

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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2012

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

For the transition period from _____ to _____

Commission file number: 333-183246



HANOVER PORTFOLIO ACQUISITIONS, INC.

(Exact name of registrant as specified in its charter)

Delaware

State or other jurisdiction of
incorporation or organization

45-2552528

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

6320 Canoga Avenue, 15th Floor
Woodland Hills, CA
(Address of principal executive offices)

91367
(Zip Code)

Registrant's telephone number, including area code: **(800) 489-4774**

Securities registered under Section 12(b) of the Act: **None**

Securities registered under Section 12(g) of the Act: **None**

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the 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. 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter, June 30, 2012: N/A.

As of April 16, 2013, the registrant had 66,403,824 shares of its common stock, par value \$0.001 per share, outstanding.

Documents Incorporated by Reference: None.

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FORWARD-LOOKING STATEMENTS

When used in this Report, the words “may,” “will,” “expect,” “anticipate,” “continue,” “estimate,” “intend,” and similar expressions are intended to identify forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) regarding events, conditions and financial trends which may affect the Company’s future plans of operations, business strategy, operating results, and financial position. Such statements are not guarantees of future performance and are subject to risks and uncertainties and actual results may differ materially from those included within the forward-looking statements for various reasons, including those identified under “Risk Factors.” Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. Except as required under federal securities laws and the rules and regulations of the United States Securities and Exchange Commission, the Company does not undertake, and specifically declines, any obligation to update any of these statements or to publicly announce the results of any revisions to any forward-looking statements after the distribution of this report, whether as a result of new information, future events, changes in assumptions, or otherwise.

This Report contains certain estimates and plans related to us and the industry in which we operate, which assume certain events, trends, and activities will occur and the projected information based on those assumptions. We do not know all of our assumptions are accurate. In particular, we do not know what level of acceptance our strategy will achieve, how many acquisitions we will be able to consummate or finance, or the size thereof. If our assumptions are wrong about any events, trends, or activities, then our estimates for future growth for our business also may be wrong. There can be no assurances any of our estimates as to our business growth will be achieved.

PART I

Item 1. Business.

Overview

Hanover Portfolio Acquisitions, Inc. (the “Company” or “HPA”) is comprised of two business segments: (1) a debt portfolio management company and (2) an intellectual property management and commercialization company.

Our debt portfolio management segment purchases defaulted, unsecured, consumer receivables in the secondary market and generates revenue through collections utilizing an outsourced collection network and through the strategic resale of portfolios. This segment acquires credit-card receivable portfolios at significant discounts to the total amounts owed by the debtors. Defaulted consumer receivable portfolios that include charged-off credit card receivables are accounts that have been written-off by the originators. We purchase defaulted consumer receivable portfolios from creditors and others through privately negotiated direct sales. Our results depend upon our ability to purchase and collect a sufficient volume of our consumer receivables to generate revenue that exceeds our costs.

Our intellectual property management and commercialization segment is operated through our wholly-owned subsidiary, IP Resources International, Inc. (“IPR”). IPR focuses primarily on licensing various commercially desirable technologies and patents from companies that need operating capital or that need help commercializing their technology and sublicense such technology in designated territories. This segment acquires exclusive licenses for marketable technology normally without the payment of any upfront license fee to the licensor and thereafter, to sub-license the technology in the designated markets, including Asia, Europe, and Brazil. Our results depend upon our ability to locate available, licensable, and readily marketable technology, to negotiate favorable licenses for such technology, and to sub-license the technology in the designated markets at a sufficient level of volume in an effort to generate maximum revenues.

IPR operates as an intellectual property licensing and commercialization firm. IPR believes that its primary markets will include China, Brazil, India, and Europe.

IPR's business model provides that IPR initially licenses compelling technologies in order to sub-license and commercialize them in designated markets. IPR seeks companies that seek to commercialize their technology in specific geographic areas and market segments and do not intend to commercialize the technology in other geographic areas and market segments which the company is willing to license to IPR. IPR's license agreements generally provide that the revenue generated by IPR's sub-licensing is divided between IPR and IPR's licensor and generally provide that the term of the license is the life of the relevant patents.

Once IPR has licensed the technology in certain designated geographic markets, IPR seeks to sub-license or otherwise monetize the technology in its licensed geographic market. In order to do so, IPR will leverage the experience and relationships of its management team. Management has decades of experience in managing and developing early-stage companies, commercializing technologies, and strategically licensing technologies to increase revenue. IPR anticipates that the sub-license agreements will provide for an upfront license fee and quarterly royalty payments. Additionally, due to Management's network of foreign and local contacts, Management may be able to negotiate joint ventures to help commercialize the technology and products of its portfolio companies. The joint ventures would require funding by local companies and would permit local manufacturing and distribution of products.

IPR generally does not usually purchase licensing rights to the technology of any portfolio company and will only pay a portion of the revenue received from the sub-licensing or joint venture relationships. However, IPR will generally bear all of the costs involved in obtaining the relationships. Likewise, IPR and Hanover may invest in portfolio companies if the terms appear to be favorable.

Due to the nature of IPR's business model, it has needed to assemble a group of individuals who have diverse expertise and significant experience. Thus, IPR has assembled people with expertise in national and international marketing, intellectual property protection, the location and evaluation of license-ready technologies, and business management. The assembly of the necessary professionals makes IPR's business model difficult for most companies to imitate.

IPR's portfolio of companies that it currently has licensing and marketing agreements with are:

- a) Xtreme Electronics Systems, Inc., a Florida corporation ("XES") which is marketing its a 3D technology to restaurants, gas stations and other venues where companies want to display and advertise their products and services in 3D without glasses. The technology also has medical applications;
- b) CPaiR, Inc., a California corporation ("CPaiR"), which has a technology that facilitates the safe and effective performance of Cardiopulmonary Resuscitation.
- c) American CryoStem Corp., a Nevada corporation ("ACS"), which has technology that permits the harvesting and storage of adult stem cells for later medical usage by the individual from whom the stem cells are harvested.

IPR intends to sub-license and commercialize nationally and internationally the technology of its current portfolio. IPR also intends to obtain license and marking rights to other compelling technologies in order to sub-license and commercialize such technologies both nationally and internationally.

Corporate History

Our predecessor company, Hanover Asset Management, Inc. was incorporated in November 2008 in California. For the purpose of reincorporating in Delaware, we merged with a newly incorporated successor company, Hanover Portfolio Acquisitions, Inc., in July 2011 under which we continue to operate as a debt portfolio management company.

IP Resources International, Inc. operations began on September 1, 2011 and was formally incorporated on October 17, 2011.

Reverse Acquisition

On March 14, 2012, HPA, entered into a Share Exchange Agreement ("Agreement") with IPR and its certain shareholders. Under the Agreement, each participating IPR shareholder exchanged all of their issued and outstanding IPR common shares totaling 33,234,294, free and clear of all liens, and \$155,000 for Company common shares equal to 1.2342 times the number of IPR shares being transferred to the Company for a total of 41,017,766 shares of HPA. The \$155,000 was not paid at closing. The Company recorded the \$155,000 as acquisition payable. IPR agreed to make payments of up to 25% of the proceeds from any private placement or gross profits earned by IPR until the obligation is satisfied. The percentage of the proceeds to be paid is at the sole discretion of IPR's Chief Executive Officer and the ex-Chief Executive Officer of the Company based on the liquidity of the Company.

As a result of the Agreement, the former shareholders of IPR now own approximately 89% of the Company and its officer and directors constitute the majority of the officers and directors of the Company. Since the shareholders, officers and directors of IPR have control of the Company the acquisition constitutes a reverse acquisition, so IPR is the accounting acquirer and HPA is the accounting acquiree. For accounting purposes, IPR becomes the parent and HPA becomes a wholly owned subsidiary. For legal purposes, HPA is the legal parent and IPR is the legal subsidiary.

The accompanying consolidated financial statements are presented as IPR being the parent company and HPA as the wholly owned subsidiary with the historical financial position and results of operation being of the operations of IPR including the results of operations of HPA from the date of acquisition March 14, 2012. IPR began its operations on September 1, 2011, and formed as a legal entity on October 17, 2011.

As a result of this transaction, the Company will also operate as an intellectual property licensing and commercialization firm. IPR believes that its primary markets will include Asia, Brazil, and Europe. As of the date of the acquisition, the sole director and officer and significant shareholder of HPA was a significant shareholder of IPR. Given the relationship, the transaction is considered not to be an arm's length transaction and a step-up in the basis of the assets and liabilities acquired is precluded, as the transfer of assets and liabilities has not been affected. The Company has recorded the acquisition and issuance of 4,557,545 shares of its common stock at a value of \$60,167 the historical cost basis of HPA as of the date of the transaction.

Going Concern

Our independent registered auditors included an explanatory paragraph in their opinion on our financial statements, of our subsidiary HPA, as of and for the fiscal year ended December 31, 2012 that states that our ongoing losses and lack of resources causes substantial doubt about our ability to continue as a going concern.

Industry Overview

Intellectual Property

We believe that U.S. businesses invest an estimated \$1 trillion in intellectual property and other intangible assets every year, the same amount that they invest in equipment, factories and other tangible assets. The result of these investments is that U.S. companies generate over \$237 billion in licensing fees per year.

Companies are increasingly relying on intellectual property to generate recurring revenue streams, increase profits, and enhance their market value. When looking at the performance of the S&P 500 over the last few decades, it appears that the market value of companies has increased faster than their respective book value. In fact, the current ratio of market value to book value for the S&P 500 is 4:1, suggesting that intangibles account for approximately 80% of the current market value of the S&P 500, according to Ocean Tomo.

Patents, trademarks and copyrights are the primary means for establishing ownership of inventions and ideas, and they provide a legal basis by which intangible ideas generate tangible benefits for their owners. Intellectual property protection affects commerce throughout the economy by:

- Providing incentives to those who invent and create;
- Protecting innovators from unauthorized copying;
- Facilitating vertical specialization in technology markets;
- Creating a platform for investments in innovation;
- Allowing entrepreneurial liquidity through mergers, acquisitions, and IPOs;
- Allowing licensing-based technology business models possible; and
- Enabling a more efficient market for technology transfer

Certain industries find intellectual property rights to be essential to their business model and therefore register a relatively high number of patents when compared to other industries.

Debt Portfolio Management

We believe that the industry is seeing improved results from debt buyers. When capital was plentiful, companies quickly grew and a number of companies were less careful than prudence would dictate. Many of those companies went by the wayside but it is clear that companies that purchased wisely were able to weather an economic storm as great as the recent one and in some cases somewhat thrive. We believe we can incorporate those lessons learned into our business processes to increase our resilience to future economic fluctuations.

As with other markets and industries, the law of supply and demand is at work for defaulted consumer receivables available in the market. The market is influenced by the levels of outstanding consumer credit and charge-off rates, among other factors.

Credit grantors have traditionally looked to limit their credit losses either through collection efforts with their own personnel or outsourcing collection activities to third party collectors. Another way credit grantors limit their losses is through selling its charged-off receivables for immediate cash. When the credit grantor chooses to sell its receivables to a debt purchaser such as us, the credit grantor can potentially receive the following benefits:

- Provides immediate cash for reinvestment, expansion and new business loans.
- Allows the company to focus on its primary business.
- Eliminates the wait for contingency payments.
- Reduces collection workforce and associated costs.
- Eliminates the work of managing agencies.
- Removes the risk of debtors declaring bankruptcy or collateral damage.
- Reduces warehouse and file storage expenses.

- Allows an exit strategy for bad debt.
- Potential tax benefits.

Our benefit in purchasing this defaulted debt is that we are able to purchase these receivables at a substantial discount to their face value and generate revenue and earnings through collections and strategic resale of these assets. We have relied on third party brokers to facilitate acquisitions and sales and third party collection agencies that work on a contingency basis to collect on our portfolios.

In our industry, there are a number of factors that affect the value of portfolios. Factors include the supply, age, location, history of the debt including how many collection agencies have worked on the portfolio, lending policies of the original credit grantor, and other factors. Portfolios that are sold direct from the original creditor with conservative lending criteria and recent charge-off dates would tend to realized higher values, with prices decreasing based on looser lending practices, age of the debt and on the number of agencies that have previously attempted to collect the debt among other factors.

Debt buyers evaluate a specific portfolio utilizing a unique set of financial assumptions that reflect their expected rate of return, liquidation strategy and the potential risk associated with achieving the desired liquidation performance. These variances in buyer expectations result in different values being placed on a portfolio by different buyers. Sellers who participate in public auctions tend to maximize value when utilizing a competitive bidding process in a stable or growing market. However, in a recessionary market, debt buyers expecting a decline in liquidation tend to use more conservative assumptions in their liquidation calculations which produce lower bids. As a result, certain portfolios generate bids that fall short of the seller's minimum price requirement to consummate a deal.

Owners of consumer debt including credit grantors utilize a variety of processes to sell receivables, including the following:

Competitive bidding process for specific portfolios through a sealed bid or sometimes through an on-line process;

Transactions that are privately negotiated between the portfolio owner including the original credit grantor and a purchaser. This can be directly between the parties or through a broker; and

Forward flow contracts that commit a seller of debt to sell and a purchaser to purchase a pre-agreed quantity of debt at a pre-agreed price on a pre-determined schedule that for example may be monthly or quarterly.

Despite previous collection efforts of a credit grantor or their third party collection agency, we believe a debt buyers' ability to successfully collect payments on charged-off receivables includes the ability to pursue collections over multi-year periods and to tailor repayment plans based on a consumer's ability to pay.

Once a portfolio is owned, the debt buyer will either utilize an internal collection agency or contract out collections to a third party collection agency and legal firms or a combination of these. Collection agencies are generally paid a percentage of what is collected. The rate collection agencies charge largely depend on the type, age and the number of previous agencies that have previously attempted collections on the portfolio. We have utilized third party collection agencies and a legal firm since our inception. When it comes to portfolio hold times, debt buyers utilize different strategies depending on their corporate objectives. Some buyers will keep debt for a relatively short period of time as short as 3 to 6 months to much longer periods of 5 years or more. Our hold times have ranged from approximately 6 months to 3 plus years. Our future hold times will vary depending on the strategy we employ for a respective portfolio that we may acquire in the future. At the end of whichever hold time is employed, debt buyers will generally resell the portfolio to further add to the overall return of investment.

