Genmed Holding Corp
Form 10-Q
November 16, 2012

UNITED STATES
SECURITIES AND
EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2012

oTRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE EXCHANGE ACT

Commission File Number: 000-26607
GENMED HOLDING CORP.
Exact name of registrant as specified in its charter

NEVADA	88-0390828
(State or other jurisdiction of incorporation or organization)	I.R.S. Employer Identification No.

Rontgenlaan 27, 2719 DX Zoetermeer, The Netherlands
(Address of principal executive offices)

011-31-793-630-129
Registrant's telephone number, including area code

N/A
(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 of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days x Yes oNo

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) x Yes o No

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

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes o No o

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 294,875,387 shares of common stock as of November 16, 2012.

GENMED HOLDING CORP.

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INFORMATION REGARDING FORWARD-LOOKING DISCLOSURE

This quarterly report on Form 10-Q contains forward-looking statements. Statements in this report that are not historical facts, including statements about management's beliefs and expectations, constitute forward-looking statements. These statements are based on current plans, estimates and projections, and are subject to change based on a number of factors, including those outlined under Item 1A, Risk Factors, in our most recent annual report on Form 10-K/A, and any updated risk factors we include in our quarterly reports on Form 10-Q and other filings with the SEC. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to, the following:

- risks arising from material weaknesses in our internal control over financial reporting, including material weaknesses in our control environment;
- our ability to attract new clients and retain existing clients;
- our ability to retain and attract key employees;
- risks associated with assumptions we make in connection with our critical accounting estimates;
- potential adverse effects if we are required to recognize impairment charges or other adverse accounting-related developments;
- potential downgrades in the credit ratings of our securities;
- risks associated with the effects of global, national and regional economic and political conditions, including fluctuations in economic growth rates, interest rates and currency exchange rates; and
- developments from changes in the regulatory and legal environment for advertising and marketing and communications services companies around the world.

Investors should carefully consider these factors and the additional risk factors outlined in more detail under Item 1A, Risk Factors, in our 2011 Annual Report on Form 10-K/A and other filings with the SEC.

PART I

ITEM 1 FINANCIAL STATEMENTS

GENMED HOLDING CORP. AND SUBSIDIARIES

UNAUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

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GENMED HOLDING CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Unaudited)

	September 30, 2012	December 31, 2011
ASSETS		
CURRENT ASSETS		
Cash	$36,220	$904,489
VAT receivable	6,450	8,082
Deferred financing costs, Net	53,356	90,906
Prepaid Expenses	10,499	29,171
Total Current Assets	106,525	1,032,648
EQUIPMENT, net accumulated depreciation of $14,320 and $11,926 at September 30, 2012 and December 31, 2011, respectively	3,072	4,715
Total Assets	$109,597	$1,037,363
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	126,146	89,297
Accrued salaries	5,363	5,224
Accrued expenses	147,128	7,770
Accrued expenses - related parties	3,549	3,575
Loans payable to related parties	38,565	38,850
Total Current Liabilities	320,751	144,716
LONG TERM LIABILITIES		
Convertible Bonds payable, net of discount of $0 and $179,337 at September 30, 2012 and December 31, 2011, respectively	1,989,271	1,988,275
Non-Convertible Bonds payable at September 30, 2012 and December 31, 2011, respectively	581,046	520,590
Total Long Term Liabilities	2,570,317	2,508,865
Total Liabilities	2,891,068	2,653,581
COMMITMENTS AND CONTINGENCIES	-	-
STOCKHOLDERS' EQUITY		
Class A Convertible Preferred Stock, par value $0.001; authorized 500,000,000 shares; there were no shares issued and outstanding at September 30, 2012 and December 31, 2011, respectively.	-	-
Common stock, par value $0.001; authorized 500,000,000 shares; issued and outstanding- 294,875,387 shares at September 30, 2012 and December 31, 2011, respectively	294,874	294,874

