

Quasar Aerospace Industries, Inc.
Quasar International Holdings, Inc. until December 10, 2010
Quasar Aerospace Industries, Inc. until August 3, 2010
Equus Resources, Inc. until March 31, 2009
Forst Hunter International Trade Corp. until June 15, 2004

Item 2 The address of the issuer's principal executive offices.

9300 Normandy Blvd., Suite 502
Jacksonville, FL 32221
(904) 378-3259 Phone
(904) 378-3259 Fax
www.quasaraerospaceindustries.com

Item 3 The jurisdiction(s) and date of the issuer's incorporation or organization.

The Company was organized under the corporate laws of the State of Colorado on February 2, 2004.

Part B Share Structure and Issuance History

Item 4 The exact title and class of securities outstanding.

The Cusip number is 74773P 203

Trading Symbol – QASP.PK

Classes – Common and Preferred Classes A, B and C

Item 5 Par or Stated Value and Description of the security.

A. Par or Stated Value for each class of outstanding securities.

Par Value of Common Shares: \$0.00001

Par Value of Preferred Shares: \$0.01

B. Common or Preferred Stock

1. For common equity, describe any dividend, voting and preemption rights.

Each holder of common stock shall be entitled to one vote for each share of common stock standing in such holder's name, except as otherwise required by law or as determined for a particular series of common stock by resolution of the Board of Directors of the corporation.

2. For preferred stock, describe the dividend, voting, conversion and liquidation rights as well as redemption or sinking fund provisions.

The description of each series of preferred stock shall be set forth in resolutions adopted by the Board of Directors.

The number of authorized shares constituting the series of shares of Series A preferred stock of the corporation with \$0.01 value per share (the "Series A Preferred Shares") shall be 1,000,000.

Prior to conversion, each Series A Preferred Share shall automatically be granted the right to vote the number of shares of

common stock of the corporation equal to the result of: (i) the number of shares of Common Shares of the corporation issued and outstanding at the time of such vote multiplied by 6; divided by (ii) the total number of Series A Preferred Shares issued and outstanding at the time of such vote (the "Voting Ratio") at any time at the option of the holders of the issued and outstanding Series A Preferred Shares. [Voting Ratio Formula: # of Common Shares issued and outstanding x 6 ÷ # of Series A Preferred Shares issued and outstanding = Voting Rights per each Series A Preferred Share (i.e., 1,710,000,000 x 6 ÷ 995,930 = 10,302 Voting Rights per each Series A Preferred Share)].

Each Series A Preferred Share shall automatically be converted into the number of shares of common stock of the corporation equal to the result of: (i) the number of shares of common stock of the corporation (the "Common Shares") issued and outstanding at the time of such conversion multiplied by 6; divided by (ii) the total number of Series A Preferred Shares issued and outstanding at the time of such vote (the "Conversion Ratio") at any time at the option of the holders of a majority of the issued and outstanding Series A Preferred Shares. [Conversion Ratio Formula: # of Common Shares issued and outstanding x 6 ÷ # of Series A Preferred Shares issued and outstanding = Conversion Ratio per each Series A Preferred Share (i.e., 1,710,000,000 x 6 ÷ 995,930 = 10,302 Conversion Ratio per each Series A Preferred Share)].

Upon conversion, each Series B Preferred Share shall automatically be granted the right to one vote for each share converted to common stock of the Company.

Series C Preferred Shares have no voting right.

3. Describe any other material rights of stockholders.

None

4. Describe any provision in issuer's charter or by-laws that would delay, defer or prevent a change in control of the issuer.

None

Item 6 The number of shares or total amount of the securities outstanding for each class of securities authorized.

Provide information for each class of securities authorized. Provide the information (i) as of the end of the issuer's most recent fiscal quarter and (ii) as of the end of the issuer's last two fiscal years.

