

APEX 1, INC.  
Form 10-Q  
May 16, 2011

**U.S. SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

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

For the quarterly period ended March 31, 2011

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

**Commission file number: 000-54112**

**APEX 1, INC.**

(Exact name of registrant as specified in its charter)

Delaware

16-1783194

(State or other jurisdiction of incorporation or  
organization)

(I.R.S. Employer Identification No.)

c/o Andrew J. Zagorski, OZ Saferooms  
Technologies, Inc. 1732 Cottonwood Lane,  
Newcastle, OK

73065

Edgar Filing: APEX 1, INC. - Form 10-Q

(Address of Principal executive offices)

(Zip Code)

Registrant's telephone number, including area code.

(800) 420-6344

4115 Blackhawk Plaza Circle, Suite 100, Danville, CA 94506  
(Former name, former address and former fiscal year, if changed since last report)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer   
Accelerated filer   
Non-accelerated filer   
Smaller reporting company

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

---

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of May 16, 2011, the issuer had 10,000,000 shares of its common stock issued and outstanding.

**TABLE OF CONTENTS**

**PART I**

**Item 1.**

**Financial  
Statements**

**4**

**Item 2.**

**Management's  
Discussion and  
Analysis of  
Financial  
Condition and  
Results of  
Operations**

**12**

**Item 3.**

**Quantitative  
and Qualitative  
Disclosures  
About Market  
Risk**

**12**

**Item 4.**

**Controls and  
Procedures**

**16**

**PART II**

Item 1.

Legal  
Proceedings

17

Item 1A.

Risk Factors

17

Item 2.

Unregistered  
Sales of Equity  
Securities and  
Use of  
Proceeds

17

Item 3.

Defaults Upon  
Senior  
Securities

17

Item 4.

[Removed and  
Reserved]

17

Item 5.

Other  
Information

17

Item 6.

Exhibits

18

Signatures

19

3

**PART I - FINANCIAL INFORMATION**

**Item 1. Financial Statements.**



**APEX 1, INC.**  
**(A DEVELOPMENT STAGE COMPANY)**  
**BALANCE SHEETS**

March 31,

2011

December 31,

2010

(Unaudited)

(Audited)

**ASSETS**

Current Assets:

Cash

\$

-

\$

-

Total Current Assets

-

-

Total Assets

\$

-

10

\$

-

LIABILITIES AND  
STOCKHOLDERS'  
DEFICIT

Current Liabilities:

Accrued expenses

\$

1,000

11

	\$
	1,000
Note payable	
	3,457
	3,457
<b>Total Current Liabilities</b>	
	4,457
	4,457
<b>Total Liabilities</b>	
	4,457
	4,457

Stockholders'  
Deficit

Preferred stock,  
\$0.001 par value,  
5,000,000 shares

authorized none  
issued and  
outstanding

\$

-

\$

-

Common stock,  
\$0.001 par value,  
100,000,000 shares

authorized  
10,000,000 issued  
and outstanding,  
respectively

1,000

1,000

Deficit  
accumulated during  
development stage

(5,457)

(5,457)

Total Stockholders'  
Deficit

(4,457)

(4,457)

Total Liabilities  
and Stockholders'  
Deficit

\$

-

\$

-

See notes to  
financial statements

**APEX 1, INC.**  
**(A DEVELOPMENT STAGE COMPANY)**  
**STATEMENTS OF OPERATIONS**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2011**  
**(Unaudited)**

For the Three  
Month Period Ended

From June 21, 2010  
(inception) to

March 31, 2011

March 31, 2011

Revenues

\$

-

\$

-



Operating Expenses

Organization and  
related expenses

-

5,457

Total Operating  
Expenses

-

5,457

Loss from operations

-

(5,457)

Net Loss

\$

(0.00)

\$

(5,457)

Net Loss per share -  
Basic and diluted

\$

(0.00)

\$

(0.00)