Additional paid-in capital	73,425,940	73,425,940
Accumulated deficit	(76,570,330)	(75,437,616)
Accumulated other comprehensive income (loss)	68,045	100,584
Total Stockholders' Equity	(2,781,471)	(1,616,218)
Total Liabilities and Stockholders' Equity	$109,597	$1,037,363

See accompanying notes to unaudited consolidated financial statements

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GENMED HOLDING CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS

(unaudited)

	For the Three Months Ended September 30, 2012	2011	For the Nine Months Ended September 30, 2012	2011
NET SALES	$2,294	$-	$2,294	$-
COST AND EXPENSES:				
Selling, general and administrative	286,685	270,494	881,669	1,850,021
Depreciation and amortization	811	917	2,474	2,705
Research & development	26,099	15,627	79,293	63,317
Total Costs and Expenses	313,595	287,038	963,436	1,916,043
NET OPERATING LOSS	(311,301)	(287,038)	(961,142)	(1,916,043)
OTHER INCOME (EXPENSE)				
Income (loss) on foreign exchange	3,350	(19,418)	9,552	43,106
Interest expense	(48,390)	(75,778)	(148,360)	(197,458)
Amortization - debt discount	-	(80,846)	-	(301,576)
Amortization - deferred financing costs	(10,780)	-	(32,764)	-
Total Other Income (Expense)	(55,820)	(176,042)	(171,572)	(455,928)
NET LOSS	(367,121)	(463,080)	(1,132,714)	(2,371,971)
COMPREHENSIVE INCOME, NET OF TAX				
Other comprehensive income (loss)				
Foreign currency translation adjustments	57,102	68,620	(68,044)	12,784
Comprehensive loss	(310,019)	(394,460)	(1,200,758)	(2,359,187)
NET LOSS PER COMMON SHARE (BASIC AND DILUTED)	$(0.00)	$(0.00)	$(0.00)	$(0.01)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	294,875,387	173,813,461	294,875,387	169,108,859

See accompanying notes to unaudited consolidated financial statements

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GENMED HOLDING CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

	For the nine months ended September 30, 2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$(1,132,714)	$(2,371,971)
Adjustments to reconcile net loss to cash flows used in operating activities:		
Depreciation and amortization	2,474	2,705
Amortization of beneficial conversion feature	-	301,576
Amortization of deferred financing costs	32,764	-
Stock-based compensation	-	870,040
Changes in operating assets and liabilities:		
VAT receivable	1,632	26,982
Amount due from related party	-	316,598
Prepaid expenses	18,672	19,140
Accounts payable	36,849	(69,162)
Accrued salaries	5,363	(50,574)
Accrued expenses	5,833	31,802
Accrued expenses - related parties	138,419	18,646
Net Cash Used in Operating Activities	(890,708)	(904,218)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Cash Used in Investing Activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on bond	64,275	1,438,056
Payments of financing fees	(2,232)	-
Repayment of convertible bond	(24,560)	
Payments on loans payable to related parties	-	(80,383)
Net Cash Provided by Investing Activities	37,483	1,357,673
EFFECT OF CHANGE IN EXCHANGE RATE	(15,044)	(54,876)
INCREASE (DECREASE) IN CASH	(868,269)	398,579
CASH, BEGINNING OF PERIOD	904,489	868,770
CASH, END OF PERIOD	$36,220	$1,267,349
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID FOR:		
Interest	$148,493	$170,799
NON-CASH INVESTING AND FINANCING TRANSACTIONS:		

Conversion of subordinated convertible debentures into common stock	$-	$70,757
Conversion of accrued interest into common stock	$-	$38,000
Issuance of common stock for promotional services	$-	$20,040
Issuance of common stock for consultancy services	$-	$850,000
Beneficial conversion feature on bonds payable charged to additional paid-in capital	$-	$256,594

See accompanying notes to unaudited consolidated financial statements

GENMED HOLDING CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2012
(UNAUDITED)