For Quarter Ending December 31, 2011

	<u># of Shares Authorized</u>	<u># of Shares Outstanding</u>	<u>Public Float</u>	<u>Total # of Shareholders</u>	<u>Total # of Beneficial Shareholders</u>
Common Stock	3,000,000,000	1,709,786,263	1,514,284,850	308	Unknown
Preferred Stock	50,000,000	930 Class A 129,508 Class B ¹	0	3 Class A 12 Class B	2

For Fiscal Year Ending December 31, 2010

	<u># of Shares Authorized</u>	<u># of Shares Outstanding</u>	<u>Public Float</u>	<u>Total # of Shareholders</u>	<u>Total # of Beneficial Shareholders</u>
Common Stock	1,500,000,000	1,499,786,263	1,454,284,850	308	1
Preferred Stock	50,000,000	930 Class A 129,508 Class B	0	2 Class A 12 Class B	2

For Fiscal Year Ending December 31, 2009

	<u># of Shares Authorized</u>	<u># of Shares Outstanding</u>	<u>Public Float</u>	<u>Total # of Shareholders</u>	<u>Total # of Beneficial Shareholders</u>
Common Stock	750,000,000	939,835,028	636,604,496	556	0

¹ Pursuant to the Certificate of Designation of the Preferences and Rights of Series B Convertible Preferred Stock provides for an Adjustment for Certain Events that upon the happening of a Common Stock Event, the Number of Conversion Shares shall, simultaneously with the happening of such Common Stock Event, be adjusted so that the Number of Conversion Shares for each share of Series B Stock outstanding equals the number of shares of Common Stock that the holder of a share of Series B Stock would have held immediately following the Common Stock Event had such holder converted such share of Series B Stock into Common Stock immediately prior to the Common Stock Event. The Number of Conversion Shares for each share of Series B Stock shall be readjusted in the same manner upon the happening of each subsequent Common Stock Event. Therefore, upon conversion of any Series B Stock it shall be readjusted to conform with the 1000:1 reverse stock split which became effective on February 1, 2012.

Preferred Stock	50,000,000	1,000 Class A 129,508 Class B	0	2 Class A 12 Class B	2
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Part C Business Information

Item 7 The name and address of the transfer agent.

Computershare Trust Company, Inc.
350 Indiana St.
Golden, CO 80401
Tel: (303) 262-0600
www.computershare.com

Computershare Trust Company is registered under the Exchange Act and the regulatory authority of the transfer agent is the SEC.

Item 8 The nature of the issuer's business.

A. Business Development

Quasar Aerospace Industries, Inc. (QAI) is an integrated aviation/aerospace corporation which has been created to pursue an innovative and highly synergistic business strategy. This strategy will be achieved through a process by which several businesses in the aviation/aerospace industry will be combined into an integrated and self-supporting network which will have the ability to operate in a more complex strategic environment and to achieve greater success than would have been possible if they were operating purely alone. Within this context QAI will not acquire and operate these business units according to the master corporate plan. Rather, the goal will be for these entities to retain their operational independence and unique corporate cultures. In this fashion, the resources, talents, insight, experience, and market potential of each will be supported and enhanced in a cooperative process which will lead to increased productivity, efficiency, and scalable economies resulting in increased profitability and market relevance.

1. the form of organization of the issuer

Corporation

2. the year that the issuer was organized

2004 as Forst Hunter International Trade Corp.

3. the issuer's fiscal year end date

December 31

4. whether the issuer has been in bankruptcy, receivership or any similar proceeding

None

5. any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets

On March 18, 2009, Equus Resources, Inc. finalized a merger with Quasar Aerospace Industries, Inc. (Delaware).

On August 4, 2009, the Board of Directors authorized a repurchase program upon completion of funding of previously announced acquisitions. The Company will repurchase up to ten percent (10%) of their issued and outstanding shares at the sole discretion of the Company. There is no fixed termination date for the repurchase program and the program can be expanded up to twenty percent (20%) at the discretion of the management committee.

On September 26, 2011, the Company completed the acquisition of A-Cent Aviation, Inc. located in Colorado Springs, Colorado.

6. any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments

Quasar Aircraft Corporation (QAC) defaulted on a note secured by the planes and simulator. QAC has repurchased the planes and simulator and completed this payment agreement.