Weighted Average  
Shares Outstanding

- Basic and diluted

10,000,000

10,000,000

See notes to financial  
statements

**APEX 1, INC.**  
**(A DEVELOPMENT STAGE COMPANY)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2011**  
**(Unaudited)**

For the Three

For the Period from

Month Period

June 21, 2010

Ended

(Inception)

March 31,

to March 31,

2011

2011

CASH FLOWS FROM  
O P E R A T I N G  
ACTIVITIES:

Net loss	\$
	-
	\$
	(5,457)

Adjustments to reconcile  
net loss from operations to  
net cash

used in operating activities:

Common stock issued for  
service

-

1,000

Increase in accrued  
expense



-

1,000

Net cash used in operating activities

-

(3,457)

CASH FLOWS FROM  
I N V E S T I N G  
ACTIVITIES:

Net cash provided by  
investing activities

-

-

CASH FLOWS FROM  
F I N A N C I N G  
ACTIVITIES:

Proceeds from note  
payable

-

3,457

Net cash provided by  
financing activities

-

3,457

NET INCREASE IN  
CASH

-

-

CASH - beginning of  
period

-

-

CASH - end of period

\$

-

\$

-

**SUPPLEMENTAL  
DISCLOSURE OF CASH  
FLOW INFORMATION:**

Cash paid for:

Interest

\$

-

\$

-

Income taxes

\$

-

\$

-

NON-CASH INVESTING  
AND FINANCING  
ACTIVITIES:

Common stock issued to  
founder for services  
rendered

\$

-

\$

1,000



Common stock issued for  
purchase of patents in  
stock

\$

-

\$

-

See notes to financial  
statements

**APEX 1, INC.**

**(A DEVELOPMENT STAGE COMPANY)**

**NOTES TO FINANCIAL STATEMENTS**

**AS OF MARCH 31, 2011**

**(UNAUDITED)**

**NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS**

APEX 1, Inc. (the "Company"), a development stage company, was incorporated under the laws of the State of Delaware on June 21, 2010 and has been inactive since inception. The Company intends to serve as a vehicle to effect an asset acquisition, merger, exchange of capital stock or other business combination with a domestic or foreign business

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF PRESENTATION - DEVELOPMENT STAGE COMPANY**

The Company has not earned any revenue from operations since inception. Accordingly, the Company's activities have been accounted for as those of a "Development Stage Enterprise" as set forth in ASC 915, "development Stage Entities." Among the disclosures required by ASC 915, are that the Company's financial statements be identified as those of a development stage company, and that the statements of operations, stockholders' equity and cash flows disclose activity since the date of the Company's inception. The Company has elected a fiscal year ending on December 31. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles for financial information and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission for smaller reporting companies. In the opinion of management, all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of the results of operations for the period from June 21, 2010 (Inception) to March 31, 2011 have been reflected herein. The results of operations for the period from June 21, 2010 (Inception) to March 31, 2011.

**ACCOUNTING METHOD**

The Company's financial statements are prepared using the accrual method of accounting. The Company has elected a fiscal year ending on December 31.

## USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In the opinion of management, all adjustments necessary in order to make the financial statements not misleading have been included. Actual results could differ from those estimates.

## CASH EQUIVALENTS

The Company considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

## INCOME TAXES

Income Taxes - The Company accounts for its income taxes under the provisions of FASB-ASC-10 "Accounting for Income Taxes." This statement requires the use of the asset and liability method of accounting for deferred income taxes. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax reporting purposes, at the applicable enacted tax rates. The Company provides a valuation allowance against its deferred tax assets when the future realizability of the assets is no longer considered to be more likely than not. There were no current or deferred income tax expenses or benefits due to the Company not having any material operations for the three month period ended March 31, 2011.