NOTE 1 – NATURE OF BUSINESS AND BASIS OF PRESENTATION

Nature of Business

Genmed Holding Corp. ("GENM" or the "Company") through its wholly owned Dutch subsidiary Genmed B.V. is focusing on the delivery of low cost generic medicines directly to distribution chains throughout Europe. Generic medicines, which become available when the originator medicines patents has expired, are, due to continuing governmental pressure and new insurance policies, increasingly used as equally effective alternatives to higher-priced originator pharmaceuticals by general practitioners, specialists and hospitals.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles generally accepted for interim financial statement presentation and in accordance with the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statement presentation. In the opinion of management, the financial statements contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial position, results of operations and cash flows. The results of operations for the nine months ended September 30, 2012 are not necessarily indicative of the results that may be expected for the year ending December 31, 2012. For further information, refer to the financial statements and footnotes thereto included in the Genmed Holding Corp. and Subsidiaries annual report on Form 10-K for the year ended December 31, 2011.

Foreign Currency Translation

The Company considers the EURO ("€") to be its functional currency. Assets and liabilities were translated into US dollars ("US$") as of September 30, 2012 and December 31, 2011 at the period end exchange rate of €1.00 to US$ 1.2855 and €1.00 to US$ 1.2950, respectively. Statement of Operations amounts for the nine months ended September 30, 2012 and 2011 were translated using the average rates during the periods of €1.00 to US$ 1.2850 and €1.00 to US$ 1.4071, respectively. Gains and losses resulting from translating foreign currency financial statements are accumulated in other comprehensive loss, a separate component of stockholders' equity.

NOTE 2 – GOING CONCERN

The accompanying financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has incurred a net loss of $1,132,714 for the nine months ended September 30, 2012 and has an accumulated deficit of $76,570,330 at September 30, 2012. Management's plans include the raising of capital through the equity markets to fund future operations and the generating of revenue through its business. Failure to raise adequate capital and generate adequate sales revenues could result in the Company having to curtail or cease operations. Additionally, even if the Company does raise sufficient capital to support its operating expenses and generate adequate revenues, there can be no assurance that the revenue will be sufficient to enable it to develop business to a level where it will generate profits and cash flows from operations. These matters raise substantial doubt about the Company's ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 3 – NOTES PAYABLE TO RELATED PARTIES

The Company has received other loans from individuals related to the Company at various times for working capital and to fund required operating expenses. These advances are unsecured and are free from interest. The amounts outstanding at September 30, 2012 and December 31, 2011 aggregate $38,565 and $38,850, respectively.

NOTE 4 – BONDS PAYABLE

During the period ended September 30, 2012, the Company issued €50,000 (approximately $64,275 on the date of issuance) in bonds. In connection with the financing, the Company paid €1,720 (approximately $2,232 on the date of issuance) in financing fees. These fees were deferred and will be amortized over the term of the related notes. During the period ended September 30, 2012, approximately €25,560 ($32,760) of total fees had been amortized resulting in a balance of $53,356 as of September 30, 2012. The bonds have a term of 48 months and, depending on the participated amount, bear an annual interest rate of 7.4% or 7,8%. The Bonds are recallable, after 10, 22 or 34 months, with a notice of two months and with a penalty of 10% of the value of the bond, up to a yearly maximum of 5% of the total funds received through the issuances of such bonds. Buyback requests will be handled in order of entries.

In July of 2012, the Company granted a request from a Bond Holder to buy back his bond. The Company paid the full amount of the bond, €20,000 (approximately $24,560), less administration fees.

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GENMED HOLDING CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2012
(UNAUDITED)

NOTE 4 – BOND PAYABLE (Continued)

During the first and second quarter of 2011, the Company has also entered into addendum agreements with some of the bondholders for a conversion feature, whereby the bondholder has the right to convert the bond, or a portion of it, during the term of the bond into shares of the Company’s common stock at prices ranging between $0.13 and $0.50 per share. As of September 30, 2012, there are approximately $1,952,000 of bonds may convert the bonds into 12,450,282 shares of common stock.