7. change of control

On March 18, 2009, Equus Resources, Inc. finalized a merger which changed the control of the company to Quasar Aerospace Industries, Inc. (Delaware) its principals and assigns.

8. Any increase of 10% or more of the same class of outstanding equity securities

In January 2011, pursuant to shareholders resolution, the Company increased the authorized Common Stocks of the Company from 1.5 billion to 3 billion.

9. any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization

Equus Resources, Inc. finalized a merger with Quasar Aerospace Industries, Inc.(Delaware) in March 2009.

On September 26, 2011, the Company finalized the acquisition of A-Cent Aviation, Inc. located in Colorado Springs, Colorado.

In 2011, the Company's shareholders and Board of Directors adopted resolutions approving and adopting a 1000:1 reverse stock split of the outstanding shares of the Company. The 1000:1 reverse stock split became effective February 1, 2012.

10. any delisting of the issuer's securities by any securities exchange or deletion from the OTC Bulletin Board

None

11. any legal proceedings that could have a material effect on the issuer's business

Quasar Aerospace Industries, Inc., v. Jeffrey DiGenova and NHS Health Solutions, Inc.

The Company is currently in litigation in the Fourth Judicial Circuit Court, Duval County, Florida against a former CEO, Jeffrey DiGenova who claims that he was not properly removed. The Company does not believe it is or would be of material effect unless the Court orders a different direction for the Company. At which time, the Company cannot determine the material effect it could have on business.

The Company amended its original Complaint to add NHS Health Solutions, Inc. as a Defendant and to include tortuous interference with a contract and business relationship against Jeffrey DiGenova and NHS Health Solutions, Inc.

Jeffrey DiGenova was appointed as CEO and Director of Quasar by majority vote of the shareholders on September 22, 2010. On January 27, 2011, Jeffrey DiGenova was removed as an Officer and Director of Quasar and its subsidiaries by majority vote of the shareholders.

Jeffrey DiGenova alleged he was not properly removed and continued to act as an Officer and Director of Quasar. Subsequent to his removal, Mr. DiGenova attempted to merge Quasar with another company without the approval of Quasar or its Board of Directors.

On March 8, 2011, Quasar filed a Complaint in the Circuit Court, Fourth Judicial Circuit, In and For Duval County, Florida against Mr. Jeffrey DiGenova, a former CEO and Director of Quasar seeking an injunction.

On April 21, 2011, the Court restricted Quasar or its subsidiaries from entering into any acquisition, merger, selling any assets or incurring any major debt without the approval of Jeffrey DiGenova or Court order.

On May 19, 2011, the Court entered an order allowing Quasar to sell stock with Joseph Canouse acting on behalf of Quasar.

On June 20, 2011, the Court entered an order that provided a temporary injunction against Jeffrey DiGenova and permitted the current Officers and Directors to continue to conduct business.

On September 12, 2011, the Court ordered that Atlantic Aviation, Inc., a wholly owned subsidiary of Quasar, be allowed to acquire a FAA Part 141 Flight School. The Court also granted the motion to withdraw as counsel filed by Jeffrey DiGenova's attorney. Jeffrey DiGenova filed a Motion for Summary Judgment.

On November 30, 2011, the Court issued an Order clarifying the officers and directors of the Company and permitted said officers and directors to conduct all corporation actions. The Court clarified that Dean Bradley is not an officer or director of the Company. In addition, the Court granted the Company's Motion to Amend its Complaint to add NHS Health Solutions, Inc. as a Defendant and to include tortious interference with a contract and business relationship against Jeffrey DiGenova and NHS Health Solutions, Inc.

On December 14, 2011, the Court denied Jeffrey DiGenova's Motion for Summary Judgment.

On December 21, 2011, the Court entered an Order requiring a shareholder's meeting to be solely funded in advance by a former CEO, Dean Bradley and provided court directive to Jeffrey DiGenova and Dean Bradley to comply with prior to the initiation

of said shareholder's meeting. To date Jeffrey DiGenova or Dean Bradley have failed to comply with said Order.

The case remains active.