We believe that the outlook for the industry is a positive one. Looking forward, the recent economic downturn has served to help the industry mature. It is unlikely that we will again see the perfect storm of economic factors that so negatively affected our economy in recent years. Those factors include a combination of low interest rates, excessive access to consumer credit due to the rapid and sustained increases in home values and corresponding home equity loans. The lessons learned by many in our industry will aid in shoring up policies and procedures and valuation strategies to manage future fluctuations in a profitable manner.

Competition

Intellectual Property Management

The Company anticipates significant competition from licensing agents for technologies that are market ready. However, IP Resources believes that it offers a wider range of services to licensing-based companies, including royalty and licensing fee management and marketing. The Company was founded on the belief that the major competitors in the intellectual property licensing and monetization industries are not meeting the needs of companies with new technologies/products that have not reached the market and are seeking to implement an intellectual property strategy to create shareholder value. Whereas, the Company's major competitors (Non-Practicing Entities a.k.a. NPEs) seek to extract revenues through the enforcement of patents using infringement lawsuits against large companies, which have already brought to market the technologies and products subjected to these infringement lawsuits.

Companies often retain licensing agents to manage the licensing of their patent programs. These agents assume duties, such as negotiating contracts for their clients or the product approval process. In return, the agent receives a certain percentage of all royalty revenues. For the licensor, the advantage of retaining a licensing agent includes the agent's expertise and network of contacts. The licensor also weighs the cost of retaining the agent with the cost and time needed to build up an internal licensing department to handle the business.

Intellectual Property Management & Consulting Groups advise companies on matters relating to the management of intellectual property, such as royalty compliance, software asset management, and regulations, as well as acting in an agent capacity in licensing negotiations.

Commercializing intellectual property through consulting agreements is rather costly, especially when the client is an early-stage, pre-revenue company. Retainers and consulting fees from elite firms, such as McKinsey, Bain and Boston Consulting Group, which typically seek \$1 million or larger minimum consulting engagements, can drastically reduce a company's ability to operate and are usually not an option for pre-revenue companies. Intellectual property consultants also advise manufacturers who are on the other side of the licensing process to licensing agents. The licensing consultant supports manufacturers that are largely involved in licensing, but do not have employees to handle the licensing process. It is the consultant's duty to represent the manufacturer in their licensing activities, including the evaluation of the technologies/products and the development and implementation of licensing strategies. Management believes that the retainer fees and costs involved in using large consulting firms will not be an attractive option for developmental-stage companies. Furthermore, The Company's ability to invest in technologies will allow it to secure agreements with inventors who are hesitant to pay upfront retainer fees to IP Management and Consulting Firms.

Patent Acquirers engage in the acquisition, development, licensing, and enforcement of patented technologies.

Patent Acquirers have recently begun to receive negative attention due to their use of litigation to secure licensing revenue from corporations. These groups have been labeled "*Patent Trolls*" due to their use of litigation to monetize intellectual property and their abundance of patents, but lack of any real products.

Non-Practicing Entities ("NPEs") generally do not produce tangible products in order to protect themselves from retaliatory lawsuits. These firms do not add value to innovations by creating new markets, but rather seek to use the implicit blackmail and uncertainty of the US court system to exploit weaknesses in the patent-system through litigation that decreases real innovation and lowers incentives. IP Resources seeks to add value by sub-licensing, developing, investing in, and branding innovative technologies.

Debt Portfolio Management

We receive competition from other purchasers of charged-off consumer receivables, third party collection agencies, other financial service companies and credit originators that manage their own consumer receivables. Our business of purchasing charged-off consumer receivables is highly competitive and fragmented. There are few significant barriers for entry to our industry and we expect that competition from new and existing companies will increase.

Some of our competitors are larger and more established and may have substantially greater financial, technological, personnel and other resources than we have, including greater access to capital markets. Companies with greater financial resources may elect at a future date to enter the consumer debt purchasing business. However, we believe that no individual competitor or group of competitors currently has a dominant presence in the market. Current debt

sellers may change strategies and cease selling debt portfolios in the future which would decrease supplies and increase competition for available portfolios.

Since we utilize an outsourced collection agencies model, there may be competition for the agencies financial, technological, personnel and other resources when servicing our placed accounts for collections. Competition for agency resources can come from other debt buyers and from other commercial client accounts.

The availability and pricing of receivables portfolios, as well as the availability and cost of qualified debt collectors are affected by competitive pressures. In addition, some of our competitors may have signed forward flow contracts under which originating institutions have agreed to transfer charged-off receivables to them in the future, which could restrict those originating institutions from selling receivables to us.

We face bidding competition in our acquisition of charged-off consumer receivables. The two primary competitive purchasing environments can be summarized as (1) the competitive bidding process that many credit grantors utilize to sell their charged off consumer debt and; (2) the open secondary market that involves the reselling of portfolios through private negotiation between the seller and the buyer either directly or through a broker.

Additionally, for accounts we already own, we face competition with other debt buyers for the resources of the debt seller in sending to us on a timely basis requested representations, warranties and indemnities.

In the future, we may not have the resources or ability to compete successfully. There can be no assurance that we will be able to offer competitive bids for defaulted consumer receivables portfolios. If we are unable to develop and expand our business or adapt to changing market needs as well as our current or future competitors are able to do, we may experience reduced access to defaulted consumer receivables portfolios at appropriate prices and reduced profitability.

Portfolios

On November 6, 2012, we sold our remaining debt portfolio comprising of 466 accounts with a face value of \$961,895. The sale price was \$12,500.

Government Regulations

Federal, state and municipal statutes, rules, regulations and ordinances establish specific guidelines and procedures which debt purchasers must follow when collecting consumer accounts. It is our policy to comply with the provisions of all applicable federal laws and comparable state statutes in all of our recovery activities, even in circumstances in which we may not be specifically subject to these laws. Our failure to comply with these laws could have a material adverse effect on us in the event and to the extent that they limit our recovery activities or subject us to fines or penalties in connection with such activities. Federal and state consumer protection, privacy and related laws and regulations extensively regulate the collection of consumer debt and the relationship between customers and credit card issuers. Significant federal laws and regulations applicable to our business include the following:

Dodd-Frank Wall Street Reform and Consumer Protection Act. This act authorized the creation of the Consumer Financial Protection Bureau (“CFPB”). The CFPB will have authority to regulate and examine the Company. While the CFPB will have wide ranging authority over the Company it is not yet possible to know what its specific impact will be.

Fair Debt Collection Practices Act (“FDCPA”). This act was enacted in 1977 to protect consumers from abusive, unfair, and deceptive practices by third-party debt collectors. This act imposes certain obligations and restrictions on collection practices, including specific restrictions regarding communications with consumer customers, including the time, place and manner of the communications. This act also gives consumers certain rights, including the right to dispute the validity of their obligations and a right to sue third parties who fail to comply with its provisions, including the right to recover their attorney fees.

Fair Credit Reporting Act (“FCRA”). Originally passed in 1970, the FCRA is a U.S. federal law that regulates the collection, dissemination, and use of consumer credit information. Although third party agencies we utilize may be subject to this act as they provide information concerning our accounts to the three major credit reporting agencies, we believe that we are not currently subject to this act as we do not currently directly furnish information to the

credit reporting agencies or use credit reports, we may decide to furnish or use such information in the future. This act places certain requirements on credit information providers regarding verification of the accuracy of information provided to credit reporting agencies and investigating consumer disputes concerning the accuracy of such information. The Fair Credit Reporting Act includes additional duties applicable to data furnishers with respect to information in the consumer's credit file that the consumer identifies as resulting from identity theft, and requires that data furnishers have procedures in place to prevent such information from being furnished to credit reporting agencies.

Gramm-Leach-Bliley Act. This act requires through The Financial Privacy Rule that certain financial institutions, including debt purchasers, collection agencies, develop policies to protect the privacy of consumers' private financial information and provide notices to consumers advising them of their privacy policies. This act also requires that if private personal information concerning a consumer is shared with another unrelated institution, the consumer must be given an opportunity to opt out of having such information shared. Since we do not share consumer information with non-related entities, except as required by law, or except as needed to collect on the receivables, our consumers are not entitled to any opt-out rights under this act. This act is enforced by the Federal Trade Commission, which has retained exclusive jurisdiction over its enforcement, and does not afford a private cause of action to consumers who may wish to pursue legal action against a financial institution for violations of this act.

Electronic Funds Transfer Act. This act regulates the use of the Automated Clearing House, or ACH, system to make electronic funds transfers. All ACH transactions must comply with the rules of the National Automated Check Clearing House Association, or NACHA, and Uniform Commercial Code § 3-402. This act, the NACHA regulations and the Uniform Commercial Code give the consumer, among other things, certain privacy rights with respect to the transactions, the right to stop payments on a pre-approved fund transfer, and the right to receive certain documentation of the transaction. This act also gives consumers a right to sue institutions which cause financial damages as a result of their failure to comply with its provisions.

Telephone Consumer Protection Act of 1991 ("TCPA"). The TCPA is the primary law in the U.S. governing the conduct of telemarketers. Its primary regulator is the Federal Communications Commission (FCC). The TCPA restricts the use of dialers, prerecorded voice messages, SMS text messages received by cell phones, and the use of fax machines. As such, debt collectors often find themselves restricted in the communication technology they can use, especially when the technology is not explicitly mentioned in the law.

Servicemembers Civil Relief Act. The Soldiers' and Sailors' Civil Relief Act of 1940 was amended in December 2003 as the Servicemembers Civil Relief Act, or SCRA. The SCRA gives U.S. military service personnel relief from credit obligations they may have incurred prior to entering military service, and may also apply in certain circumstances to obligations and liabilities incurred by a servicemember while serving on active duty. The SCRA prohibits creditors from taking specified actions to collect the defaulted accounts of servicemembers. The SCRA impacts many different types of credit obligations, including installment contracts and court proceedings, and tolls the statute of limitations during the time that the servicemember is engaged in active military service. The SCRA also places a cap on interest bearing obligations of servicemembers to an amount not greater than 6% per year, inclusive of all related charges and fees.

U.S. Bankruptcy Code. In order to prevent any collection activity with bankrupt debtors by creditors and collection agencies, the U.S. Bankruptcy Code provides for an automatic stay, which prohibits certain contacts with consumers after the filing of bankruptcy petitions.

Health Insurance Portability and Accountability Act ("HIPAA"). This act requires that healthcare institutions provide safeguards to protect the privacy of consumers' healthcare information. Although we do not currently own or collect on medical debt, we may in the future. Should we collect medical debt in the future, we would be considered a business associate to the healthcare institutions and are required to abide by HIPAA.

Additionally, there are some states statutes and regulations comparable to the above federal laws, and specific licensing requirements which affect our operations. State laws may also limit credit account interest rates and the fees, as well as limit the time frame in which judicial actions may be initiated to enforce the collection of consumer accounts.

Although we are not a credit originator, some of these laws directed toward credit originators, including the Truth in Lending Act, Fair Credit Billing Act, Equal Credit Opportunity Act and the Retail Installment Sales Act may occasionally affect our operations because our receivables were originated through credit transactions. Federal laws

which regulate credit originators require, among other things, that credit card issuers disclose to consumers the interest rates, fees, grace periods and balance calculation methods associated with their credit card accounts. Consumers are entitled under current laws to have payments and credits applied to their accounts promptly, to receive prescribed notices and to require billing errors to be resolved promptly. Some laws prohibit discriminatory practices in connection with the extension of credit. Federal statutes further provide that, in some cases, consumers cannot be held liable for, or their liability is limited with respect to, charges to the credit card account that were a result of an unauthorized use of the credit card. These laws, among others, may give consumers a legal cause of action against us, or may limit our ability to recover amounts owing with respect to the receivables, whether or not we committed any wrongful act or omission in connection with the account. If the credit originator fails to comply with applicable statutes, rules and regulations, it could create claims and rights for consumers that could reduce or eliminate their obligations to repay the account and have a possible material adverse effect on us. Accordingly, while we seek to contractually obtain indemnification from creditor originators and others against losses caused by the failure to comply with applicable statutes, rules and regulations relating to the receivables before they are sold to us, we may not be able to do so. If some of the receivables were established as a result of identity theft or unauthorized use of a credit card and, accordingly, we could not recover the amount of such defaulted consumer receivables. As a purchaser of defaulted consumer receivables, we may acquire receivables subject to legitimate defenses on the part of the consumer. Our account purchase contracts allow us to return to the debt owners certain defaulted consumer receivables that may not be collectible, due to these and other circumstances. Upon return, the debt owners are required to replace the receivables with similar receivables or repurchase the receivables. These provisions limit to some extent our losses on such accounts.

The U.S. Congress and several states have enacted legislation concerning identity theft. Additional consumer protection and privacy protection laws may be enacted that would impose additional requirements on the enforcement of and recovery on consumer credit card or installment accounts. Any new laws, rules or regulations that may be adopted, as well as existing consumer protection and privacy protection laws may adversely affect our ability to recover the receivables. In addition, our failure to comply with these requirements could adversely affect our ability to enforce the receivables.

Any licenses issued under applicable credit laws that we may be required to obtain in the future may be subject to periodic renewal provisions and/or other requirements. Our inability to renew licenses or to take any other required action with respect to such licenses could have a material adverse effect upon our results of operation and financial condition.