At September 30, 2012, future minimum principal payments over the next five years and in the aggregate are as follows:

Year Ending	Amount
September 30, 2013	$-
September 30, 2014	-
September 30, 2015	2,461,049
September 30, 2016	109,268
Total	$2,570,317

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

Forward-looking Information

This Form 10-Q quarterly report includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All statements other than statements of historical facts, included in this Form 10-Q that address activities, events, or developments that we expect or anticipate will or may occur in the future, including such things as future capital expenditures (including the amount and nature thereof), business strategy and measures to implement strategy, competitive strength, goals, expansion and growth of our business and operations, plans, references to future success, reference to intentions as to future matters, and other such matters are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. These statements are based upon certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments as well as other factors that we believe are appropriate in the circumstances. However, whether actual results and developments will conform to our expectations and predictions is subject to a number of risks, uncertainties, and other factors, many of which are beyond our control.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Moreover, we do not assume responsibility for the accuracy and completeness of such forward-looking statements. We are under no duty to update any of the forward-looking statements after the date of this report to conform such statements to actual results.

General

The following discussion and analysis summarizes the results of operations of Genmed Holding Corp. ("Genmed," the "Company," or "we"), for the nine month period ended September 30, 2012.

The Company successfully obtained the Marketing Authorizations for its first generic product within seven countries of the European Union. The Company continued developing its business, and has now entered into negotiations with distributors in four countries within the EU. The Company has started the registration process of its generic product in 7 additional countries within the European Union and expects to obtain the Marketing Authorizations from these countries during the course of 2012.

The Company has also started negotiations with certain distributors in countries outside the European Union to sell a number of its products. The Company hopes that these negotiations will finally result in sales orders, though the Company anticipates that actual sales will take some time to develop due to the registration requirements in the various countries. The Company believes that the registration process in these countries is less costly and less time consuming than the registration process for countries within the European Union, and hopes to be able to start selling its products in a reasonable time.

On April 17, 2008, the Company entered into a Stock Exchange Agreement (the “Stock Exchange Agreement”) with Genmed BV resulting in Genmed BV becoming a wholly owned subsidiary of the Company. Also on April 17, 2008, the Company entered into a General Release and Settlement Agreement (the “General Release and Settlement Agreement) and a consulting agreement with London Finance Group. See Exhibits 10.1, 10.2, and 10.3 incorporated by reference hereto.

In April 2009, the parties to the Stock Exchange Agreement, the General Release and Settlement Agreement and the consulting agreement described above, agreed and formalized by written agreement, to the cancellation of all of the warrants issued pursuant to such agreements, to the cancellation and re-issuing of certain shares issued pursuant to such agreements, and agreed to the cancellation of the consulting agreement with the London Finance Group, including the cancellation of the shares and warrants that have been issued to the London Finance Group as part of such consulting agreement. See Exhibit 10.4 hereto, Release and Settlement Agreement between the Company, Joost de Metz, Willem Blijleven, E.R. Bouwens Beheermaatschappij B.V., Medical Network Holding BV, Total Look, BV, London Finance Group, Ltd., Dojo Enterprises, LLC, Hyperion Fund, L.P., The Palisades Capital, LLC 401(k) Profit Sharing Trust, The Morpheus 2005 Trust dated December 1, 2005, Burton Partners, LLC, Picasso, LLC, and Glacier, LLC.

Results of Operations

Comparison of the three months ended September 30, 2012 and 2011

Net Sales. The Company had $32,050 in sales during the three months ended September 30, 2012, compared to no sales for the comparable period in 2011. Such net sales primarily consisted of the sales of active ingredients for certain medicines to countries outside Europe. The Company had no sales of its current finished product yet as it was waiting for the approval from several EU authorities on additional variations, on the Company's current product. The Company had to submit these additional variations in order to allow the Company to start the sales and marketing in additional EU countries.

Cost of sales
The Cost of Sales for the products sold during the three month period ended September 30, 2012, amounted to $29,756, while the Company had no such cost during the comparable period in 2011.