Collection Actions

The Company is actively pursuing collection of outstanding debts, and attempting to recover certain assets displaced by the prior management. The Company has retained legal counsel to aid with this process.

The Company is also pursuing collection of the controlling shares of NHS Health Solutions, Inc., which management believes is the rightful property of the Company.

B. Business of Issuer

Quasar Aerospace Industries, Inc. (QAI) is an integrated aviation organization focused on providing flight training instructional services to individuals seeking a private pilot license. The Company also controls an aircraft repair business which provides aircraft repair, maintenance, and inspection services to the private sector. Through the acquisition of A-Cent Aviation, noted previously, the Company attained access to the military veterans market segment which it previously did not compete in. This opportunity now allows the Company to train discharged veterans and receive payment through the veteran benefit programs.

1. the issuer's primary and secondary SIC codes
3721 - Aircraft
2. If the issuer has never conducted operations, is in the Development stage, or is currently conducting operations
Currently conducting operations
3. Whether the issuer is or has at any time been a "shell company"
No
4. Names of any parent, subsidiary, or affiliate of the issuer and its business purpose, method of operations, its ownership, and whether it is included in the financial statements attached to this disclosure statement

Quasar Aerospace Industries, Inc. (QAI) is a Colorado Corporation and will operate as a management company for all business units developed and acquired now and in the future.

Atlantic Aviation, Inc. (AAI) – This Company is a wholly-owned subsidiary of QAI which operates a flight school at Herlong Airport in Jacksonville, Florida, and plans to develop and operate flight schools nationwide and train aviation professionals around the country. AAI personnel are highly qualified and experienced and stand by its training program. AAI currently holds a 95% graduation rate and offers a “check ride guarantee” for its aviation students.

Quasar Aircraft Corporation (QAC) – The Company owns and maintains aircraft which are rented to AAI.

Corporate Air Repair, LLC (CAR) – This Company is a partially owned affiliate of QAC. QAC owns 5/9 of this Company which operates an aircraft maintenance and repair facility located at Herlong Airport in Jacksonville, Florida. CAR is the only maintenance facility located at the airfield and specializes in Cessna and Piper aircraft.

A-Cent Aviation, Inc. (ACA) operates an FAA Part 141 flight school at Colorado Springs Municipal Airport in Colorado Springs, CO and a satellite location will be opened in Jacksonville, FL. ACA is a wholly owned subsidiary of QAI. ACA also operates a Computer Assisted Test Center (CATS) which provides testing for flight students and other vocational trades. ACA is also a Certified Cessna Pilot Center (CPC). This CPC designation is highly sought after and recognizes ACA as a leader in flight training in the nation.

5. Effect of existing or probable government regulation on the business

Atlantic Aviation, Inc. (AAI) and A-Cent Aviation, Inc. (ACA) are subject to the rules of the Federal Aviation Administration. The flight schools must operate under the rules and guidelines set by the FAA to maintain its qualification.

6. Estimate of the amount spent during each of the last two fiscal years on research and development activities, and the extent to which the cost of such activities are borne directly by customers

Not Applicable

7. Costs and effects of compliance with environmental laws (federal, state and local)

Not Applicable

8. Number of total employees and number of full-time employees

There are 4 total employees, 4 are full-time employees.

Item 9 The nature of products or services offered.

- A. principal products or services, and their markets

Atlantic Aviation, Inc. (AAI) operates a flight school at Herlong Airport in Jacksonville, FL. Quasar Aircraft Corporation (QAC) oversees the management of current and future aircraft and is a registered aircraft dealer. Corporate Air Repair, LLC (CAR) provides aircraft maintenance and rebuilds aircraft for resale. A-Cent Aviation, Inc. (ACA) operates an FAA Part 141 flight school at Colorado Spring Municipal Airport in Colorado Springs, CO and a satellite location will be opened in Jacksonville, FL.