## BASIC EARNINGS (LOSS) PER SHARE

Accounting Standards (FASB) Accounting Standards Codification (ASC) Topic 260 (SFAS No. 128, "EARNINGS PER Share"). Basic net income (loss) per share is computed using the weighted-average number of common shares outstanding during the period. Diluted earnings per share is computed using the weighted-average number of common shares outstanding during the period, as adjusted for the dilutive effect of the Company's outstanding convertible preferred shares using the "if converted" method and dilutive potential common shares. Potentially dilutive securities include warrants, convertible preferred stock, restricted shares, and contingently issuable shares.

## STOCK-BASED COMPENSATION

The Company recognizes the services received or goods acquired in a share-based payment transaction as services are received or when it obtains the goods as an increase in equity or a liability, depending on whether the instruments granted satisfy the equity or liability classification criteria [FAS-123(R), par.5].

A share-based payment transaction with employees is measured base on the fair value (or, in some cases, a calculated or intrinsic value) of the equity instrument issued. If the fair value of goods or services received in a share-based payment with non-employees is more reliably measurable than the fair value of the equity instrument issued, the fair value of the goods or services received shall be used to measure the transaction. Conversely, if the fair value of the equity instruments issued in a share-based payment transaction with non-employees is more reliably measurable than the fair value of the consideration received, the transaction is measured at the fair value of the equity instruments issued [FAS-123(R), par.7].

The cost of services received from employees in exchange for awards of share-based compensation generally is measured at the fair value of the equity instruments issued or at the fair value of the liabilities incurred. The fair value of the liabilities incurred in share-based transactions with employees is remeasured at the end of each reporting period until settlement [FAS-123(R),par.10].

Share-based payments awarded to an employee of the reporting entity by a related party or other holder of an economic interest in the entity as compensation for services provided to the entity are share-based transactions to be accounted for under FAS-123(R) unless the transfer is clearly for a purpose other than compensation for services to the reporting entity. The substance of such a transaction is that the economic interest holder makes a capital contribution to the reporting entity and that entity makes a share-based payment to its employee in exchange for services rendered [FAS-123(R),

par.11].

IMPACT OF NEW ACCOUNTING STANDARDS

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position, or cash flow.

NOTE 3 - GOING CONCERN

The Company's financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern that contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not established any source of revenue to cover its operating costs. The Company will engage in very limited activities without incurring any liabilities that must be satisfied in cash until a source of funding is secured. The Company will offer noncash consideration and seek equity lines as a means of financing its operations. If the Company is unable to obtain revenue producing contracts or financing or if the revenue or financing it does obtain is insufficient to cover any operating losses it may incur, it may substantially curtail or terminate its operations or seek other business opportunities through strategic alliances, acquisitions or other arrangements that may dilute the interests of existing stockholders.

NOTE 4 - SHAREHOLDER'S EQUITY

Upon formation, the Board of Directors issued 10,000,000 shares of common stock to the founding shareholder in exchange for service and reimbursement of expense associated with formation of company.

The stockholders equity section of the Company contains the following classes of capital stock as of March 31, 2011:

.

Common stock, \$0.0001 par value: 100,000,000 shares authorized; 10,000,000 shares issued and outstanding

.

Preferred stock, \$ 0.0001 par value: 5,000,000 shares authorized; but not issued and outstanding.

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

The Company will attempt to locate and negotiate with a business entity for the combination of that target company with the Company. The combination will normally take the form of a merger, stock-for-stock exchange or stock-for-assets exchange (the "business combination"). In most instances the target company will wish to structure the business combination to be within the definition of a tax-free reorganization under Section 351 or Section 368 of the Internal Revenue Code of 1986, as amended. No assurances can be given that the Company will be successful in locating or negotiating with any target business.

The Company has not restricted its search for any specific kind of businesses, and it may acquire a business which is in its preliminary or development stage, which is already in operation, or in essentially any stage of its business life. It is impossible to predict the status of any business in which the Company may become engaged, in that such business may need to seek additional capital, may desire to have its shares publicly traded, or may seek other perceived advantages which the Company may offer.

In implementing a structure for a particular business acquisition, the Company may become a party to a merger, consolidation, reorganization, joint venture, or licensing agreement with another corporation or entity.