Selling, General, and Administrative expenses. The Company incurred $286,685 in Selling, general, and administrative expenses during the three month period ended September 30, 2012 as compared to $270,494 in Selling, general, and administrative expenses for the comparable period in 2011. The increase in selling, general and administrative expenses was mainly due to the cost of goods of the Company's sales.

Depreciation and Amortization. The Company incurred $811 in depreciation and amortization during the three months ended September 30, 2012, compared $917 in depreciation and amortization during the three months ended September 30, 2011.

Research and Development. The Company incurred $26,099 in Research and Development expenses during the three months ended September 30, 2012, as compared to $15,627 in Research and Development expenses during the three months ended September 30, 2011. The increase in Research and Development expenses is mainly due to the expansion of the Company's Marketing Authorization of its current product to other EU member states.

Net Operating Loss. As a result of the Company's selling, general, and administrative expenses, the Company incurred a net operating loss of $311,301 for the three month period ended September 30, 2012, as compared with $287,038 for the three month period ended September 30, 2011.

Other Income (Expenses). The Company had a gain on foreign exchange during the three month period ended September 30, 2012 of $3,350 compared to a loss of $19,418 for the three month period ended September 30, 2011. The Company incurred interest expenses of $48,390 during the three month period ended September 30, 2012, as compared to $75,778 in interest expense during the comparable period in 2011. The decrease in interest expense was due primarily to the conversion of the subordinated convertible debt agreements into shares of the Company's Common Stock in December 2011. Amortization of debt discount of $80,846 was recorded for the three month period ended September 30, 2011 and no debt discount was amortized for the three month period ended September 30, 2012, because the company had amortized the complete amount in debt discount as per December 31, 2011. The Company amortized $10,780 of deferred financing costs for the three month period ended September 30, 2012, while it recorded no amortization in deferred financing costs during the comparable period in 2011.

Net Loss. The Company incurred a net loss of $367,121 during the three month period ended September 30, 2012, as compared with a net loss of $463,080 for the three month period ended September 30, 2011.

Comparison of the nine months ended September 30, 2012 and 2011

Net Sales. The Company had $32,050 in sales during the nine months ended September 30, 2012, compared to no sales for the comparable period in 2011. Such net sales primarily consisted of the sales of active ingredients for certain medicines to countries outside Europe. The Company had no sales of its current finished product yet as it was awaiting for the approval from several EU authorities on additional variations, on the Company's current product. The Company had to submit these additional variations in order to allow the Company to start the sales and marketing in additional EU countries.

Cost of sales
The Cost of Sales for the products sold during the nine month period ended September 30, 2012, amounted to $29,756, while the Company had no such cost during the comparable period in 2011.

Selling, General, and Administrative expenses. The Company incurred $881,669 in Selling, general, and administrative expenses during the nine month period ended September 30, 2012 as compared to $1,850,021 in Selling, general, and administrative expenses for the comparable period in 2011. The decrease in selling, general and administrative expenses was mainly due to a decrease in financial consulting services for the bond issuances. During the nine month period ended September 30, 2011, the Company issued 5,000,000 shares of Common Stock at $0.17 per share for such services and expensed $850,000 as such.

Depreciation and Amortization. The Company incurred $2,474 in depreciation and amortization during the nine months ended September 30, 2012, compared to $2,705 in depreciation and amortization during the nine months ended September 30, 2011.

Research and Development. The Company incurred $79,293 in Research and Development expenses during the nine months ended September 30, 2012, as compared to $63,317 in Research and Development expenses during the nine months ended September 30, 2011.

Net Operating Loss. As a result of the Company's selling, general, and administrative expenses, the Company incurred a net operating loss of $961,142 for the nine month period ended September 30, 2012, as compared with $1,916,043 for the nine month period ended September 30, 2011.