- B. distribution methods of the products or services

Not Applicable

- C. status of any publicly announced new product or service

In 2011, Quasar Aerospace Industries, Inc. through its wholly owned subsidiary Atlantic Aviation, Inc. acquired A-Cent Aviation, Inc. (ACA) which is a FAA Part 141 flight school. ACA operates at Colorado Spring Municipal Airport in Colorado Springs, CO and a satellite location will be opened in Jacksonville, FL. ACA also operates a Computer Assisted Test Center (CATS) which provides testing for flight students and other vocational trades. ACA was select as a Certified Cessna Pilot Center (CPC). This CPC designation is highly sought after and recognizes ACA as a leader in flight training in the nation.

In 2011, AAI and ACA began a new marketing program which includes Groupon, Living Social, the Mint and other internet promo sites. The flight schools attend career day events for marketing to the public.

In 2011, ACA partnered with Mountain State University for aviation degrees, training, student loans and financial aid. This partnership will continue going forward. ACA is also working closely with a public institution of higher learning to create and form an exclusive aviation education and training partnership. Upon finalization of this partnership expansion would be in the new future.

In 2010, Quasar Aircraft Corporation (QAC) acquired 5/9 ownership of Corporate Air Repair, LLC (CAR).

In 2010, Atlantic Aviation, Inc. (AAI) introduced and made available the following new products and services:

Business Travel Training Program, allows you to grow your business while you learn to fly. The program is easy, convenient and cost effective. You set the schedule, you select the destinations, you determine the trip length: 1 day, overnight, extended stay.

High Flying Birthday Celebration, the 3 hour event that includes: Barbeque, aircraft flight, plane exploration, photo certificate, aircraft cake, flight simulator event and an aviation themed party bag.

Air Safari, enjoy exciting overnight get-away packages while you learn to fly; Key West, Charleston riverfront, Biloxi casinos, Ashville Mountains. You will be flying with one of our FAA Certified Flight Instructors. The tours depart from our facility at Herlong airport and arrive at the destination around 17:00. The tours arrive back in Jacksonville the following day around 16:00.

Atlantic Aviation, Inc. (AAI) operates a flight school at Herlong Airport in Jacksonville, FL. The training takes approximately six months and costs students \$66,000. Once the initial school is operational, the goal is to market this "School Concept" as a turn-key franchise opportunity to aviation professionals around the country. AAI has signed a letter of intent with a group from India to train foreign flight students and has submitted an application to the U.S. Secretary of State for approval for this operation. When the program begins, the company will add five students per month until they are fully operational with 35 students in training at all times at varying stages of training and a full capacity. At full capacity the one school could generate approximately four million dollars in revenue with margins ranging from 38-45%. In September 2009, AAI completed the installation of a state of the art flight simulator. This major addition

will greatly enhance the flight training operations and facilitate the expansion of the Company's flight training business. In addition, AAI acquired two twin engine trainers to add to the flight school training aircraft.

- D. competitive business conditions, the issuer's competitive position in the industry, and methods of competition

Quasar's unique business model has set itself apart from the competition by offering a myriad of products and services through its subsidiaries.

- E. sources of availability of raw materials and names of principal suppliers

Not applicable - Quasar operations occur in an open market and only purchases finished products.

- F. dependence on one or a few major customers

None

- G. patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration

None

- H. need for any government approval or principal products or services and the status of any requested government approvals

The State Department must approve foreign students prior to admission in flight school.

Item 10 The nature and extent of the issuer's facilities

Describe the assets, properties, or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

If the issuer leases any assets, properties, or facilities, clearly describe them as above and the terms of their leases.

The Company leases offices, hangar space and aircraft tie downs from the Jacksonville Aviation Authority (JAA) and Falcon Aircraft, LLC (FA).

Atlantic Aviation, Inc. (AAI), A-Cent Aviation, Inc. (ACA) and Quasar Aircraft Corp. (QAC) each lease large office spaces. Corporate Air Repair, LLC (CAR) lease hanger space. All of the leases are on a month to month basis. These offices and hangers are located at 9300 Normandy Blvd., Jacksonville, FL 32221. A-Cent Aviation, Inc. (ACA) leases five large office spaces. The FA lease is for one (1) year. These offices are located at 1945 Aviation Way, Colorado Springs, CO 80916.