It is anticipated that any securities issued in any such business combination would be issued in reliance upon exemption from registration under applicable federal and state securities laws. In some circumstances, however, as a negotiated element of its transaction, the Company may agree to register all or a part of such securities immediately after the transaction is consummated or at specified times thereafter. If such registration occurs, it will be undertaken by the surviving entity after the Company has entered into an agreement for a business combination or has consummated a business combination. The issuance of additional securities and their potential sale into any trading market which may develop in the Company's securities may depress the market value of the Company's securities in the future if such a market develops, of which there is no assurance.

The Company will participate in a business combination only after the negotiation and execution of appropriate agreements. Negotiations with a target company will likely focus on the percentage of the Company which the target company shareholders would acquire in exchange for their shareholdings. Although the terms of such agreements cannot be predicted, generally such agreements will require certain representations and warranties of the parties thereto, will specify certain events of default, will detail the terms of closing and the conditions which must be satisfied by the parties prior to and after such closing and will include miscellaneous other terms. Any merger or acquisition effected by the Company can be expected to have a significant dilutive effect on the percentage of shares held by the Company's shareholders at such time.

In June 2009, the FASB issued SFAS No. 166, "Accounting for Transfers of Financial Assets - an amendment of FASB Statement No. 140" (SFAS 166). SFAS 166 removes the concept of a qualifying special-purpose entity from SFAS 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of

Liabilities," establishes a new "participating interest" definition that must be met for transfers of portions of financial assets to be eligible for sale accounting, clarifies and amends the derecognition criteria for a transfer to be accounted for as a sale, and changes the amount that can be recognized as a gain or loss on a transfer accounted for as a sale when beneficial interests are received by the transferor. Enhanced disclosures are also required to provide information about transfers of financial assets and a transferor's continuing involvement with transferred financial assets. SFAS No. 166 is effective for interim and annual reporting periods ending after November 15, 2009. The Company does not believe that the implementation of this standard will have a material impact on its condensed financial statements.

### **Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

An investment in the company is highly speculative in nature and involves an extremely high degree of risk.



**Our Business Is Difficult To Evaluate Because We Have No Operating History.**

As we have no operating history or revenue and only minimal assets, there is a risk that we will be unable to continue as a going concern and consummate a business combination. We have had no recent operating history nor any revenues or earnings from operations since inception. We have no significant assets or financial resources. We will, in all likelihood, sustain operating expenses without corresponding revenues, at least until the consummation of a business combination. This may result in our incurring a net operating loss that will increase continuously until we can consummate a business combination with a profitable business opportunity. We cannot assure you that we can identify a suitable business opportunity and consummate a business combination.

**There Is Competition For Those Private Companies Suitable For A Merger Transaction Of The Type Contemplated By Management.**

We are in a highly competitive market for a small number of business opportunities which could reduce the likelihood of consummating a successful business combination. We are and will continue to be an insignificant participant in the business of seeking mergers with, joint ventures with and acquisitions of small private and public entities. A large number of established and well-financed entities, including small public companies and venture capital firms, are active in mergers and acquisitions of companies that may be desirable target candidates for us. Nearly all these entities have significantly greater financial resources, technical expertise and managerial capabilities than we do; consequently, we will be at a competitive disadvantage in identifying possible business opportunities and successfully completing a business combination. These competitive factors may reduce the likelihood of our identifying and consummating a successful business combination.

**Future Success Is Highly Dependent On The Ability Of Management To Locate And Attract A Suitable Acquisition.**

The nature of our operations is highly speculative and there is a consequent risk of loss of your investment. The success of our plan of operation will depend to a great extent on the operations, financial condition and management of the identified business opportunity. While management intends to seek business combination(s) with entities having established operating histories, we cannot assure you that we will be successful in locating candidates meeting that criterion. In the event we complete a business combination, the success of our operations may be dependent upon management of the successor firm or venture partner firm and numerous other factors beyond our control.