Other Income (Expenses). The Company had an income on foreign exchange during the nine month period ended September 30, 2012 of $9,552 compared to an income of $43,106 for the nine month period ended September 30, 2011. The Company incurred interest expenses of $148,360 during the nine month period ended September 30, 2012, as compared to $197,458 in interest expense during the comparable period in 2011. The decrease in interest expense was due primarily to the conversion of the subordinated convertible debt agreements into shares of the Company's Common Stock in December 2011. During the period ended September 30, 2012, the Company issued an additional $64,275 (€50,000) in interest bearing bonds. Amortization of debt discount of $301,576 was recorded for the nine month period ended September 30, 2011 and no debt discount was amortized for the nine month period ended September 30, 2012, because the company had amortized the complete amount in debt discount as per December 31, 2011. The Company amortized $32,764 of deferred financing costs for the nine month period ended September 30, 2012, while it recorded no amortization in deferred financing costs during the comparable period in 2011.

Net Loss. The Company incurred a net loss of $1,132,714 during the nine month period ended September 30, 2012, as compared with a net loss of $2,371,971 for the nine month period ended September 30, 2011.

Liquidity and Capital Resources

At September 30, 2012, the Company had a negative working capital of $214,226.

At September 30, 2012, the Company successfully registered its first generic product in seven EU countries and continued developing its business of the distribution and sale of generic drugs. The Company also started the registration process of this product in 7 additional EU countries. The Company had no revenues in generic products during the nine months ended September 30, 2012 and had no revenues in generic products during the comparable period in 2011.

As of September 30, 2012, the Company was primarily relying on its corporate officers, directors, and outside investors for the funding needed for the implementation of its business plan. The Company's management is currently looking for the capital needed to complete its corporate objectives. The Company cannot predict the extent to which its liquidity and capital resources will be available prior to executing its business plan or whether it will have sufficient capital to fund typical operating expenses.

If the Company is unable to obtain financing from any of one of these aforementioned sources, the Company would not be able to complete the financial requirements regarding the development of its generic drug distribution business or to continue as a going concern.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Smaller reporting companies are not required to provide the information required by this item.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures.

Management is responsible for establishing and maintaining adequate controls over financial reporting. The Company's disclosure controls and procedures are designed to ensure (i) that information required to be disclosed by the Company in the reports the Company files or submits under the Exchange Act of 1934, as amended (the "Exchange Act"), are recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms; and (ii) that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

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. Furthermore, smaller reporting companies face additional limitations. Smaller reporting companies employ fewer individuals and may find it difficult to properly segregate duties. Often, one or two individuals control every aspect of the company's operation and are in a position to override any system of internal control. Additionally, smaller reporting companies tend to utilize general accounting software packages that lack a rigorous set of software controls.

Pursuant to rules adopted by the SEC as directed by Section 302 of the Sarbanes-Oxley Act of 2002, the Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e)) as of September 30, 2012. In making this assessment, our Chief Executive Officer and Chief Financial Officer used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control – Integrated Framework.

Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as of that date, the Company's disclosure controls and procedures required by paragraph (b) of Exchange Act Rules 13a-15 or 15d-15, were not effective at a reasonable assurance level. Management's assessment identified the following material weaknesses:

- As of September 30, 2012, there was a lack of accounting personnel with the requisite knowledge of Generally Accepted Accounting Principles ("GAAP") in the US and the financial reporting requirements of the Securities and Exchange Commission.

- As of September 30, 2012, there were insufficient written policies and procedures to insure the correct application of accounting and financial reporting with respect to current requirements of GAAP and SEC disclosure requirements.

- As of September 30, 2012, there was a lack of segregation of duties, in that we had only one person performing all accounting-related duties.

  - As of September 30, 2012, there were no independent directors and no independent audit committee.