Internal Revenue Code Section 6050P and the related Treasury Regulations, in certain circumstances, require creditors to send out Form 1099-C information returns to those debtors whose debt, in an amount in excess of \$600, has been deemed to have been forgiven for tax purposes, thereby alerting them to the amount of the forgiveness and the fact that such amount may be taxable income to them. Under these regulations, a debt is deemed to have been forgiven for tax purposes if (i) there has been no payment on the debt for 36 months and if there were no "bona fide collection activities" (as defined in the regulation) for the preceding 12 month period, (ii) the debt was settled for less than the full amount or (iii) other similar situations outlined in the regulations. U.S. Treasury Regulation Section 1.6050P-2 became final in 2004 and is effective for 2005 and forward. The regulations indicate that the rules apply to companies who acquire indebtedness and, therefore, we will need to comply with the reporting requirements. Our cost of compliance with these regulations are uncertain. In some instances, we may engage in additional monitoring activities of accounts and will send 1099-C information returns, which will increase our administrative costs. If we are required to send a 1099-C information return, despite the fact that we are continuing our collections efforts on an account, it may become more difficult to collect from those accounts because debtors may perceive the 1099-C as notice of debt relief rather than as tax information.

The laws described above, among others, as well as any new or changed laws, rules or regulations, may adversely affect our ability to recover amounts owing with respect to our receivables.

Subsequent Events

Acquisition of The Aviva Companies Corporation

On April 2, 2013, the Company entered into an Acquisition Agreement (the "Acquisition Agreement") with (i) The Aviva Companies Corporation ("Aviva") and (ii) all of the shareholders of Aviva (the "Shareholders") pursuant to which the Company acquired all of the outstanding shares of Aviva in exchange for the issuance of 6,000,000 shares

of our common stock, par value \$0.001 per share to the Shareholders (the "Share Exchange"). As a result of the Share Exchange, Aviva became a wholly-owned subsidiary of the Company.

Aviva is an early stage company seeking to identify, and commercialize intellectual property in healthcare and technology. Aviva works closely with inventors of IP in both the United States and Israel.

Other than in respect to the transaction, there is no material relationship among Aviva's stockholders and any of the Company's affiliates, directors or officers.

Employees

As of April 16, 2013, we do not have any employees. However, we have hired 14 individuals as independent contractors that are involved in business development and administrative functions. In connection with the acquisition of The Aviva Companies Corporation, we are currently negotiating agreements with Aviva's Chief Executive Officer and Chief Financial Officer for their services.

Item 1A. Risk Factors.

Not applicable because we are a smaller reporting company.

Item 1B. Unresolved Staff Comments.

Not applicable because we are a smaller reporting company.

Item 2. Properties.

Our corporate headquarters is located at Hanover Portfolio Acquisitions, Inc., 6320 Canoga Avenue, 15th Floor, Woodland Hills, CA 91367. We have a month to month contract with Regus Management Group, LLC in the amount of \$119 per month.

Item 3. Legal Proceedings.

From time to time, we may become involved in various lawsuits and legal proceedings, which arise, in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. We are currently not aware of any such legal proceedings or claims that we believe will have a material adverse effect on our business, financial condition or operating results.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our common stock trades on the OTCQB under the symbol "HVPA". The OTCQB is a quotation service that displays real-time quotes, last-sale prices, and volume information in over-the-counter ("OTC") equity securities. An OTCQB equity security generally is any equity that is not listed or traded on a national securities exchange. Our stock is thinly traded, and a robust, active trading market may never develop. The market for the Company's common stock has been limited, volatile, and sporadic.

Price Range of Common Stock

The following table shows, for the periods indicated, the high and low bid prices per share of our common stock as reported by the OTCQB quotation service. These bid prices represent prices quoted by broker-dealers on the OTCQB quotation service. The quotations reflect inter-dealer prices, without retail mark-up, mark-down or commissions, and may not represent actual transactions.

	<u>High</u>	<u>Low</u>
Fiscal Year 2011		
First quarter ended March 31, 2011	\$ -	\$ -
Second quarter ended June 30, 2011	\$ -	\$ -
Third quarter ended September 30, 2011	\$ -	\$ -
Fourth quarter ended December 31, 2011	\$ -	\$ -
Fiscal Year 2012		
First quarter ended March 31, 2012	\$ -	\$ -
Second quarter ended June 30, 2012	\$ -	\$ -
Third quarter ended September 30, 2012	\$ -	\$ -
Fourth quarter ended December 31, 2012	\$ 0.51	\$ 0.51

Approximate Number of Equity Security Holders

As of April 16, 2013, there were approximately 170 stockholders of record. Because shares of our common stock are held by depositaries, brokers and other nominees, the number of beneficial holders of our shares is substantially larger than the number of stockholders of record.

Dividends

Holders of our common stock are entitled to receive dividends if, as and when declared by the Board of Directors out of funds legally available therefore. We have never declared or paid any dividends on our common stock. We intend to retain any future earnings for use in the operation and expansion of our business. Consequently, we do not anticipate paying any cash dividends on our common stock to our stockholders for the foreseeable future.

Securities Authorized for Issuance under Equity Compensation Plans

We do not have in effect any compensation plans under which our equity securities are authorized for issuance.

Unregistered Sales of Equity Securities

Private Offerings

In a series of transaction throughout the year ended December 31, 2012, the Company sold 700,000 shares of the Company's common stock in private offerings to 17 investors at \$0.25 per share for the total gross proceeds of \$175,000.

In October 2012, two note holders agreed to extend the maturity date the notes for a period of one year. The Company paid an extension of 175,000 shares of the Company's common stock at a fair value of \$175 as determined by a valuation performed by a third party valuation firm.

The above issuances of were exempt from registration pursuant to Section 4(2), and/or Regulation D promulgated under the Securities Act. These securities qualified for exemption under Section 4(2) of the Securities Act since the issuance securities by us did not involve a public offering. The offering was not a "public offering" as defined in Section 4(2) due to the insubstantial number of persons involved in the deal, size of the offering, manner of the offering and number of securities offered. We did not undertake an offering in which we sold a high number of securities to a high number of investors. In addition, these stockholders had the necessary investment intent as required by Section 4(2) since they agreed to and received share certificates bearing a legend stating that such securities are restricted pursuant to Rule 144 of the Securities Act. This restriction ensures that these securities would not be immediately redistributed into the market and therefore not be part of a "public offering." Based on an analysis of the above factors, we have met the requirements to qualify for exemption under Section 4(2) of the Securities Act for this transaction.

Stock Issued as Compensation

The following table provides a breakdown of 3,937,080 shares of common stock issued to individuals for services rendered to the Company.

Name	Amount Issued	Fair Value(in U.S. Dollars)
Alan CollierRowland Hanson	308,550	\$ 309
William Scigliano	308,550	\$ 309
Ramiro Contreras	1,110,780	1,111
Peter Hall	225,000	225
R. Cameron Walker	250,000	30,000
Michael Mann	308,550	33,941
Alan Collier	308,550	33,941
Peter Hall	250,000	27,500
Donald Calabria	308,550	33,941
Alex Lightman	250,000	27,500
Bruce Garfield	308,550	33,941
Total	3,937,080	\$222,718

The above issuances of securities during the fourth quarter in fiscal 2012, were exempt from registration pursuant to Section 4(2), and/or Regulation D promulgated under the Securities Act. These securities qualified for exemption under Section 4(2) of the Securities Act since the issuance securities by us did not involve a public offering. The offering was not a "public offering" as defined in Section 4(2) due to the insubstantial number of persons involved in connection with the issuance of securities. We did not undertake an offering in which we sold a high number of securities to a high number of investors. In addition, these stockholders had the necessary investment intent as required by Section 4(2) since they agreed to and received share certificates bearing a legend stating that such securities are restricted pursuant to Rule 144 of the Securities Act. This restriction ensures that these securities would not be immediately redistributed into the market and therefore not be part of a "public offering." Based on an analysis of the above factors, we have met the requirements to qualify for exemption under Section 4(2) of the Securities Act for this transaction.

Stock Options

In, May 2012, the Company issued pursuant to Section 4(2) of the Act, as partial compensation due under an independent contractor agreement, stock options to purchase 1,000,000 shares of the Company's common stock at a price of \$0.25 per shares and the option expires five years from the date of vesting. The option vests in eight equal installments of 125,000 options with the first tranche vesting on August 31, 2012.

In August 2012, the Company issued pursuant to Section 4(2) of the Act, as partial compensation due under an independent contractor agreement, stock options to purchase 3,000,000 shares of the Company's common stock at a price of \$0.25 per share and the options expire five years from the date of vesting. The options vest over twelve equal installments of 250,000 options with the first tranche vesting on date of issuance.

The fair value for stock options was estimated at the date of grant using the Black-Scholes pricing model using a risk free interest rate ranging from 0.39% to 0.42%, expected dividend yield of 0, expected life of three years and a volatility ranging from 107% to 112%.

The above issuances of securities during the year ended December 31, 2012 were exempt from registration pursuant to Section 4(2), and/or Regulation D promulgated under the Securities Act. These securities qualified for exemption under Section 4(2) of the Securities Act since the issuance securities by us did not involve a public offering. The offering was not a "public offering" as defined in Section 4(2) due to the insubstantial number of persons involved in the deal, size of the offering, manner of the offering and number of securities offered. We did not undertake an offering in which we sold a high number of securities to a high number of investors. In addition, these stockholders had the necessary investment intent as required by Section 4(2) since they agreed to and received share certificates bearing a legend stating that such securities are restricted pursuant to Rule 144 of the Securities Act. This restriction ensures that these securities would not be immediately redistributed into the market and therefore not be part of a "public offering." Based on an analysis of the above factors, we have met the requirements to qualify for exemption under Section 4(2) of the Securities Act for this transaction.

Item 6. Selected Financial Data.

Not applicable because we are a smaller reporting company.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The information and financial data discussed below is derived from the audited financial statements of the Company for its fiscal year ended December 31, 2012. The audited financial statements were prepared and presented in accordance with generally accepted accounting principles in the United States. The information and financial data discussed below is only a summary and should be read in conjunction with the historical financial statements and related notes contained elsewhere in this 10-K. The financial statements contained elsewhere in this 10-K fully represent the Company's financial condition and operations; however, they are not indicative of the Company's future performance. Although management believes that the assumptions made and expectations reflected in the forward-looking statements are reasonable, there is no assurance that the underlying assumptions will, in fact, prove to be correct or that actual results will not be different from expectations expressed in this 10-K.

Cautionary Notice Regarding Forward Looking Statements

The information contained in Item 2 contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Actual results may materially differ from those projected in the forward-looking statements as a result of certain risks and uncertainties set forth in this report. Although management believes that the assumptions made and expectations reflected in the forward-looking statements are reasonable, there is no assurance that the underlying assumptions will, in fact, prove to be correct or that actual results will not be different from expectations expressed in this report.

This filing contains a number of forward-looking statements which reflect management's current views and expectations with respect to our business, strategies, products, future results and events, and financial performance. All statements made in this filing other than statements of historical fact, including statements addressing operating performance, events, or developments which management expects or anticipates will or may occur in the future, including statements related to distributor channels, volume growth, revenues, profitability, new products, adequacy of funds from operations, statements expressing general optimism about future operating results, and non-historical information, are forward looking statements. In particular, the words "believe," "expect," "intend," "anticipate,"

“estimate,” “may,” variations of such words, and similar expressions identify forward-looking statements, but are not the exclusive means of identifying such statements, and their absence does not mean that the statement is not forward-looking. These forward-looking statements are subject to certain risks and uncertainties, including those discussed below. Our actual results, performance or achievements could differ materially from historical results as well as those expressed in, anticipated, or implied by these forward-looking statements. We do not undertake any obligation to revise these forward-looking statements to reflect any future events or circumstances.

Readers should not place undue reliance on these forward-looking statements, which are based on management’s current expectations and projections about future events, are not guarantees of future performance, are subject to risks, uncertainties and assumptions (including those described below), and apply only as of the date of this filing. Our actual results, performance or achievements could differ materially from the results expressed in, or implied by, these forward-looking statements. Factors which could cause or contribute to such differences include, but are not limited to, the risks to be discussed in our Annual Report on form 10-K and in the press releases and other communications to shareholders issued by us from time to time which attempt to advise interested parties of the risks and factors which may affect our business. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Overview

Hanover Portfolio Acquisitions, Inc. (the “Company” or “HPA”) is comprised of two business segments: (1) a debt portfolio management company and (2) an intellectual property management and commercialization company.

Our debt portfolio management segment purchases defaulted, unsecured, consumer receivables in the secondary market and generates revenue through collections utilizing an outsourced collection network and through the strategic resale of portfolios. This segment acquires credit-card receivable portfolios at significant discounts to the total amounts owed by the debtors. Defaulted consumer receivable portfolios that include charged-off credit card receivables are accounts that have been written-off by the originators. We purchase defaulted consumer receivable portfolios from creditors and others through privately negotiated direct sales. Our results depend upon our ability to purchase and collect a sufficient volume of our consumer receivables to generate revenue that exceeds our costs.

Our intellectual property management and commercialization segment is operated through our wholly-owned subsidiary, IP Resources International, Inc. (“IPR”). IPR focuses primarily on licensing various commercially desirable technologies and patents from companies that need operating capital or that need help commercializing their technology and sublicense such technology in designated territories. This segment acquires exclusive licenses for marketable technology normally without the payment of any upfront license fee to the licensor and thereafter, to sub-license the technology in the designated markets, including Asia, Europe, and Brazil. Our results depend upon our ability to locate available, licensable, and readily marketable technology, to negotiate favorable licenses for such technology, and to sub-license the technology in the designated markets at a sufficient level of volume in an effort to generate maximum revenues.

Going Concern

Our independent registered auditors included an explanatory paragraph in their opinion on our financial statements as of and for the fiscal year ended December 31, 2012 that states that our ongoing losses and lack of resources causes substantial doubt about our ability to continue as a going concern.

Recent Development

Reverse Acquisition

On March 14, 2012, HPA, entered into a Share Exchange Agreement (“Agreement”) with IPR and its certain shareholders. Under the Agreement, each participating IPR shareholder exchanged all of their issued and outstanding IPR common shares totaling 33,234,294, free and clear of all liens, and \$155,000 for Company common shares equal to 1.2342 times the number of IPR shares being transferred to the Company for a total of 41,017,766 shares. The \$155,000 was not paid at closing. The Company recorded the \$155,000 as acquisition payable. IPR agreed to make payments of up to 25% of the proceeds from any private placement or gross profits earned by IPR until the obligation is satisfied. The percentage of the proceeds to be paid is at the sole discretion of IPR’s Chief Executive Officer and the ex-Chief Executive Officer of the Company based on the liquidity of the Company.