Part D Management Structure and Financial Information

Item 11 The name of the chief executive officer, members of the board of directors, as well as control persons.

A. Officers and Directors

1. President / CEO and Director:

Joseph Canouse
1111 Alderman Drive
Suite 210
Alpharetta, GA 30005

Compensation by the issuer:

Undisclosed

Number and class of the issuer's securities beneficially owned by each such person:

Carpathia, LLC is controlled by Joseph Canouse which owns 106 Series A Preferred Shares.

2. Chief Operating Officer and Director:

Joshua Henderson
9300 Normandy Blvd.
Suite 501
Jacksonville, FL 32221

Compensation by the issuer:

Undisclosed

Number and class of the issuer's securities beneficially owned by each such person:

None

3. Corporate Secretary and Director:

Donnell J. Vigil
9300 Normandy Blvd.
Suite 502
Jacksonville, FL 32221

Compensation by the issuer:

Undisclosed

Number and class of the issuer's securities beneficially owned by each such person:

None

4. Director:

Scott Martin
1111 Alderman Drive
Suite 210
Alpharetta, GA 30005

Compensation by the issuer:

Undisclosed

Number and class of the issuer's securities beneficially owned by each such person:

Constantinne Financial Management, LLC is controlled by Scott Martin which owns 26 Series A Preferred Shares

5. Director:

William Cirno
9300 Normandy Blvd.
Suite 502
Jacksonville, FL 32221

Compensation by the issuer:

Undisclosed

Number and class of the issuer's securities beneficially owned by each such person:

None

6. Director:

James Ray
9300 Normandy Blvd.
Suite 502
Jacksonville, FL 32221

Compensation by the issuer:

Undisclosed

Number and class of the issuer's securities beneficially owned by each such person:

None

B. Legal/Disciplinary History

Have any of the foregoing persons, in the past 5 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding.

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities.

None

3. A finding or judgment which has not been reversed, suspended, or vacated.

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

None

C. Disclosure of Family Relationships

Describe any family relationships existing among and between officers, directors, and shareholders.

Scott Martin (Director) is the brother-in-law of Joseph Canouse (CEO/President and Director).

D. Disclosure of Related Party Transactions

Describe any transaction during the issuer's last two full fiscal years and the current fiscal year or any currently proposed transaction, involving the issuer, in which (i) the amount involved exceeds the lesser of \$120,000 or one percent of the average of the issuer's total assets at year-end for its last three fiscal years and (ii) any related person had or will have a direct or indirect material interest.

None

E. Disclosure of Conflicts of Interest

Describe any conflicts of interest. Describe the circumstances, parties involved and mitigating factors for any executive officer or director with competing professional or personal interests.

The Company is currently in litigation against a former CEO for tortious interference of a contract, business relation, and contention that he remains CEO of Quasar Aerospace Industries, Inc. (QAI). This person is the CEO of another publicly traded company. The former CEO merged one of QAI's large investment and acquisition targets into another public company. In the event that the former CEO is reinstated as the CEO of QAI by order of the Court, a conflict of interest may exist within the Company and may also prove to be competing professional and personal interests due to his position as CEO of the other publicly traded company.

On June 20, 2011, the Court entered an order that provided a temporary injunction against Jeffrey DiGenova.

Item 12 Financial information for the issuer's most recent fiscal period

- 1) Balance Sheet – Attached as Appendix A

- 2) Statement of Income – Attached as Appendix A
- 3) Statement of Cash Flows – Attached as Appendix A
- 4) Statement of changes in stockholders' equity – Attached as Appendix A
- 5) Financial Notes – Attached as Appendix B
- 6) Audit Letter, *if audited* – Not Applicable

Item 13 Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.