Notwithstanding the existence of these material weaknesses in our internal control over financial reporting, our management believes that the financial statements included in its reports fairly present in all material respects the Company's financial condition, results of operations and cash flows for the periods presented. We continue to evaluate the effectiveness of internal controls and procedures on an on-going basis. We plan to further address these issues once we commence operations and are able to hire additional personnel in financial reporting.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) during the quarter ended September 30, 2012 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

The Company's outstanding shares at September 30, 2012 differ from the transfer agent by 15,578,826 shares. The shares are in connection with an April 2009 Release and Settlement Agreement. In accordance with the agreement, certain shareholders (known as the "California Shareholders) who are party to the agreement were to return 15,578,826 shares to the transfer agent and the Company was to reissue 13,178,826 shares to another company controlled by a principal shareholder of the Company. The original 15,578,826 shares were included in a block of shares aggregating 19,740,000 which are part of a law suit involving the California shareholders. In March 2011, the California shareholders obtained a court order whereby they regained possession of the shares which were to be returned to the Company. The Company, assuming the 15,578,826 shares would be returned, issued the 13,178,826 shares under the terms of the Release and Settlement Agreement. As of the filing of this report, the California shareholders have not returned the shares and the Company is vigorously pursuing every available course of action to have the shares returned to the transfer agent and be cancelled.

Item 1A. Risk Factors

An investment in our shares is speculative and involves a high degree of risk. Therefore, you should not invest in our shares unless you are able to bear a loss of your entire investment. You should carefully consider the following factors as well as those set forth in our annual report on Form 10-K/A for the year ended December 31, 2011 and the other information contained herein before deciding to invest in our shares. Factors that could cause actual results to differ from our expectations, statements or projections include the risks and uncertainties relating to our business described above. The fact that some of the risk factors may be the same or similar to our past filings means only that the risks are present in multiple periods. We believe that many of the risks detailed here and in our SEC filings are part of doing business in our industry and will likely be present in all periods reported. The fact that certain risks are endemic to our industry does not lessen the significance of the risk. We urge you to carefully consider the following discussion of risks as well as other information regarding our common stock. This report and statements that we may make from time to time may contain forward-looking information. There can be no assurance that actual results will not differ materially from our expectations, statements or projections.

Risk Factors Relating to our Business

The Company is currently in the development stage of its generic drug distribution business and is attempting to develop and maintain relationships with generic drug manufacturers, retail entities, and government regulatory authorities. If the Company is unable to develop and maintain such relationships or unable to secure and maintain contractual relationships with generic drug manufacturers, retail entities, and government regulatory and licensing authorities the Company may not be able to fulfill its business plan and would likely be unable to continue its operations.

Similarly, if the Company is unable to obtain regulatory licensing to distribute, market, and sell its generic drugs, the Company would likely be unable to continue its operations. The Company is seeking to distribute and sell its generic drugs throughout Europe and in other countries. The Company will be subject to certain regulatory requirements which may cause the Company to incur additional expenses and resources maintaining compliance with such regulations, and may slow or stop the Company's ability to distribute and sell generic drugs.

The distribution of pharmaceuticals and related healthcare solutions is highly competitive. The Company competes with national wholesale distributors of pharmaceuticals; regional and local distributors of pharmaceuticals; chain drugstores that warehouse their own pharmaceuticals; specialty distributors; and other healthcare providers. The Company is competing against more experienced and more developed competitors with greater resources, and established relationships, contracts, and products.

As shown in the accompanying financial statements and notes, the Company has incurred a net loss of $1,132,714 for the nine months ended September 30, 2012 and has an accumulated deficit of $76,570,330 at September 30, 2012. The Company is reliant upon its officers and directors for capital and intends to raise capital through equity markets to fund future operations and to generate revenue through its business operations. Failure to raise adequate capital and to generate adequate sales revenues could result in the Company being unable to effectuate its business plan. Additionally, even if the Company does raise sufficient capital to support its operating expenses and generate adequate revenues, there can be no assurance that such revenue will be sufficient to enable it to develop business to a level where it will generate profits and cash flow from operations. These matters have raised substantial doubt about the Company's ability to continue as a going concern.

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

On March 18, 2011, the Company issued 167,000 shares of its common stock to an individual for promotional services valued at $0.12 per share for a total value of $20,040.

On May 23, 2011, the Company issued 5,000,000 shares of its common stock to a Company for financial consulting services valued at $0.17 per share for a total value of $850,000.