As a result of the Agreement, the former shareholders of IPR now own approximately 89% of the Company and its officer and directors constitute the majority of the officers and directors of the Company. Since the shareholders, officers and directors of IPR have control of the Company the acquisition constitutes a reverse acquisition, so IPR is the accounting acquirer and HPA is the accounting acquiree. For accounting purposes, IPR becomes the parent and HPA becomes a wholly owned subsidiary. For legal purposes, HPA is the legal parent and IPR is the legal subsidiary.

The accompanying consolidated financial statements are presented as IPR being the parent company and HPA as the wholly owned subsidiary with the historical financial position and results of operation being of the operations of IPR including the results of operations of HPA from the date of acquisition March 14, 2012. IPR began its operations on September 1, 2011, and formed as a legal entity on October 17, 2011.

As a result of this transaction, the Company will also operate as an intellectual property licensing and commercialization firm. IPR believes that its primary markets will include Asia, Brazil, and Europe. As of the date of the acquisition, the sole director and officer and significant shareholder of HPA was a significant shareholder of IPR. Given the relationship, the transaction is considered not to be an arm's length transaction and a step-up in the basis of the assets and liabilities acquired is precluded, as the transfer of assets and liabilities has not been affected. The Company has recorded the acquisition and issuance of 4,557,545 shares of its common stock at a value of \$60,167 the historical cost basis of HPA as of the date of the transaction.

Use of estimates

In the opinion of management, the accompanying consolidated balance sheets and related interim statements of operations, cash flows, and shareholders' deficit include all adjustments, consisting only of normal recurring items, necessary for their fair presentation in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. The significant estimates were made for the fair value of common stock issued for services and depreciation and amortization of our long-lived assets. Actual results and outcomes may differ from management's estimates and assumptions.

Revenue recognition

The Company recognizes revenue on its debt portfolios using the cost recovery method in accordance with FASB ASC 310-30. Under the cost recovery method, the Company records cash receipts related to debt portfolios as a reduction of the cost of the debt portfolio. The Company will record revenue related to debt portfolios after cash collections exceed the portfolio's carrying amount. The Company recognizes revenue from its technology licensing and commercialization activities in accordance with paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company recognizes revenue when it is realized or realizable and earned.

The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the services have been rendered to the customer and accepted by the customer as completed pursuant to Company's Licensing Agreements, (iii) collectability is reasonably assured. The Company has yet to realize any revenues from its licensing agreements.

Recently issued accounting pronouncements

Interest Expense

Our Interest Expense increased to \$113,549 in 2012 from \$21,414 in 2011. This increase in year to year interest expense is related to our increases in notes payable.

Net Income (Loss)

Our Net Loss increased to \$1,914,551 in 2012 from \$526,036 in 2011. This increase in year to year loss was due to a combination of increases in expenses associated with our two operating segments.

Liquidity and Capital Resources

The Company had \$800 and \$9,444 in cash and cash equivalents as of the years ended December 31, 2012 and 2011, respectively. These assets are not sufficient to operate in our industry on a meaningful scale. Since inception

through December 31, 2012, the Company has raised \$400,000 in equity and debt transactions. These funds have been used to commence the operations of the Company to acquire and begin the development of its license and marketing portfolio. These activities include attending trade shows, marketing our licenses and corporate development. In March 2012, the Company commenced a private placement for the sale of up to \$5,000,000 of its common stock at \$0.25 per share in reliance on the exemption under Section 4(2) of the Securities Act of 1933, as amended. These funds are being used to locate and purchase debt portfolios and continue the development of our license portfolio and corporate development. Our accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates realization of assets and the satisfaction of liabilities in the normal course of business for the twelve month period following the date of these consolidated financial statements. However, the Company has incurred substantial losses, its current liabilities exceed its current assets and available cash is not sufficient to fund the expected future operation. The Company is raising additional capital through debt and equity securities in order to continue the funding of its operations and intends to acquire a profitable entity. However, there is no assurance that the Company can raise enough funds or generate sufficient revenues to pay its obligations as they become due, which raises substantial doubt about our ability to continue as a going concern. To reduce the risk of not being able to continue as a going concern, management has implemented its business plan to materialize revenues from its license agreements and has initiated a private placement offering to raise capital through the sale of its common stock and is seeking out profitable companies and debt portfolios for acquisition. Although, uncertainty exists as to whether the Company will be able generate enough cash from operations to fund the Company's working capital needs or raise sufficient capital to meet the Company's obligations as they become due, no adjustments have been made to the carrying value of assets or liabilities as a result of this uncertainty.

Recent Accounting Pronouncements

In February 2013, the FASB issued ASU 2013-02, "*Comprehensive Income: Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income*," with the objective of improving the reporting of reclassifications out of accumulated other comprehensive income. This update requires the effect of significant reclassifications out of accumulated other comprehensive income be shown by component. Significant reclassifications should be shown by the respective line items of net income only if the amount reclassified is required to be reclassified to net income under U.S. GAAP. If the reclassification to net income is not required under U.S. GAAP, an entity is required to cross-reference to other disclosures that provide additional details about those amounts. This update is effective prospectively for our fiscal 2014 and early adoption is permitted. Besides changes to disclosures, we do not expect the adoption of this update to have a significant impact on our consolidated financial statements.

In January 2013, the FASB issued ASU 2013-01, "*Balance Sheet (Topic 220)-Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*," which amends previous guidance on the disclosures about offsetting assets and liabilities on the balance sheet to clarify that the scope of this guidance applies to derivatives (including bifurcated embedded derivatives), repurchase agreements (and reverse repurchase agreements) and securities borrowing (and lending) transactions that are offset or subject to an enforceable master netting arrangement or similar agreement. The guidance becomes effective at the beginning of our fiscal 2014 and should be applied retrospectively for all comparative periods. The adoption of this update is not expected to have a significant impact on our consolidated financial statements.

Results of Operations

Revenues

Our net revenue was \$30,581 for the fiscal year ended December 31, 2012. Net revenues of \$30,581 and \$0, are contributed from our debt portfolio and intellectual property management segments, respectively. As we began our operating activities on September 1, 2011, we had no revenues for the fiscal year ended December 31, 2011. We attribute the increase in our net revenue from the acquisition of our debt portfolio management company on March 14, 2012. As of the December 31, 2012, there has been no revenue from the Company's licensing and commercialization activities.

Collection receipts comprises the majority of our revenue for years 2012 and 2011. We recently sold our debt portfolio and plan to acquire additional debt portfolios in the future. We believe that as we intend to acquire additional debt portfolios, as these portfolio accounts age, it is likely that our collection revenue will reduced over time. The growth of our business is dependent on successfully raising additional capital to fund our growth. We cannot assure our investors that we will be successful in raising working capital or in acquiring portfolios.

Operating Expenses

In fiscal year 2012, we saw an increase in operating expenses to \$1,772,930 in 2012 from \$504,622 in 2011. The operating expenses related to intellectual property management were approximately \$1,359,479, which was comprised primarily from consulting and professional fees for the development of our intellectual property management and licensing activities. Operating expenses for our debt portfolio management operations was approximately \$35,996 for the period acquisition (March 14, 2012) through December 31, 2012. The remaining operating expenses of \$377,455 were for corporate overhead activities of legal and auditing services related to our public company reporting.

Impairment

The Company reviews its debt portfolios for impairment each reporting period. If, based on current information and events, the Company determines that it is probable that it will be unable to collect all cash flows expected at acquisition of the portfolio, the Company will record an impairment of the portfolio in earnings to reduce the carrying amount to its fair market value. The Company recorded \$0 of impairment losses related to its debt portfolios during the year ended December 31, 2012.

Depreciation

We incur depreciation expense for costs related to our assets, including our information technology and software. Our depreciation increased to \$37,034 in 2012 from \$15,873 in 2011. There were no significant equipment purchases or sales during 2012.

Interest Expense

Our Interest Expense increased to \$113,549 in 2012 from \$21,414 in 2011. This increase in year to year interest expense is related to our increases in notes payable.

Net Income (Loss)

Our Net Loss increased to \$1,914,551 in 2012 from \$526,036 in 2011. This increase in year to year loss was due to a combination of increases in expenses associated with our two operating segments.

Liquidity and Capital Resources

The Company had \$800 and \$9,444 in cash and cash equivalents as of the years ended December 31, 2012 and 2011, respectively. These assets are not sufficient to operate in our industry on a meaningful scale. Since inception through December 31, 2012, the Company has raised \$400,000 in equity and debt transactions. These funds have been used to commence the operations of the Company to acquire and begin the development of its license and marketing portfolio. These activities include attending trade shows, marketing our licenses and corporate development. In March 2012, the Company commenced a private placement for the sale of up to \$5,000,000 of its common stock at \$0.25 per share in reliance on the exemption under Section 4(2) of the Securities Act of 1933, as amended. These funds are being used to locate and purchase debt portfolios and continue the development of our license portfolio and corporate development. Our accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates realization of assets and the satisfaction of liabilities in the normal course of business for the twelve month period following the date of these consolidated financial statements. However, the Company has incurred substantial losses, its current liabilities exceed its current assets and available cash is not sufficient to fund the expected future operation. The Company is raising additional capital through debt and equity securities in order to continue the funding of its operations and intends to acquire a profitable entity. However, there is no assurance that the Company can raise enough funds or generate sufficient revenues to pay its obligations as they become due, which raises substantial doubt about our ability to continue as a going concern. To reduce the risk of not being able to continue as a going concern, management has implemented its business plan to materialize revenues from its license agreements and has initiated a private placement offering to raise capital through the sale of its common stock and is seeking out profitable companies and debt portfolios for acquisition. Although, uncertainty exists as to whether the Company will be able generate enough cash from operations to fund the Company's working capital needs or raise sufficient capital to

meet the Company's obligations as they become due, no adjustments have been made to the carrying value of assets or liabilities as a result of this uncertainty.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K, obligations under any guarantee contracts or contingent obligations. We also have no other commitments, other than the costs of being a public company that will increase our operating costs or cash requirements in the future.

Seasonality

One of our business segments depends on our ability to collect on our purchased portfolios of charged-off consumer receivables. Collections within portfolios tend to be seasonally higher in the first and second quarters of the year due to consumers' receipt of tax refunds and other factors. Conversely, collections within portfolios tend to be lower in the third and fourth quarters of the year due to consumers' spending in connection with summer vacations, the holiday season and other factors.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable because we are a smaller reporting company.

Item 8. Financial Statements and Supplementary Data.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
Hanover Portfolio Acquisitions, Inc.

We have audited the accompanying consolidated balance sheets of Hanover Portfolio Acquisitions, Inc. and Subsidiary (the "Company") as of December 31, 2012 and 2011, and the related consolidated statements of operations, stockholders' deficit, and cash flows for the year ended December 31, 2012 and for the period from September 1, 2011 (date of inception) through December 31, 2011. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Hanover Portfolio Acquisitions, Inc. and Subsidiary as of December 31, 2012 and 2011, and the consolidated results of its operations and its cash flows for the year ended December 31, 2012 and for the period from September 1, 2011 (date of inception) through December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has incurred recurring net losses and has a working capital deficit at December 31, 2012. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans regarding those matters also are described in Note 1. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Rose, Snyder & Jacobs LLP
Encino, California

April 15, 2013

Hanover Portfolio Acquisitions, Inc. and Subsidiary
Consolidated Balance Sheets
As of December 31,

	2012	2011
Assets		
Current Assets		
Cash	\$ 800	\$ 9,444
Total Current Assets	800	9,444
Property Plant and Equipment, net	65,301	-
Investment in equity securities	12,000	-
Intangible Assets	-	984,127
Total Assets	\$ 78,101	\$ 993,571
Liabilities and Shareholders' Deficit		
Current Liabilities		
Accounts payable and accrued expenses	\$ 1,516,600	\$ 275,798
Current portion - notes payable license fee	-	240,000
Notes payable- current portion	236,000	175,000
Total Current Liabilities	1,752,600	690,798
Acquisition payable	155,000	-
Notes payable- less current portion	51,656	-
Note payable - license fee, less current portion	-	750,000
Total Liabilities	1,959,256	1,440,798
Shareholders' Deficit		
Common stock, 0.001 par value, 53,692,673 and 38,312,812 shares issued and outstanding, respectively	5,370	3,832
Additional paid-in capital	554,062	74,977
Accumulated deficit	(2,440,587)	(526,036)
Total Shareholders' Deficit	(1,881,155)	(447,227)
Total Liabilities and Shareholders' Deficit	\$ 78,101	\$ 993,571

See accompanying notes to consolidated financial statements.

Hanover Portfolio Acquisitions, Inc. and Subsidiary
Consolidated Statement of Operations

	For the Year ended December 31, 2012	For the Period From Inception (September 1, 2011) To December 31, 2011
Revenues, net	\$ 30,581	\$ -
Operating Expenses	1,772,930	504,622
Operating Loss	(1,742,349)	(504,622)
Other Income (Expenses)		
Interest expense	(113,549)	(21,414)
Gain from disposition of License Agreement	96,347	-
Acquisition expense	(155,000)	-
Loss Before Provision for Income Taxes	(1,914,551)	(526,036)
Provision for Income Taxes	-	-
Net Loss	\$ (1,914,551)	\$ (526,036)
Basic and diluted loss per common share	\$ (0.04)	\$ (0.01)
Weighted average common share outstanding - basic and diluted	48,137,820	36,933,007

See accompanying notes to consolidated financial statements.