**The Company Has No Existing Agreement For A Business Combination Or Other Transaction.**

We have no arrangement, agreement or understanding with respect to engaging in a merger with, joint venture with or acquisition of, a private or public entity. No assurances can be given that we will successfully identify and evaluate suitable business opportunities or that we will conclude a business combination. Management has not identified any particular industry or specific business within an industry for evaluation. We cannot guarantee that we will be able to negotiate a business combination on favorable terms, and there is consequently a risk that funds allocated to the purchase of our shares will not be invested in a company with active business operations.

**Management Intends To Devote Only A Limited Amount Of Time To Seeking A Target Company Which May Adversely Impact Our Ability To Identify A Suitable Acquisition Candidate.**

While seeking a business combination, management anticipates devoting no more than a few hours per week to our affairs. Our officers have not entered into written employment agreements with us and are not expected to do so in the foreseeable future. This limited commitment may adversely impact our ability to identify and consummate a successful business combination.

**The Time And Cost Of Preparing A Private Company To Become A Public Reporting Company May Preclude Us From Entering Into A Merger Or Acquisition With The Most Attractive Private Companies.**

Target companies that fail to comply with SEC reporting requirements may delay or preclude acquisition. Sections 13 and 15(d) of the Exchange Act require reporting companies to provide certain information about significant acquisitions, including certified financial statements for the company acquired, covering one, two, or three years, depending on the relative size of the acquisition. The time and additional costs that may be incurred by some target entities to prepare these statements may significantly delay or essentially preclude consummation of an acquisition. Otherwise suitable acquisition prospects that do not have or are unable to obtain the required audited statements may be inappropriate for acquisition so long as the reporting requirements of the Exchange Act are applicable.

13

---

**The Company May Be Subject To Further Government Regulation Which Would Adversely Affect Our Operations.**

Although we will be subject to the reporting requirements under the Exchange Act, management believes we will not be subject to regulation under the Investment Company Act of 1940, as amended (the Investment Company Act), since we will not be engaged in the business of investing or trading in securities. If we engage in business combinations which result in our holding passive investment interests in a number of entities, we could be subject to regulation under the Investment Company Act. If so, we would be required to register as an investment company and could be expected to incur significant registration and compliance costs. We have obtained no formal determination from the Securities and Exchange Commission as to our status under the Investment Company Act and, consequently, violation of the Act could subject us to material adverse consequences.

**Any Potential Acquisition Or Merger With A Foreign Company May Subject Us To Additional Risks.**

If we enter into a business combination with a foreign concern, we will be subject to risks inherent in business operations outside of the United States. These risks include, for example, currency fluctuations, regulatory problems, punitive tariffs, unstable local tax policies, trade embargoes, risks related to shipment of raw materials and finished goods across national borders and cultural and language differences. Foreign economies may differ favorably or unfavorably from the United States economy in growth of gross national product, rate of inflation, market development, rate of savings, and capital investment, resource self-sufficiency and balance of payments positions, and in other respects.

**There Is Currently No Trading Market For Our Common Stock.**

Outstanding shares of our Common Stock cannot be offered, sold, pledged or otherwise transferred unless subsequently registered pursuant to, or exempt from registration under, the Securities Act and any other applicable federal or state securities laws or regulations. These restrictions will limit the ability of our stockholders to liquidate their investment.

**Our Business Will Have No Revenues Unless And Until We Merge With Or Acquire An Operating Business.**

We are a development stage company and have had no revenues from operations. We may not realize any revenues unless and until we successfully merge with or acquire an operating business.