On May 23, 2011, the Company issued 1,900,000 shares of its common stock to a company as part of a conversion of the interest payable on subordinated convertible debt valued at $0.02 per share for a total value of $38,000.

On June 10, 2011, the Company issued 1,768,928 shares of its common stock to its CFO as part of a conversion of subordinated convertible debt valued at $0.04 per share for a total value of $70,757.

On December 14, 2011, the Company issued 4,874,335 shares of its common stock to its CFO as part of a conversion of unpaid salaries and management fees at $0.02 per share for a total value of $97,487. The fair value of the common stock exceeded the carrying value of the related payable by $48,744 which was recorded as a loss on settlement of accounts payable during the year ended December 31, 2011.

On December 14, 2011, the Company issued 13,234,666 shares of its common stock to a company that is owned by the Company's CEO as part of a conversion of unpaid management fees at $0.02 per share for a total value of $264,693. The fair value of the common stock exceeded the carrying value of the related payable by $132,346 which was recorded as a loss on settlement of accounts payable during the year ended December 31, 2011.

On December 14, 2011, the Company issued 2,633,040 shares of its common stock to a company as part of a conversion of unpaid management fees and the conversion of the remainder of a loan payable at $0.02 per share for a total value of $52,661. The fair value of the common stock exceeded the carrying value of the related payable by $26,331 which was recorded as a loss on settlement of accounts payable during the year ended December 31, 2011.

On December 14, 2011, the Company issued 991,121 shares of its common stock to a company as part of a conversion of a subordinated convertible debt, including unpaid interest at $0.04 per share for a total value of $39,645.

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On December 14, 2011, the Company issued 13,732,787 shares of its common stock to an individual as part of the conversion of a 10% Secured Convertible Debenture, including all unpaid interest at $0.01 per share for a total value of $ 137,328.

On December 14, 2011, the Company issued 85,595,977 shares of its common stock to a company as part of the conversion of a 10% Secured Convertible Debenture at $0.01 per share for a total value of $ 855,960.

Item 3. Defaults Upon Senior Securities

None.

Item 4. [Removed and Reserved]

N/A

Item 5. Other Information

None

Item 6. Exhibits

Exhibit	10.1	Stock Exchange Agreement between the Company and Joost de Metz ("de Metz"), Willem Blijleven ("Blijleven"), Erwin R. Bouwens ("Bouwens") and Medical Network Holding BV dated April 17, 2008, incorporated herein by reference to Exhibit 9.2 to the Form 8-K current report of the Company filed on May 2, 2008.
Exhibit	10.2	General Release and Settlement Agreement, incorporated herein by reference to Exhibit 9.1 to the Form 8-K current report of the Company filed on May 2, 2008.
Exhibit	10.3	Consulting Agreement between the Company and London Finance Group, Ltd., incorporated herein by reference to Exhibit 9.1 to the Form 8-K current report of the Company filed on May 2, 2008.
Exhibit	10.4	Release and Settlement Agreement between the Company, Joost de Metz, Willem Blijleven, E.R. Bouwens Beheermaatschappij B.V., Medical Network Holding BV, Total Look, BV, London Finance Group, Ltd., Dojo Enterprises, LLC, Hyperion Fund, L.P., The Palisades Capital, LLC 401(k) Profit Sharing Trust, The Morpheus 2005 Trust dated December 1, 2005, Burton Partners, LLC, Picasso, LLC and Glacier, LLC, incorporated herein by reference to Exhibit 10.2 to the Form 10-K annual report of the Company filed on May 15, 2009.
Exhibit	31.1	Certification of the Principal Executive Officer Pursuant to Rule 13A-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit	31.2	Certification of the Principal Financial Officer Pursuant to Rule 13A-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit	32.1	Certification of the Principal Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 32.2	Certification of the Principal Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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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.

Dated: November 16, 2012

Genmed Holding Corp.

By: /s/ Randy Hibma
Randy Hibma, Chief Financial Officer