Hanover Portfolio Acquisitions, Inc. and Subsidiary
Consolidated Statement of Stockholders' Deficit
For the Period of Inception (September 1, 2011) to December 31, 2012

	Common Stock		Additional Paid-in Capital	Retained Earnings	Total Shareholder's Deficit
	Shares	Amount			
Balance September 1, 2011	-	\$ -	\$ -	\$ -	-
Share issued to founders	30,916,710	3,092	(3,092)	-	-
Shares issued for license agreement	3,559,797	356	(356)	-	-
Share issued for service rendered	3,116,355	312	74,580	-	74,892
Shares issued with notes payable	719,950	72	3,845	-	3,917
Net loss	-	-	-	(526,036)	(526,036)
Balance December 31, 2011	38,312,812	3,832	74,977	(526,036)	(447,227)
Shares issued for cash	700,000	70	174,930	-	175,000
Share issued for acquisition of HPA	4,557,545	456	59,710	-	60,166
Shares Cancelled	(205,700)	(21)	21	-	-
Cancellation of P3D shares	(3,559,797)	(356)	356	-	-
Share issued for service rendered	13,462,813	1,346	240,289	-	241,635
Shares issued with notes payable	425,000	43	1,482	-	1,525
Stock options issued for services	-	-	2,297	-	2,297
Net loss	-	-	-	(1,914,551)	(1,914,551)
Balance December 31, 2012	53,692,673	\$ 5,370	\$ 554,062	\$ (2,440,587)	\$ (1,881,155)

See accompanying notes to consolidated financial statements.

Hanover Portfolio Acquisitions, Inc. and Subsidiary
Consolidated Statement of Cash Flows

	For the Year ended December 31, 2012	For the Period From Inception (September 1, 2011) To December 31, 2011
Cash Flows From Operating Activities		
Net Loss	\$ (1,914,551)	\$ (526,036)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	37,034	15,873
Fair value of equity issued for services	243,932	74,892
Gain from disposition of license agreement	(96,347)	-
Fair value of shares issued with notes payable	1,525	3,917
Acquisition expense	155,000	-
Changes in operating assets and liabilities:		
Account receivable	4,954	-
Prepaid expenses	(14,000)	-
Accounts payable and accrued expenses	1,297,562	275,798
Net Cash Used in Operating Activities	(284,891)	(155,556)
Cash Flows From Investing Activities		
Purchase of automobile	(64,458)	-
Cash paid for acquisition of HPA, net of cash received	53,048	-
Net Cash Used in Investing Activities	(11,410)	-
Cash Flows From Financing Activities		
Sale of common stock	175,000	-
Proceeds from the issuance of notes payable	114,458	175,000
Payment for notes payable	(1,801)	-
Payment for P3D note	-	(10,000)
Net Cash Provided by Financing Activities	287,657	165,000
Net Increase (Decrease) in Cash	(8,644)	9,444
Cash, Beginning of Period	9,444	-
Cash, End of Period	\$ 800	\$ 9,444
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	-	-
Noncash investing and financing activities:		
Shares issued for HPA assets	\$ 60,166	\$ -
Acquisition of license agreement with note payable	\$ -	\$ 1,000,000

See accompanying notes to consolidated financial statements.

Hanover Portfolio Acquisitions, Inc. and Subsidiary
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2012

Note 1 – Organization and Significant Accounting Policies

Hanover Portfolio Acquisitions, Inc. (the "Company" or "HPA") operates in two business segments 1) purchases distressed debt portfolios at a significant discount to their face value and seeks to either collect on the outstanding balances or resell some or all of the portfolios and 2) intellectual property licensing and commercialization.

Reverse Acquisition

On March 14, 2012, HPA, entered into a Share Exchange Agreement ("Agreement") with IPR and certain of its shareholders. Under the Agreement, each participating IPR shareholder exchanged all of their issued and outstanding IPR common shares totaling 33,234,294, free and clear of all liens, and \$155,000 for Company common shares of equal to 1.2342 times the number of IPR shares being transferred to the Company for a total of 41,017,766 shares. The \$155,000 was not paid at closing. The Company recorded the \$155,000 as long-term liability acquisition payable non-interest bearing. IPR agreed to make payments of up to 25% of the proceeds from any private placement or gross profits earned by IPR until the obligation is satisfied. The percentage of the proceeds to be paid is at the sole discretion of IPR's Chief Executive Officer and the ex-Chief Executive Officer of the Company based on the liquidity of the Company.

As a result of the Agreement, the former shareholders of IPR owned approximately 89% of the Company and its officer and directors constitute the majority of the officers and directors of the Company at the closing. Since the shareholders, offices and directors of IPR have control of the Company the acquisition constitutes a reverse acquisition, so IPR is the accounting acquirer and HPA is the accounting acquiree. For accounting purposes IPR becomes the parent and HPA becomes a wholly owned subsidiary. In comparison, the legal form of the acquisition is that HPA is the legal parent and IPR is the legal subsidiary.

The accompany consolidated financial statements are presented as IPR being the parent company and HPA as the wholly owned subsidiary with the historical financial position and results of operations being of the operations of IPR, which include the results of operations of HPA from the date of acquisition on March 14, 2012. IPR began its operations on September 1, 2011.

As of the date of the acquisition, the sole director and officer and significant shareholder of HPA was a significant shareholder of IPR. Given the relationship, the transaction is considered not to be an arms length transaction and a step-up in the basis of the assets and liabilities acquired is precluded, as the transfer of assets and liabilities has not been affected. The Company has recorded the acquisition and issuance of 4,557,545 shares of its common stock at a value of \$60,166, which is the historical cost basis of HPA as of the date of the transaction. As of the date of the acquisition, HPA balance sheet consisted of cash of \$53,048, accounts receivable of \$4,954, fixed assets of \$2,164 and no liabilities, for a net book value of \$60,166.

The following table presents the two companies as if the acquisition occurred as of September 1, 2011:

	For the Year ended December 31, 2012	(Unaudited) HPA January 1, 2012 - March 13, 2012	Pro-forma Adjustments	(Unaudited)
Revenues, net	\$ 30,581	\$ 10,351	-	\$ 40,932
Operating Expenses	1,590,236	22,146	-	1,612,382
Operating Loss	(1,559,655)	(11,795)		(1,571,453)
Other Income (Expense)				
Interest expense	(113,549)	-	-	(113,549)
Gain from disposal of license agreement	96,347			96,347
Acquisition cost	(155,000)	-	-	(155,000)
Loss Before Provision for Income Taxes	(1,914,551)	(11,795)		(1,926,346)
Provision for Income Taxes	-	-	-	-
Net Loss	\$ (1,914,551)	\$ (11,795)		\$ (1,926,346)
Basic and diluted loss per common share	\$ (0.04)			\$ (0.04)
Weighted average common share outstanding - basic and diluted	48,137,820			49,046,839

	For the four months ended December 31, 2011	(Unaudited) HPA four months ended December 31, 2011	Pro-forma Adjustments	(Unaudited)
Revenues, net	\$ -	\$ 17,716	-	\$ 17,716
Operating Expenses	504,622	44,632	-	549,254
Operating Loss	(504,622)	(26,917)		(531,538)
Other Income (Expense)				
Interest expense	(21,414)	-	-	(21,414)
Gain from disposal of license agreement	-	-	-	-
Loss Before Provision for Income Taxes	(526,036)	(26,917)		(552,952)
Provision for Income Taxes	-	-	-	-
Net Loss	\$ (526,036)	\$ (26,917)		\$ (552,952)
Basic and diluted loss per common share	\$ (0.01)			\$ (0.01)
Weighted average common share outstanding - basic and diluted	36,933,667			41,940,552

IPR Operations

IPR'S operations began on September 1, 2011, and was formally incorporated on October 17, 2011. The financial statements of IPR have been presented in the consolidated financial statements from inception (September 1, 2011).

Going Concern

These accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates realization of assets and the satisfaction of liabilities in the normal course of business for the twelve month period following the date of these consolidated financial statements. However, the Company has incurred substantial losses, its current liabilities exceed its current assets and available cash is not

sufficient to fund the expected future operation. Subsequent to December 31, 2012, the Company has raised \$150,000 in debt financing as discussed in Note 6, *Subsequent Events*. The Company is raising additional capital through debt and equity securities in order to continue the funding of its operations. However, there is no assurance that the Company can raise enough funds or generate sufficient revenues to pay its obligations as they become due, which raises substantial doubt about our ability to continue as a going concern. No adjustments have been made to the carrying value of assets or liabilities as a result of this uncertainty.

To reduce the risk of not being able to continue as a going concern, management has implemented its business plan to materialize revenues from its license agreements, has initiated a private placement offering to raise capital through the sale of its common stock and is seeking out profitable companies and debt portfolios for acquisition. Although, uncertainty exists as to whether the Company will be able to generate enough cash from operations to fund the Company's working capital needs or raise sufficient capital to meet the Company's obligations as they become due, no adjustments have been made to the carrying value of assets or liabilities as a result of this uncertainty.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Critical estimates include the value of its debt portfolios, the useful lives of property and equipment, and the valuation of deferred income tax assets. Management uses its historical records and knowledge of its business in making these estimates. Actual results could differ from these estimates.

Cash and Cash Equivalents

The Company considers all highly liquid financial instruments with maturity of three months or less to be cash equivalents. As of December 31, 2012 and 2011, the Company had no cash equivalents.

Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of cash. The Company primarily places its cash with high-credit quality financial institutions. Cash deposits up to approximately \$100,000 are federally insured. From time-to-time the Company could have deposits in excess of the insured amounts.

Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range between five and seven years. Expenditures for repairs and maintenance are expensed as incurred.

The majority of the Company's property, plant and equipment is the Company automobile. As of December 31, 2012, the cost basis was \$64,458 with accumulated depreciation of \$1,075. The asset is being amortized over its estimated useful life of 5 years. The depreciation expense for the year ended December 31, 2012 was \$1,075. The depreciation expense is estimated to be \$12,891 over the next four years and \$11,816 in the fifth year.

Debt Portfolios

The Company reviews its debt portfolios for impairment each reporting period. If, based on current information and events, the Company determines that it is probable that it will be unable to collect all cash flows expected at acquisition of the portfolio, the Company will record an impairment of the portfolio in earnings to reduce the carrying amount to its fair market value. The Company uses third-party valuations of the resale value of its debt portfolios when assessing impairment. These valuations are based on industry data of portfolios with similar characteristics. The Company recorded \$0 of impairment losses related to its debt portfolios during the year ended December 31, 2012. On December 31, 2012 the Company didn't have any debt portfolios outstanding.

The Company recognizes interest income on notes receivable using the effective interest method. If the Company determines that the recoverability of any of its notes receivable is not probable, it will place the notes on nonaccrual status and will cease recording interest income. Should the Company later determine that the notes receivable balance is recoverable, it will resume the accrual of interest.

Impairment of Long-lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of assets may not be fully recoverable or that the useful lives of these assets are no

longer appropriate. Each impairment test is based on a comparison of the undiscounted future cash flows generated from the asset group to the recorded value of the asset group. If impairment is indicated, the asset is written down to its estimated fair value. There were no such impairments for the years ended December 31, 2012 and 2011.

Investment in equity securities

Investee companies not accounted for under the consolidation or the equity method of accounting are accounted for under the cost method of accounting. Under this method, the Company's share of the earnings or losses of such Investee companies is not included in the Consolidated Balance Sheet or Statement of Operations. However, impairment charges are recognized in the Consolidated Statement of Operations. If circumstances suggest that the value of the Investee company has subsequently recovered, such recovery is not recorded.

Revenue Recognition

The Company recognizes revenue on its debt portfolios using the cost recovery method in accordance with FASB ASC 310-30. Under the cost recovery method, the Company records cash receipts related to debt portfolios as a reduction of the cost of the debt portfolio. The Company will record revenue related to debt portfolios once cash collections exceed the portfolio's carrying amount.

Stock-Based Compensation

The Company measures stock-based compensation cost at the grant date based on the fair value of the award and recognizes it as expense, net of estimated forfeitures, over the vesting or service period, as applicable, of the stock award using the straight-line method. Because our common stock is thinly traded, we have made estimates of the fair value of the common stock based not only on market prices but other factors such as financial condition and results of operations.

Income Taxes

The Company records a tax provision for the anticipated tax consequences of its reported results of operations. The provision for income taxes is computed using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and income tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates that apply to taxable income in effect for the years in which those tax assets are expected to be realized or settled. The Company records a valuation allowance to reduce deferred tax assets to the amount that is more likely than not to be realized.

The Company has adopted ASC Topic 740, which clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. ASC Topic 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on derecognition of tax benefits, classification on the balance sheet, interest and penalties, accounting in interim periods, disclosure and transition. The Company has determined that the adoption did not result in the recognition of any liability for unrecognized tax benefits and that there are no unrecognized tax benefits that would, if recognized, affect the Company's effective tax rate. Based on the Company's review of its tax positions as of December 31, 2012 and 2011, no uncertain tax positions have been identified.

The Company has elected to include interest and penalties related to uncertain tax positions as a component of income tax expense. To date, no penalties or interest has been accrued.

Tax years 2008 forward are open and subject to examination by the U.S. taxing authorities. The Company is not currently under examination, nor has it been notified of a pending examination.

Segments

Our chief operating decision-maker is our Chief Executive Officer who reviews financial information. There are segment managers who are held accountable by the chief operating decision-maker for operations, operating results, and planning for levels or components below the consolidated unit level. Accordingly, we have determined that we have two reporting segment and operating unit structure.

Comprehensive Loss

Comprehensive loss is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources, including foreign currency translation adjustments and unrealized gains and losses on marketable securities.

Net Income (Loss) per Share

Basic net income (loss) per share is calculated based on the net income (loss) attributable to common shareholders divided by the weighted average number of shares outstanding for the period excluding any dilutive effects of options, warrants, unvested share awards and convertible securities. Diluted net income (loss) per common share assumes the conversion of all dilutive securities using the if-converted method, and assumes the exercise or vesting of other dilutive securities, such as options, warrants and restricted stock using the treasury stock method. For the years ended December 31, 2012 and 2011 the Company did not have dilutive securities.