- 1) Balance Sheet – Attached as Appendix A
- 2) Statement of Income – Due to three management changes in the last year, the financials of this company are incomplete and may not be disclosed until Quasar Aerospace Industries can determine the multitude of inaccuracies of said financial information. Please refer to the Financial Notes, attached as Appendix B, for a thorough explanation as to the position of the Company in this process.
- 3) Statement of Cash Flows – Due to three management changes in the last year, the financials of this company are incomplete and may not be disclosed until Quasar Aerospace Industries can determine the multitude of inaccuracies of said financial information. Please refer to the Financial Notes, attached as Appendix B, for a thorough explanation as to the position of the Company in this process.
- 4) Statement of changes in stockholders' equity – Attached as Appendix A
- 5) Financial Notes – Attached as Appendix B
- 6) Audit Letter, *if audited* – Not Applicable

Item 14 Beneficial Owners

Provide a list of the name, address and shareholdings of all persons owning more than 5% of any class of the issuer's equity securities.

Series A Preferred Shares – 798
Dean Bradley
1556 Walnut Creek Drive
Fleming Island, FL 32003

Series A Preferred Shares - 106
Carpathia, LLC
c/o Joseph Canouse
1111 Alderman Drive

Suite 210
Alpharetta, GA 30005

Series A Preferred Shares - 26
Constantine Financial Management, LLC
c/o Scott Martin
1111 Alderman Drive
Suite 210
Alpharetta, GA 30005

Item 15 The name, address, phone number, and email address of each of the following outside providers that advise the issuer on matters relating to the operations, business development and disclosure:

1. Investment Banker

None

2. Promoters

None

3. Counsel

Kenneth Tomchin
Tomchin & Odom, P.A.
6816 Southpoint Parkway
Suite 400
Jacksonville, FL 32216
(904) 353-6888 Phone
(904) 353-0188 Fax
tomchin@tomchinandodom.com

4. Accountant or Auditor

At this time, the Company does not have an outside accountant. An appointment is currently under consideration.

5. Public Relations Consultant

None

6. Investor Relations Consultant

None

7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement - the information shall include the telephone number and email address of each advisor.

Aron Canouse
Think Pink, LLC
1111 Alderman Drive
Suite 210
Alpharetta, GA 30005
(866)770-0006
Aron@thinkpinkllc.com

Item 16 Management's Discussion and Analysis or Plan of Operation

A. Plan of Operation

1. Describe the issuer's plan of operation for the next 12 months –

The focus of the Company for the next twelve months will be as follows:

- Due to management changes the company is focusing on Atlantic Aviation, Inc. (AAI), A-Cent Aviation, Inc. (ACA), Corporate Air Repair, LLC (CAR) and Quasar Aircraft Corporation (QAC).
- QAI has finalized the acquisition of A-Cent Aviation, Inc. (A-Cent) a FAA Part 141 Flight School that is VA qualified and located in Colorado Springs, Colorado
- A-Cent has been approved to operate a Cessna Pilot Center out of Herlong Airport in Jacksonville, Florida and Colorado Springs, Colorado.
- A-Cent is working with an institution for higher learning which will allow QAI to capture students pursuing aviation degrees and receive funds from student loans.
- A-Cent as a qualified VA flight school can accept VA benefit funds to apply to private pilots continued aviation training.
- A-Cent will be focusing on driving in Veterans and active duty military to enroll in the flight school programs.
- A-Cent is finalizing the building of its CATS testing facility to drive addition capital to the Company and provide a one stop location for training and testing.
- The Company's marketing and advertising programs for 2012 will continue to expand and grow the business according to the business plan.

- AAI and ACA will continue to recruit locally.
- Corporate Air Repair is beginning to start classes on aircraft systems and preventative maintenance as prescribed in 14 CFR Part 43 Appendix A.
- 2012 will be a great year for the flight operations; by the end of 2012 QASP will be able to recruit flight students from around the world. After being in a holding queue for almost two years, the acquisition of A-Cent Aviation provides the Air Agency Certificate being sought after to comply with the business plan.
- There are a few aviation opportunities that have presented themselves to QAI, one of which involves wholesale aircraft parts which will bring QAI to a new level.
- There is a potential airport that can be leased from a county in Florida that would allow QAI to facilitate as an academy for our international students and open the doors for immediate expansion.
- QAI could potentially become a F.B.O. operator, rent hangars and tie-downs, sell fuel, operate a gun range, and build a moto-sports complex that would include activities from flying to off road vehicles, fishing and camping.
- To continue the expansion of Atlantic Aviation's and A-Cent Aviation's flight training programs.