**The Company Intends To Issue More Shares In A Merger Or Acquisition, Which Will Result In Substantial Dilution.**

Our certificate of incorporation authorizes the issuance of a maximum of 100,000,000 shares of common stock and a maximum of 5,000,000 shares of preferred stock. Any merger or acquisition effected by us may result in the issuance of additional securities without stockholder approval and may result in substantial dilution in the percentage of our common stock held by our then existing stockholders. Moreover, the common stock issued in any such merger or acquisition transaction may be valued on an arbitrary or non-arm's-length basis by our management, resulting in an additional reduction in the percentage of common stock held by our then existing stockholders. Our Board of Directors has the power to issue any or all of such authorized but unissued shares without stockholder approval. To the extent that additional shares of Common Stock or Preferred Stock are issued in connection with a business combination or otherwise, dilution to the interests of our stockholders will occur and the rights of the holders of Common Stock might be materially adversely affected.

---

**The Company Has Conducted No Market Research Or Identification Of Business Opportunities, Which May Affect Our Ability To Identify A Business To Merge With Or Acquire.**

We have neither conducted nor have others made available to us results of market research concerning prospective business opportunities. Therefore, we have no assurances that market demand exists for a merger or acquisition as contemplated by us. Our management has not identified any specific business combination or other transactions for formal evaluation by us, such that it may be expected that any such target business or transaction will present such a level of risk that conventional private or public offerings of securities or conventional bank financing will not be available. There is no assurance that we will be able to acquire a business opportunity on terms favorable to us. Decisions as to which business opportunity to participate in will be unilaterally made by our management, which may act without the consent, vote or approval of our stockholders.

**Because We May Seek To Complete A Business Combination Through A Reverse Merger, Following Such A Transaction We May Not Be Able To Attract The Attention Of Major Brokerage Firms.**

Additional risks may exist since we will assist a privately held business to become public through a reverse merger. Securities analysts of major brokerage firms may not provide coverage of our Company since there is no incentive to brokerage firms to recommend the purchase of our common stock. No assurance can be given that brokerage firms will want to conduct any secondary offerings on behalf of our post-merger company in the future.

**We Cannot Assure You That Following A Business Combination With An Operating Business, Our Common Stock Will Be Listed On NASDAQ Or Any Other Securities Exchange.**

Following a business combination, we may seek the listing of our common stock on NASDAQ or the American Stock Exchange. However, we cannot assure you that following such a transaction, we will be able to meet the initial listing standards of either of those or any other stock exchange, or that we will be able to maintain a listing of our common stock on either of those or any other stock exchange. After completing a business combination, until our common stock is listed on the NASDAQ or another stock exchange, we expect that our common stock would be eligible to trade on the OTC Bulletin Board, another over-the-counter quotation system, or on the pink sheets, where our stockholders may find it more difficult to dispose of shares or obtain accurate quotations as to the market value of our common stock. In addition, we would be subject to an SEC rule that, if it failed to meet the criteria set forth in such rule, imposes various practice requirements on broker-dealers who sell securities governed by the rule to persons other than established customers and accredited investors. Consequently, such rule may deter broker-dealers from recommending or selling our common stock, which may further affect its liquidity. This would also make it more difficult for us to raise additional capital following a business combination.

**There Is No Public Market For Our Common Stock, Nor Have We Ever Paid Dividends On Our Common Stock.**

There is no public trading market for our common stock and none is expected to develop in the foreseeable future unless and until we complete a business combination with an operating business and such business files a registration statement under the Securities Act of 1933, as amended.

Additionally, we have never paid dividends on our Common Stock and do not presently intend to pay any dividends in the foreseeable future. We anticipate that any funds available for payment of dividends will be re-invested into the Company to further its business strategy.

**Authorization of Preferred Stock.**

Our Certificate of Incorporation authorizes the issuance of up to 5,000,000 shares of preferred stock with designations, rights and preferences determined from time to time by its Board of Directors. Accordingly, our Board of Directors is empowered, without stockholder approval, to issue preferred stock with dividend, liquidation, conversion, voting, or other rights which could adversely affect the voting power or other rights of the holders of the common stock. In the event of issuance, the preferred stock could be utilized, under certain circumstances, as a method of discouraging,

delaying or preventing a change in control of the Company. Although we have no present intention to issue any shares of its authorized preferred stock, there can be no assurance that we will not do so in the future.