Fair Value of Financial Instruments

The Company has adopted accounting standards that define fair value, establish a framework for measuring fair value in accordance with existing generally accepted accounting principles, and expand disclosures about fair value measurements. Assets and liabilities recorded at fair value in the balance sheet are categorized based upon the level of judgment associated with the inputs used to measure their fair value. The categories are as follows:

<u>Level Input:</u>	<u>Input Definition:</u>
Level I	Inputs are unadjusted, quoted prices for the identical assets or liabilities in active markets at the measurement date.
Level II	Inputs, other than quoted prices included in Level I, that are observable for the asset or liability through corroboration with market data at the measurement date.
Level III	Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The carrying amount of certain of the Company's financial instruments approximates fair value due to the relatively short maturity of such instruments. The fair value of notes payable is not considered to be significantly different than its carrying amount because the stated rates for such debt reflect current market rates and conditions.

Recent Accounting Standard Updates

In February 2013, the FASB issued ASU 2013-02, "*Comprehensive Income: Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income*," with the objective of improving the reporting of reclassifications out of accumulated other comprehensive income. This update requires the effect of significant reclassifications out of accumulated other comprehensive income be shown by component. Significant reclassifications should be shown by the respective line items of net income only if the amount reclassified is required to be reclassified to net income under U.S. GAAP. If the reclassification to net income is not required under U.S. GAAP, an entity is required to cross-reference to other disclosures that provide additional details about those amounts. This update is effective prospectively for our fiscal 2014 and early adoption is permitted. Besides changes to disclosures, we do not expect the adoption of this update to have a significant impact on our consolidated financial statements.

In January 2013, the FASB issued ASU 2013-01, "*Balance Sheet (Topic 220)-Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*," which amends previous guidance on the disclosures about offsetting assets and liabilities on the balance sheet to clarify that the scope of this guidance applies to derivatives (including bifurcated embedded derivatives), repurchase agreements (and reverse repurchase agreements) and securities borrowing (and lending) transactions that are offset or subject to an enforceable master netting arrangement or similar agreement. The guidance becomes effective at the beginning of our fiscal 2014 and should be applied retrospectively for all comparative periods. The adoption of this update is not expected to have a significant impact on our consolidated financial statements.

Note 2 - License Agreements

Personal 3D

Effective September 1, 2011, IPR entered into a license agreement with Personal 3D, Inc. ("P3D") to acquire the rights to market and distribute certain intellectual property in the territories of the European and Eastern European countries. The term of the license agreement shall be for the greater of the life of the provisional patents, for the technology, or twenty-one years. The term shall automatically renew for an additional one year term unless either

party notifies the other that it does not desire to renew the license agreement ninety days before the then-current term of the license agreement expires. The license fee to be paid by IPR was \$1,000,000 and common stock of IPR in an amount that would give P3D 9.9% interest in outstanding common stock of IPR ("Share Issuance"). The Shares Issuance shall be issued on or before October 12, 2011, (were issued on October 17, 2011 the date of incorporation of IPR). The \$1,000,000 ("Note Payable – License Fee") is required to be paid in installments as follows:

- a) A payment of \$10,000 on, or before, the second business day after the later of the execution and delivery of the license agreement and IPR's receipt of \$150,000 in bridge funding, which occurred on October 18, 2011 and the \$10,000 was paid;
- b) A payment of \$90,000 within two business days after IPR's receipt of an initial equity funding (excluding the funding referenced in (a) above) in the amount of at least \$1,000,000 (which has not occurred as of the date of these consolidated financial statements);
- c) A payment of \$150,000 within six months after the payment reference in (b) above;
- d) A payment of \$250,000 twelve months after the payment referenced in (b) above;
- e) A final payment of \$500,000 eighteen months after the payment referenced in (b) above; and
- f) Notwithstanding anything to the contrary, during the first one and half years of the license agreement a minimum of ten percent (10%) of all funding raised by IPR in excess \$2,000,000, excluding funding reference in (a) above, shall be used to pay down the \$1,000,000

The unpaid balance shall bear simple interest at a rate of 6% per annum commencing on the date of the initial payment of \$10,000 as defined in (a) above. Also, in the event of a change in control of IPR the unpaid balance of the note shall accelerate and become immediately payable on five business days.

In addition to the license fee, IPR is required to pay a royalty of 25% of IPR's quarterly profits from the P3D technology in Europe. Also, P3D has the right to terminate the license agreement

P3D shall have the right to terminate this Agreement if the amount paid in royalties under the license agreement for the twenty-four months, after the \$150,000 funding as referenced in (c) above, does not equal or exceed \$500,000 or if the amount paid in royalties for the twenty-fifth month through the forty-eighth month, after the \$150,000 funding as referenced in (c) above, does not equal or exceed \$500,000. IPR in its sole discretion may pay any portion of such minimum royalty to P3D, without regard to the actual amount of royalty generated in order to retain the license.

On October 14, 2012, the Company and P3D entered into an agreement to terminate the license agreement. Under the terms of the termination, P3D was required to surrender the Share Issuance and the IPR was released of its liability under the Note Payable – License Fee. The Company recognized a gain of \$96,347 as a result of the termination of this agreement.

The Company's CEO was also the CEO of P3D at the time the license agreement was executed, however he resigned from P3D prior to the execution of the license rescission agreement.

CPAIR, Inc.

Effective November 11, 2011, IPR entered into an Exclusive License Agreement with CPAIR, Inc. ("CPaiR") to acquire the rights to market and distribute certain intellectual property on a worldwide basis except for the United States. The terms of the license agreement shall be for the greater of the life of the provisional patents, for the technology, or twenty-one years. The term shall automatically renew for an additional one year term unless either party notifies the other that it does not desire to renew the license agreement ninety days before the then-current term of the license agreement expires. Under the Exclusive License Agreement, if IPR enters into a sublicense agreement, IPR is required to pay CPaiR 20% of royalties received by IPR. If IPR elects to distribute the product, without sublicenses, then CPaiR receives 10% of gross revenues. Also, IPR is required to pay to CPaiR 20% of any upfront license fee actually received by IPR in connection with the CPaiR intellectual property and 20% of the quarterly revenue actually received by IPR in connection with such intellectual property. If IPR does not pay a minimum of \$1,000,000 to CPaiR within a period of three years from the Effective date, the license agreement will terminate. IPR has the right to pay the difference between the amounts paid by IPR and the minimum payment of \$1,000,000. Under the terms of the agreement, IPR was not required to pay an upfront license fee.

American Cryostem Corp.

Effective January 27, 2012, IPR entered into a License Agreement with American Cryostem Corp. ("ACSC") to acquire the rights to and to distribute certain intellectual property in China and Brazil. The term of the License

Agreement shall be for one year. The term shall automatically renew for an additional one-year term unless either party notifies the other that it does not desire to renew the License Agreement. Under the License Agreement, any distributor or sub-licensee, engaged by IPR, must pay a 25% of its quarterly gross revenue. Of the 25% of quarterly gross revenue, IPR and ACSC split 50/50. In the event that IPR receives any upfront license fee from a sub-licensee, IPR is required to pay to ACSC 50% of any upfront license fee actually received. Under the terms of the agreement, IPR was not required to pay an upfront license fee.

Note 3 - Notes payable

IPR initiated a private placement for up to \$1,000,000 of financing by the issuance of notes payable at a minimum of \$25,000. The notes bear interest at 12% per annum and are due and payable with accrued interest one year from issuance. Also, IPR agreed to issue 102,850 shares of its common stock for every \$25,000 invested.

Under the private placement, the Company has issued a total of two notes for an aggregate principal amount of \$175,000. In addition IPR issued 719,950 share of its common stock at a fair value of \$3,917 as determined using a valuation performed by a third party valuation firm.

In October 2012, the two note holders agreed to extend the mature date the notes for a period of one year. The Company paid an extension of 175,000 shares of the Company's common stock at a fair value of \$175 as determined by a valuation performed by a third party valuation firm.

In October and November 2012, the Company issued promissory notes in the amounts of \$25,000 and \$25,000, respectively. In addition the Company issued 250,000 share of its common stock at a fair value of \$250 as determined by a valuation performed by a third party valuation firm.

The total outstanding of \$225,000 as of December 31, 2012, \$150,000 matures in September 2013, \$50,000 matures in October 2013 and \$25,000 matures in January 2013.

In November 2012, the Company purchased a vehicle for \$64,458. The purchase was finances through a note payable for \$64,458 at interest of 2.99% per annum with sixty payments of \$1,060 per month.

The scheduled maturities of notes payable are as follows for the years ending December 31,

2013	\$	236,000
2014		11,000
2015		11,677
2016		12,031
2017		12,395
Thereafter		4,555
		<u>287,656</u>
Less: current portion		<u>236,000</u>
Notes payable long-term	\$	<u>51,656</u>

Note 4- Shareholders' Deficit

Common Stock

IPR issued 30,916,710 shares of its common stock on the date of incorporation to the founders of the corporation.

IPR has entered into consulting agreements with various consultants for service to be provided to the Company. The agreements stipulate a monthly fee and a certain number of shares that the consultant vests over the term of the contract. The consultant is issued a prorated number of the shares of common at the beginning of the contract that the consultant earns over a three-month period. At the anniversary of each quarter, the consultant is issued a new allotment of common stock. In accordance with ASC 505-50 – Equity-Based Payment to Non-Employee, the common stock shares issued to the consultant are valued upon issuance. The shares of common stock that have been issued were valued based on a valuation performed by an independent valuation firm. As of December 31, 2012, the total awards granted were 32,326,380 shares with 13,292,930 shares vested and issued and 19,033,450 shares unvested. The total expense recorded for the years ended December 31, 2012 and 2011, was \$241,635 and \$74,892, respectively.

The following table presents the issuance, vesting and shares to be vested of the stock grants. The unvested as of December 31, 2012 and 2011 will vest on a weighted average of approximately 2.75 years and 2.0 years, respectively:

	<u>Number of shares</u>	<u>Estimated Market value</u>
Beginning balance, September 1, 2011	-	
Issued	18,513,000	
Vested	(2,776,950)	
Forfeited	-	
Balance unvested, December 31, 2011	15,736,050	\$ 267,513
Issued	13,813,380	
Vested	(10,515,980)	
Forfeited	-	
Ending balance, December 31, 2012	<u>19,033,450</u>	<u>\$ 19,033</u>

During the year ended December 31, 2012, the Company issued 2,251,079 shares its common stock at a fair value of \$53,771 (as determined by a valuation performed by a third party valuation firm) for services rendered.

During the year ended December 31, 2012, the Company issued 700,000 shares its common stock for \$175,000.

During the year ended December 31, 2012, the Company issued to two consultants options to purchase in the aggregate 4,000,000 shares of the Company's common stock.

Stock Options

In, May 2012, The Company issued stock options to purchase 1,000,000 shares of the Company's common stock at a price of \$0.25 per shares and the option expires five years from the date of vesting. The option vests in eight equal installments of 125,000 options with the first tranche vesting on August 31, 2012.

In August 2012, the Company issued stock options to 3,000,000 shares of the Company's common stock at a price of \$0.25 per share and the options expire five years from the date of vesting. The options vest over twelve equal installments of 250,000 options with the first tranche vesting on date of issuance.

The fair value for stock options was estimated at the date of grant using the Black-Scholes pricing model using a risk free interest rate ranging from 0.39% to 0.42%, expected dividend yield of 0, expected life of three years and a volatility ranging from 107% to 112%.

The risk-free interest rate used in the Black-Scholes valuation method is based on the implied yield currently available for U.S. Treasury securities at maturity with an equivalent term. The Company has not declared or paid

any dividends on its common stock and does not currently expect to do so in the future. The Company does not have any experience to determine the expected term of the options, so the expected term of the options was determined by using the provisions of Staff Accounting Bulletin No. ("SAB No.") 110, simplified calculation. There was no market for the Company's common stock. To determine the expected volatility, the Company used the provisions of ASC 718 to calculate the estimated volatility based annualized daily historical volatility using the implied volatility for comparable entities within the Company's industry.

The Company's stock price volatility, risk free-rate, and option lives involve management's best estimates, both of which impact the fair value of the option calculated under the Black-Scholes methodology and, ultimately, the expense that will be recognized over the life of the option.

Also, the Company recognizes compensation expense for only the portion of the options that are expected to vest. Based on the current economical factors for the Company, the Company applied estimated forfeiture rates of zero. If the actual number of forfeitures differs from the Company's estimates, additional adjustments to compensation expense may be required in future periods.

The weighted average exercise price of options exercisable at December 31, 2012 was \$0.25. The weighted average fair value of options granted was \$14,445 and \$0 during 2012 and 2011, respectively.

The total fair value of stock options vested and charged to expense during the year ended December 31, 2012 and 2011 was \$2,297 and \$0, respectively.

The weighted average exercise price for the options granted during December 31, 2012 and outstanding as of December 31, 2012 was \$0.25 and \$0.25, respectively, with a weighted average remaining contractual term of 4.5 years.

The following table presents the issuance, vesting and options to be vested. Subsequent to December 31, 2012, all of the unvested stock options were terminated, as the independent contractors executed new agreements.

	Number of options
Balance unvested, December 31, 2011	-
Issued	4,000,000
Vested	750,000
Forfeited	-
Ending balance, December 31, 2012	4,750,000
December 31, 2012 expected to be vested	750,000

Note 5 – Segment Information

The Company has two reporting segments: debt portfolio management and intellectual property management. The debt portfolio segment purchases defaulted unsecured consumer receivables in the secondary market and generate revenue through collections utilizing an outsourced collection network and through the strategic resale of portfolios. The intellectual property management segment licenses various commercially desirable technologies and patents from companies that need operating capital or that need help commercializing their technology and sublicense such technology in designated territories. We have no intersegment sales or transfer. The Company's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. Most of the businesses were acquired as a unit, and the management at the time of the acquisition was retained.

For the year ended December 31, 2012, net revenues of \$30,581 and \$0, respectively, are contributed from our debt portfolio and intellectual property management segments. For the year ended December 31, 2011, operating losses of \$706,230 and \$1,440,315, respectively, are contributed from our debt portfolio and intellectual property management segments.