i. discuss how long the issuer can satisfy its cash requirements and whether it will have to raise additional funds in the next 12 months

The company plans to raise sufficient funds to maintain current daily business operations for QAI and its subsidiaries.

ii. summary of any product research and development that the issuer will perform for the term of the plan

Not applicable

iii. any expected purchase or sale of plant and significant equipment

Not applicable

iv. any expected significant changes in the number of employees

Not applicable

B. Management's Discussion and Analysis of Financial Condition and Results of Operations (should be read in conjunction with the consolidated financial statements included herein)

Results of Operations for the period ended December 31, 2011

A comparative analysis of results for 2011 versus 2010 cannot be completed due to the quality of 2010 records. During the last six months of 2011, the new management team focused on attaining operational and administrative efficiencies and satisfying certain directives and orders from various governmental agencies including the Internal Revenue Service. Historically, the Company had not filed federal tax returns for several years. Although no taxes were due, these returns had to be prepared and filed. Further, management reviewed various relationships with vendors, employees, and state and local governments to assure these business relationships were proper and in the best interest of the Company. Several changes were made. The Company also put in place a system of financial controls to improve the quality of accounting records to assure accurate and timely reporting for the results of operations.

Liquidity and Capital Resources

The Company is in the process of acquiring additional equity capital to meet outstanding obligations and operating expenditures.

FACTORS THAT COULD AFFECT FUTURE RESULTS

Subject to adequate capital, the Company intends to expand its operating businesses in the aviation industry.

6. Off-Balance Sheet Arrangements

Not applicable

Part E Issuance History

Item 17 List of securities offerings and shares issued for services in the past two years.

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer (1) within the two-year period ending on the last day of the issuer's most recent fiscal year and (2) since the last day of the issuer's most recent fiscal year.

371,366,379 shares of common stock were issued in conjunction with the conversion of debt.

123,439,604 shares of common stock were sold to acquire working capital under Rule 504.

Part F **Exhibits**

The following exhibits must be either described in or attached to the disclosure statement:

Item 18 **Material Contracts**

Merger Agreement is attached in the Issuer's Initial Information Statement as Appendix B

Item 19 **Articles of Incorporation and Bylaws.**

Attached as Appendix C (Articles of Incorporation) and Appendix D (Bylaws) in the Issuer's Initial Information Statement

Item 20 **Purchases of Equity Securities by the Issuer and Affiliated Purchasers.**

On August 4, 2009, the Board of Directors authorized a repurchase program upon completion of funding of previously announced acquisitions. The Company will begin to repurchase up to ten percent (10%) of their issued and outstanding shares at the sole discretion of the Company. There is no fixed termination date for the repurchase program and can be expanded up to twenty percent (20%) at the discretion of the management committee. As of October 28, 2009, the company had repurchased 15,489,300 shares and invested \$317,821.92 in the endeavor.

Dean Bradley, former CEO of Quasar Aerospace Industries, Inc., purchased \$50,000 of shares of the company's common stock on the open market. The purchase was in compliance with SEC Rule 10b-18 and the shares become restricted under Rule 144.

Item 21 Issuer's Certifications

March 26, 2011

I, Joseph Canouse, certify that:

1. I have reviewed this Annual Report for period ending December 31, 2011, of Quasar Aerospace Industries, Inc.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operation and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

/s/ Joseph C. Canouse

Joseph Canouse
CEO and President

This statement contains "forward-looking statements" regarding future events and the future financial performance of Quasar Aerospace Industries, Inc. and its subsidiaries which are made under the Safe Harbor provision of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934 as amended and such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. You are cautioned that forward-looking statements are subject to risks and uncertainties that may cause actual results, future circumstances and events to differ materially from those projected in our current expectations as a result of various factors and other risks. You should consider these factors in evaluating the forward-looking statements included herein, and not place undue reliance on such statements. These statements are made as of the date hereof and Quasar Aerospace Industries, Inc. disclaims any obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.