**Control by Management.**

Management currently owns 100% of all the issued and outstanding capital stock of the Company. Consequently, management has the ability to control the operations of the Company and will have the ability to control substantially all matters submitted to stockholders for approval, including:

Election of the board of directors;

Removal of any directors;

Amendment of the Company's certificate of incorporation or bylaws; and

Adoption of measures that could delay or prevent a change in control or impede a merger, takeover or other business combination.

Andrew J. Zagorski, our Chief Executive Officer and Director, is the Chief Executive Officer and Director and controlling stockholder of OZ Saferooms Technologies, Inc. and may be deemed the beneficial owner of the 10,000,000 shares of our common stock owned by it. Accordingly, this concentration of ownership by itself may have the effect of impeding a merger, consolidation, takeover or other business consolidation, or discouraging a potential acquirer from making a tender offer for the common stock.

**This Report Contains Forward-Looking Statements And Information Relating To Us, Our Industry And To Other Businesses.**

These forward-looking statements are based on the beliefs of our management, as well as assumptions made by and information currently available to our management. When used in this prospectus, the words estimate, project, believe, anticipate, intend, expect and similar expressions are intended to identify forward-looking statements. These statements reflect our current views with respect to future events and are subject to risks and uncertainties that may cause our actual results to differ materially from those contemplated in our forward-looking statements. We caution you not to place undue reliance on these forward-looking statements, which speak only as of the date of this prospectus. We do not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events.

**Item 4. Controls and Procedures.**

**Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act)) that are designed to be effective in providing reasonable assurance that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission (the SEC), and that such information is accumulated and communicated to our management to allow timely decisions regarding required disclosure.

In designing and evaluating disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute assurance of achieving the desired objectives. Also, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. The design of any system of controls is based, in part, upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of management, including our chief executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation, management concluded that our disclosure controls and procedures are effective as of March 31, 2011 to cause the information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods prescribed by SEC, and that such information is accumulated and communicated to management, including our chief executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

---

**Changes in internal controls**

Our management, with the participation our Chief Executive Officer and Chief Financial Officer, performed an evaluation to determine whether any change in our internal controls over financial reporting occurred during the three-month period ended March 31, 2011. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that no change occurred in the Company's internal controls over financial reporting during the three months ended March 31, 2011 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

**PART II - OTHER INFORMATION**

**Item 1.**

**Legal Proceedings.**

There are not presently any material pending legal proceedings to which the Registrant is a party or as to which any of its property is subject, and no such proceedings are known to the Registrant to be threatened or contemplated against it.

**Item 1A. Risk Factors**

Not applicable.

**Item 2.**

**Unregistered Sales of Equity Securities and Use of Proceeds.**

None.

**Item 3.**



**Defaults Upon Senior Securities**

None.

**Item 4.**

[Removed and Reserved]

**Item 5.**

**Other Information.**

None.

**Item 6.**

**Exhibits.**

**Incorporated  
by reference**

**Exhibit**

**Exhibit  
Description**

**Filed herewith**

**Form**

**Period ending**

**Exhibit**

**Filing date**

3.1

Certificate of  
Incorporation

10

3.1

9/8/2010

3.2

By-Laws

10

3.2

9/8/2010

4.1

Specimen Stock  
Certificate

10

4.1

9/8/2010

31

Certification of  
the Chief  
Executive  
Officer and  
Chief Financial  
Officer pursuant  
to Section 302  
of the  
Sarbanes-Oxley  
Act of 2002

X

32

Certification of  
the Chief  
Executive

Officer and  
Chief Financial  
Officer pursuant  
to Section 906  
of the  
Sarbanes-Oxley  
Act of 2002

X

**SIGNATURES**

In accordance with the requirements of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**APEX 1, INC.**

Dated: May 16, 2011

By: /s/ Andrew J. Zagorski

Andrew J. Zagorski, Chief Executive Officer  
(Principal Executive Officer) and Chairman of  
the Board of Directors