For the period from Inception (September 1, 2011) to December 31, 2011, net revenues of \$0, are contributed from each of our debt portfolio and intellectual property management segments. For the period from Inception (September 1, 2011) to December 31, 2011, operating losses of \$0 and \$463,286, respectively, are contributed from our debt portfolio and intellectual property management segments.

Note 6 – Income taxes

The Company files income tax returns with the Internal Revenue Service (“IRS”) and various state jurisdictions. For jurisdictions in which tax filings are prepared, the Company is subject to income tax examinations by state tax authorities and federal tax authorities for all tax years.

The deferred tax assets are mainly comprised of net loss carryforwards. As of December 31, 2012, the Company had approximately \$ 550,000 of net operating loss carryforwards, that it can use to offset a certain amount of taxable income in the future. These net operating loss carryforwards expire through 2032. The resulting deferred tax asset is offset by a 100% valuation allowance due to the uncertainty of its realization.

A reconciliation of the provision for income tax expense with the expected income tax computed by applying the federal statutory income tax rate to income before provision for income taxes was as follows for the years ended December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Income tax computed at federal statutory tax rate	-34.0%	-34.0%
Change in valuation allowance	39.8%	39.8%
State taxes, net of federal benefit	-5.8%	-5.8%
Total	0.0%	0.0%

The primary difference between income tax expense attributable to continuing operations and the amount of income tax expense that would result from applying domestic federal statutory rates to income before provision for income taxes relates to the change in the valuation allowance.

The Company has adopted the accounting standards that clarify the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements and prescribes a recognition threshold of more likely than not and a measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In making this assessment, a company must determine whether it is more likely than not that a tax position will be sustained upon examination, based solely on the technical merits of the position and must assume that the tax position will be examined by taxing authorities. Our policy is to include interest and penalties related to unrecognized tax benefits in income tax expense. Interest and penalties totaled \$0 for the years ended December 31, 2012 and 2011.

Note 7 - Commitments and Contingencies

Legal matters

The Company may become involved in various legal proceedings in the normal course of business. The Company is not a party to any legal proceedings as of December 31, 2012.

Note 8 - Subsequent Events

On January 14, 2013, the Company issued a promissory note for an aggregate principal amount of \$25,000. In addition, the Company issued 125,000 shares of its common stock in connection with the issuance of the note as loan fees. The Note carries an interest rate of 10% per annum and a maturity date of April 14, 2013 with interest due monthly in arrears.

On January 14, 2013, the Company issued a promissory note for an aggregate principal amount of \$25,000. In addition, the Company issued 125,000 shares of its common stock in connection with the issuance of the note as loan fees. The Note carries an interest rate of 10% per annum and a maturity date of July 1, 2013 with interest due monthly in arrears.

On January 16, 2013, the Company entered into a non-exclusive strategic marketing agreement with Hunter Marketing, LLC for 1,200,000 shares of its common stock.

On January 31, 2013, the Company issued a promissory note for an aggregate principal amount of \$100,000. In addition, the Company issued 500,000 shares of its common stock in connection with the issuance of the note as loan fees. The Note carries an interest rate of 10% per annum and a maturity date of January 30, 2014 with interest due monthly in arrears.

On April 2, 2013, the Company entered into an Acquisition Agreement (the "Acquisition Agreement") with (i) The Aviva Companies Corporation ("Aviva") and (ii) all of the shareholders of Aviva (the "Shareholders") pursuant to which the Company acquired all of the outstanding shares of Aviva in exchange for the issuance of 6,000,000 shares of our common stock, par value \$0.001 per share to the Shareholders (the "Share Exchange"). As a result of the Share Exchange, Aviva became a wholly-owned subsidiary of the Company. The Company has not provided all the detailed disclosures for this transaction pursuant to ASC 805, as the transaction closed within a period of time that did not permit the Company to accurately assess and gather the required information.

Aviva is an early stage company seeking to identify, and commercialize intellectual property in healthcare and technology. Aviva works closely with inventors of IP in both the United States and Israel.

Other than in respect to the transaction, there is no material relationship among Aviva's stockholders and any of the Company's affiliates, directors or officers.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Regulations under the Securities Exchange Act of 1934 (the "Exchange Act") require public companies to maintain "disclosure controls and procedures," which are defined as controls and other procedures that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

We conducted an evaluation with the participation of our Chief Executive Officer of the effectiveness of our disclosure controls and procedures as of December 31, 2012. Based on that evaluation, our Chief Executive Officer has concluded that as of December 31, 2012, our disclosure controls and procedures were not effective at the reasonable assurance level due to the material weaknesses described below.

In light of the material weaknesses described below, we performed additional analysis and other post-closing procedures to ensure our financial statements were prepared in accordance with generally accepted accounting principles. Accordingly, we believe that the financial statements included in this report fairly present, in all material respects, our financial condition, results of operations and cash flows for the periods presented.

A material weakness is a control deficiency (within the meaning of the Public Company Accounting Oversight Board (PCAOB) Auditing Standard No. 2) or combination of control deficiencies that result in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. Management has identified the following two material weaknesses which have caused management to conclude that as of December 31, 2012 our disclosure controls and procedures were not effective at the reasonable assurance level:

1. We do not have written documentation of our internal control policies and procedures. Written documentation of key internal controls over financial reporting is a requirement of Section 404 of the Sarbanes-Oxley Act which is applicable to us for the year ending December 31, 2012. Management evaluated the impact of our failure to have written documentation of our internal controls and procedures on our assessment of our disclosure controls and procedures and has concluded that the control deficiency that resulted represented a material weakness.
2. We do not have sufficient segregation of duties within accounting functions, which is a basic internal control. Due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. However, to the extent possible, the initiation of transactions, the custody of assets and the recording of transactions should be performed by separate individuals. Management evaluated the impact of our failure to have segregation of duties on our assessment of our disclosure controls and procedures and has concluded that the control deficiency that resulted represented a material weakness.

To address these material weaknesses, management performed additional analyses and other procedures to ensure that the financial statements included herein fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, the issuer's principal executive and principal financial

officers and effected by the issuer's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer;

Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the issuer; and

Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

As of the end of our most recent fiscal year, management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and SEC guidance on conducting such assessments. Based on that evaluation, they concluded that as of December 31, 2012, such internal control over financial reporting was not effective. This was due to deficiencies that existed in the design or operation of our internal control over financial reporting that adversely affected our internal controls and that may be considered to be material weaknesses.

The matters involving internal control over financial reporting that our management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board were: (1) lack of a functioning audit committee due to a lack of a majority of independent members and a lack of a majority of outside directors on our board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures; and (2) inadequate segregation of duties consistent with control objectives of having segregation of the initiation of transactions, the recording of transactions and the custody of assets. The aforementioned material weaknesses were identified by our Chief Executive Officer in connection with the review of our financial statements as of December 31, 2012.

Management believes that the material weaknesses set forth in items (1) and (2) above did not have an effect on our financial results. However, management believes that the lack of a functioning audit committee and the lack of a majority of outside directors on our board of directors results in ineffective oversight in the establishment and monitoring of required internal controls and procedures, which could result in a material misstatement in our financial statements in future periods.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the SEC that permit the Company to provide only the management's report in this annual report.

Management's Remediation Initiatives

In an effort to remediate the identified material weaknesses and other deficiencies and enhance our internal controls, we have initiated, or plan to initiate, the following series of measures:

We will increase our personnel resources and technical accounting expertise within the accounting function when funds are available to us. First, we will create a position to segregate duties consistent with control objectives of having separate individuals perform (i) the initiation of transactions, (ii) the recording of transactions and (iii) the custody of assets. Second, we will create a senior position to focus on financial reporting and standardizing and documenting our accounting procedures with the goal of increasing the effectiveness of the internal controls in preventing and detecting misstatements of accounting information. Third, we plan to appoint one or more outside directors to our board of directors who shall be appointed to an audit committee resulting in a fully functioning audit committee who will undertake the oversight in the establishment and monitoring of required internal controls and procedures such as reviewing and approving estimates and assumptions made by management when funds are available to us. We anticipate the costs of implementing these remediation initiatives will be approximately \$50,000 to \$100,000 a year in increased salaries, legal and accounting expenses.

Management believes that the appointment of one or more outside directors, who shall be appointed to a fully functioning audit committee, will remedy the lack of a functioning audit committee and a lack of a majority of outside directors on our Board.

We anticipate that these initiatives will be at least partially, if not fully, implemented by December 31, 2013.

Changes in Internal Control over Financial Reporting

No change in our system of internal control over financial reporting occurred during the period covered by this report, fourth quarter of the fiscal year ended December 31, 2012 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

Designation of Super Voting Preferred Stock

On April 3, 2013, the Company filed an amendment to the Company's Articles of Incorporation, as amended (the "Articles of Incorporation"), in the form of a Certificate of Designation that authorized the issuance of up to one million (1,000,000) shares of a new series of preferred stock, par value \$0.001 per share, designated "Series AA Super Voting Preferred Stock," for which the board of directors established the rights, preferences and limitations thereof.

The Company's board of directors authorized the Series AA Super Voting Preferred Stock pursuant to the authority given to the board under the Articles of Incorporation, which authorizes the issuance of up to 5,000,000 shares of preferred stock, par value \$0.001 per share, and authorized the board, by resolution, to establish any or all of the unissued shares of preferred stock, not then allocated to any series into one or more series and to fix and determine the designation of each such shares, the number of shares which shall constitute such series and certain preferences, limitations and relative rights of the shares of each series so established.

Each holder of outstanding shares of Series AA Super Voting Preferred Stock shall be entitled to one hundred thousand (100,000) votes for each share of Series AA Super Voting Preferred Stock held on the record date for the determination of stockholders entitled to vote at each meeting of stockholders of the Company.

The summary of the rights, privileges and preferences of the Series AA Super Voting Preferred Stock described above is qualified in its entirety by reference to the Certificate of Designation, a copy of which is attached as Exhibit 3.4 to this annual report and is incorporated herein by reference.

Default on Notes

On January 14, 2013, the Company issued a promissory note for an aggregate principal amount of \$25,000. In addition, the Company issued 125,000 shares of its common stock in connection with the issuance of the note as loan fees. The Note carries an interest rate of 10% per annum and a maturity date of April 14, 2013 with interest due monthly in arrears. As of April 16, 2013, the Company has not paid the remaining balance due on the maturity date. As a result, the Company may be deemed in default and the default interest rate is 14% per annum until default is cured.

On January 14, 2013, the Company issued a promissory note for an aggregate principal amount of \$25,000. In addition, the Company issued 125,000 shares of its common stock in connection with the issuance of the note as loan fees. The Note carries an interest rate of 10% per annum and a maturity date of July 1, 2013 with interest due monthly in arrears. As of April 16, 2013, the Company has not paid the interest due monthly in arrears. As a result, the Company may be deemed in default and the default interest rate is 14% per annum until default is cured.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The following table sets forth the name and age of officers and director as of April 12, 2013. Our Executive officers are elected annually by our Board of Directors. Our executive officers hold their offices until they resign, are removed by the Board, or his successor is elected and qualified.

Name	Age	Position
Alan Collier	47	Director, Chief Executive Officer, Interim Chief Financial Officer, and Secretary
Michael Mann	55	Executive Vice-President–Shareholder Relations

Set forth below is a brief description of the background and business experience of our executive officer and director, our Executive Vice President and Beneficial Owner and our Past CFO for the past five years.

Alan Collier has been the Chief Executive Officer, Secretary, and a director of the Company Since March 2012. Mr. Collier has more than twenty (20) years of experience in finance, telecommunications, and consumer products. Over the progression of his career, he has specialized in the development and financing of early stage, high growth, and acquisitive companies (public and private). He has structured, participated in, and completed numerous transactions including mergers and acquisitions, equity and debt placements, capital restructuring, joint venture development, and channel partner procurement. Additionally, Mr. Collier is a Senior Managing Director at Mid-Market Securities, a FINRA-registered Broker-Dealer. He is also the co-founder and a Managing Member of C2 Capital, LLC, which provides management consulting services to companies preparing to go public. Prior to joining Mid-Market Securities, Mr. Collier was a Managing Director of Mosaic Capital and co-managed its Capital Markets Group at Mosaic Capital. He was previously a Vice President at Corporate Capital Group and Managing Director and CEO of Greenbridge Capital Group. He has held numerous board and executive positions throughout his career. Mr. Collier holds FINRA Series 7, 24, 63, and 79 Licenses.

Michael Mann has been the Executive Vice President of Shareholder Relations since March 2012. Mr. Mann is the Vice President of Shareholder Relations for IPR and he brings significant related experience in business operations and corporate finance. Since 2008, Mr. Mann has served as the President and Chief Executive Officer of Hanover Portfolio Acquisitions, Inc. formerly known as Hanover Asset Management, Inc. Immediately prior thereto, Mr. Mann was the Founder, President, and Chief Executive Officer of U.S. Debt Settlement, Inc., a company listed on the Frankfurt Stock Exchange. Mr. Mann had personally overseen the growth and development of U.S. Debt Settlement since 2003. From January 2002 to July 2003, Mr. Mann was the Chief Executive Officer of Shared Vision Capital, a boutique investment banking firm that assisted emerging companies with early seed capital and bridge loans. From October 1998 through December 2001, Mr. Mann was the Vice President of Investor Relations for JuriSearch.com, an online legal research platform. During his tenure with JuriSearch.com, Mr. Mann was directly responsible for financing for the company’s growth and development. In addition, Mr. Mann founded and served as the president of Universal Pacific Communications, a privately owned telecommunications company. Under his leadership, Universal Pacific developed a fiber optic disaster recovery telecommunications network. Mr. Mann has held Series 62 and 63 Securities Licenses.

Involvement in Certain Legal Proceedings

To the best of our knowledge, none of our directors or executive officers has, during the past ten years:

- been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;
- been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity;
- been found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
- been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
- been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Except as set forth in our discussion below in “Certain Relationships and Related Transactions,” none of our directors or executive officers has been involved in any transactions with us or any of our directors, executive officers, affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the Commission.

Term of Office

Our directors are appointed for a one-year term to hold office until the next annual general meeting of our shareholders or until removed from office in accordance with our bylaws. Our officers are appointed by our board of directors and hold office until removed by the board.

Code of Ethics

We do not have a code of ethics that applies to our officers, employees and directors.

Corporate Governance

The business and affairs of the company are managed under the direction of our board. We have a board consisting of one member.. In addition to the contact information in this annual report, each stockholder will be given specific information on how he/she can direct communications to the officers and our director of the corporation. All communications from stockholders are relayed to our board..

Role in Risk Oversight

Our board is primarily responsible for overseeing our risk management processes. The board receives and reviews periodic reports from management, auditors, legal counsel, and others, as considered appropriate regarding our company’s assessment of risks. The board focuses on the most significant risks facing our company and our company’s general risk management strategy, and also ensures that risks undertaken by our company are consistent with the board’s appetite for risk. While the board oversees our company’s risk management, management is responsible for day-to-day risk management processes. We believe this division of responsibilities is the most effective approach for addressing the risks facing our company and that our board leadership structure supports this approach.

Section 16(a) Beneficial Ownership Reporting Compliance

The Company does not have a class of securities registered under the Exchange Act and therefore its directors, executive officers, and any persons holding more than ten percent of the Company's common stock are not required to comply with Section 16 of the Exchange Act.

Item 11. Executive Compensation.

The following executives of the Company received compensation in the amounts set forth in the chart below for the fiscal years ended December 31, 2012 and 2011. No other item of compensation was paid to any officer or director of the Company other than reimbursement of expenses.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)(1)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Non-Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Totals (\$)
Alan Collier, Chief Executive Officer, Interim Chief Financial Officer, Secretary, and Director	2012	\$152,000	0	048,681	0	0	0	40	\$200,681
	2011	\$40,000	0	016,000	0	0	0	10	\$56,000
Michael Mann, Vice President, Former President and Chief Executive Officer	2012	\$152,000	0	048,681	0	0	0	40	\$200,681
	2011	\$40,000	0	016,000	0	0	0	10	\$56,000

(1) This includes deferred compensation to Mr. Collier of \$0 and \$110,350 for 2011 and 2012 respectively. This includes deferred compensation to Mr. Mann of \$7,500 and \$146,000 for 2011 and 2012 respectively.

Outstanding Equity Awards at Fiscal Year-End Table

There were no outstanding equity awards for the year ended December 31, 2012.

Compensation of Directors

The directors will receive no compensation for serving as directors. However, IPR may reimburse its directors for any out-of-pocket cost reasonably incurred to attend a Board meeting.

Employment Agreements

All of the new officers pursuant to the terms of the Share Exchange Agreement dated March 14, 2012 have agreed to accrue and defer payment of their compensation until the Company has generated sufficient financing proceeds or revenue to pay such compensation. Initially, Messrs. Collier and Mann shall each receive compensation of \$10,000 per month. In addition, each officer will get additional compensation in connection with any company that such officer originates upon the finalization of a licensing arrangement with such company.

Finally, Messrs. Collier and Mann shall receive additional compensation in the form of shares of restricted Company common stock that vest over time based upon their remaining with the Company.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

The following table sets forth certain information regarding our shares of common stock beneficially owned as of April 16, 2013, for (i) each stockholder known to be the beneficial owner of 5% or more of our outstanding shares of common stock, (ii) each named executive officer and director, and (iii) all executive officers and directors as a group. A person is considered to beneficially own any shares: (i) over which such person, directly or indirectly, exercises sole or shared voting or investment power, or (ii) of which such person has the right to acquire beneficial ownership at any time within 60 days through an exercise of stock options or warrants. Unless otherwise indicated, voting and investment power relating to the shares shown in the table for our directors and executive officers is exercised solely by the beneficial owner or shared by the owner and the owner's spouse or children.

For purposes of this table, a person or group of persons is deemed to have "beneficial ownership" of any shares of common stock that such person has the right to acquire within 60 days of April 16, 2013. For purposes of computing the percentage of outstanding shares of our common stock held by each person or group of persons named above, any shares that such person or persons has the right to acquire within 60 days of April 16, 2013 is deemed to be outstanding, but is not deemed to be outstanding for the purpose of computing the percentage ownership of any other person. The inclusion herein of any shares listed as beneficially owned does not constitute an admission of beneficial ownership. Unless otherwise specified, the address of each of the persons set forth below is care of the company at the address of: 6320 Canoga Avenue, 15th Floor Woodland Hills, CA 91367.

Name	Number of Shares Beneficially Owned (1)	Percent of Class (2)
Alan Collier 6320 Canoga Avenue, 15 th Floor Woodland Hills, CA 91367	16,091,058	24.23%
Michael Mann 835 E. Lamar Blvd, 202 Arlington, TX 76011	19,024,703	28.65%

* less than 1%

- (1) This includes shares from Mr. Collier's 401K and minor children. This includes 308,550 shares of common stock which will be issued to both Mr. Collier and Mr. Mann on June 1, 2013
- (2) Based on 66,403,824 shares of common stock outstanding as of April 13, 2013.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

There are no related party transactions in which we have engaged since January 1, 2011:

Director Independence

We do not have any independent directors. Because our common stock is not currently listed on a national securities exchange, we have used the definition of "independence" of The NASDAQ Stock Market to make this determination. NASDAQ Listing Rule 5605(a)(2) provides that an "independent director" is a person other than an officer or employee of the company or any other individual having a relationship which, in the opinion of the Company's Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The NASDAQ listing rules provide that a director cannot be considered independent if:

- the director is, or at any time during the past three years was, an employee of the company;
- the director or a family member of the director accepted any compensation from the company in excess of \$120,000 during any period of 12 consecutive months within the three years preceding the independence determination (subject to certain exclusions, including, among other things, compensation for board or board committee service);
- a family member of the director is, or at any time during the past three years was, an executive officer of the company;

- the director or a family member of the director is a partner in, controlling stockholder of, or an executive officer of an entity to which the company made, or from which the company received, payments in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenue for that year or \$200,000, whichever is greater (subject to certain exclusions);
- the director or a family member of the director is employed as an executive officer of an entity where, at any time during the past three years, any of the executive officers of the company served on the compensation committee of such other entity; or
- the director or a family member of the director is a current partner of the company's outside auditor, or at any time during the past three years was a partner or employee of the company's outside auditor, and who worked on the company's audit.

Mr. Alan Collier is not considered independent because he is the Company's Chief Executive Officer.

We do not currently have a separately designated audit, nominating or compensation committee.

Item 14. Principal Accounting Fees and Services.

Audit Fees

For the Company's fiscal years ended December 31, 2012 and 2011, we were billed approximately \$46,000 and \$20,100 for professional services rendered for the audit and review of our financial statements.

Audit Related Fees

There were no fees for audit related services for the years ended December 31, 2012 and 2011.

Tax Fees

For the Company's fiscal years ended December 31, 2012 and 2011, we were billed approximately \$0 and \$6,110 for professional services rendered for tax compliance, tax advice, and tax planning.

All Other Fees

The Company did not incur any other fees related to services rendered by our principal accountant for the fiscal years ended December 31, 2012 and 2011.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Effective May 6, 2003, the Securities and Exchange Commission adopted rules that require that before our auditor is engaged by us to render any auditing or permitted non-audit related service, the engagement be:

- approved by our audit committee; or
- entered into pursuant to pre-approval policies and procedures established by the audit committee, provided the policies and procedures are detailed as to the particular service, the audit committee is informed of each service, and such policies and procedures do not include delegation of the audit committee's responsibilities to management.

We do not have an audit committee. Our board of directors pre-approves all services provided by our independent auditors. The pre-approval process has just been implemented in response to the new rules. Therefore, our board of directors does not have records of what percentage of the above fees was pre-approved. However, all of the above services and fees were reviewed and approved by the board of directors either before or after the respective services were rendered.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) The following documents are filed as part of this report:

(1) Financial Statements and Report of Independent Registered Public Accounting Firm, which are set forth in the index to Consolidated Financial Statements of this report.

Report of Independent Registered Public Accounting Firm	F-1
Consolidated Balance Sheets	F-2
Consolidated Statements of Operations	F-3
Consolidated Statements of Shareholders' Deficit	F-4
Consolidated Statements of Cash Flows	F-5
Notes to Consolidated Financial Statements	F-6

(2) Financial Statement Schedule: None.

(3) Exhibits

EXHIBIT NUMBER	DESCRIPTION
2.1	Share Exchange Agreement (1)
3.1	Articles of Incorporation (2)
3.2	By-Laws (2)
3.3	Agreement and Plan of Merger (2)
3.4	Certificate of Designation
21.1	Subsidiaries
31.1	Certification of Principal Executive Officer and Principal Financial Officer, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Principal Executive Officer and Principal Financial Officer, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Schema
101.CAL*	XBRL Taxonomy Calculation Linkbase
101.DEF*	XBRL Taxonomy Definition Linkbase
101.LAB*	XBRL Taxonomy Label Linkbase
101.PRE*	XBRL Taxonomy Presentation Linkbase

(1) Incorporated by reference to the current report on Form 8-K filed with the Securities and Exchange Commission on March 21, 2012.

(2) Incorporated by reference to the registration statement filed with the Securities and Exchange Commission on September 22, 2011.

In accordance with SEC Release 33-8238, Exhibit 32.1 is being furnished and not filed.

* XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of this annual report or purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 16th day of April, 2013.

HANOVER PORTFOLIO ACQUISITIONS, INC.

By: /s/Alan Collier
Alan Collier
Chief Executive Officer
(Duly Authorized, Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/Alan Collier</u> Alan Collier	Chief Executive Officer , Interim Chief Financial Officer, Secretary and Director (Principal Executive, Financial and Accounting Officer)	April 16, 2013

Exhibit 3.4

**CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS OF
SERIES AA SUPER VOTING PREFERRED STOCK OF HANOVER PORTFOLIO
ACQUISITIONS, INC.**

Hanover Portfolio Acquisitions, Inc., a Delaware corporation (the “Corporation”), DOES HEREBY CERTIFY:

Pursuant to the authority expressly granted and vested in the Board of Directors of the Corporation by the provisions of the Corporation’s Certificate of Incorporation (the “Certificate of Incorporation”), dated May 25, 2011, adopted following the resolution on February 22, 2013 (i) authorizing the creation of the Corporation’s 1,000,000 shares of Series AA Super Voting Preferred Stock, \$0.001 par value per share, and (ii) providing for the designations, preferences and relative, participating, option or other rights, and the qualifications, limitations or restrictions thereof, as follows:

RESOLVED: That pursuant to the authority vested in the Board of Directors of the Corporation by the Certificate of Incorporation, dated May 25, 2011 (the “Certificate of Incorporation”), a series of super preferred voting stock of the Corporation be, and it hereby is, created out of the 5,000,000 authorized but unissued shares of the preferred stock of the Corporation, such series to be designated Series AA Super Voting Preferred Stock (the “Series AA Super Voting Preferred Stock”), to consist of 1,000,000 shares, par value \$0.001 per share, which shall have the following preferences, powers, designations and other special rights;

1. **Voting.** Holders of the Series AA Super Voting Preferred Stock shall have One Hundred Thousand (100,000) times that number of votes on all matters submitted to the shareholders that is equal to the number of shares of Common Stock (rounded to the nearest whole number), at the record date for the determination of the shareholders entitled to vote on such matters or, if no such record date is established, at the date such vote is taken or any written consent of such shareholders is effected. A holder of the Series AA Super Voting Preferred Stock shall vote together with the holders of Common Stock as a single class upon all matters submitted to the Common Stock shareholders.

2. **Dividends.** The holders of Series AA Super Voting Preferred Stock of the Corporation shall not be entitled to receive dividends paid on the Corporation’s Common Stock.

3. **No Liquidation Preference.** Upon liquidation, dissolution and winding up of the Corporation, whether voluntary or involuntary, the holders of the Series AA Super Voting Preferred Stock then outstanding shall not be entitled to receive out of the assets of the Corporation, whether from capital or earnings available for distribution, any amounts which will be otherwise available to and distributed to the Common Stockholders.



4. No Conversion. The shares of Series AA Super Voting Preferred Stock will not be convertible into the shares of the Corporation's Common Stock.

5. Vote to Change the Terms of or Issuance of Series AA Super Voting Preferred Stock. The affirmative vote at a meeting duly called for such purpose, or written consent without a meeting, of the holders of not less than fifty-one (51%) of the then outstanding shares of Series AA Super Voting Preferred Stock shall be required for (i) any change to the Corporation's Articles of Incorporation that would amend, alter, change or repeal any of the voting powers, preferences, limitations or relative rights of the Series AA Super Voting Preferred Stock, or (ii) any issuance of additional shares of Series AA Super Voting Preferred Stock.

6. Notices. In case at any time:

(a) the Corporation shall offer for subscription *pro rata* to the holders of its Common Stock any additional shares of stock of any class or other rights; or

(b) there shall be any recapitalization, reorganization, reclassification, consolidation, merger, sale of all or substantially all of the Corporation's assets to another Person or other transaction in each case, which is effected in such a way that holders of Common Stock are entitled to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Common Stock, referred to herein as an "Organic Change"; then, in any one or more of such cases, the Corporation shall give, by first class mail, postage prepaid, or by facsimile or by recognized overnight delivery service to non-U.S. residents, addressed to the Registered Holders of the Series AA Super Voting Preferred Stock at the address of each such Holder as shown on the books of the Corporation, (i) at least twenty (20) Trading Days prior written notice of the date on which the books of the Corporation shall close or a record shall be taken for such subscription rights or for determining rights to vote in respect of any such Organic Change and (ii) in the case of any such Organic Change, at least twenty (20) Trading Days' prior written notice of the date when the same shall take place. Such notice in accordance with the foregoing clause (i) shall also specify, in the case of any such subscription rights, the date on which the holders of Common Stock shall be entitled thereto, and such notice in accordance with clause (ii) shall also specify the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon such Organic Change.

7. Record Owner. The Corporation may deem the person in whose name shares of Series AA Super Voting Preferred Stock shall be registered upon the registry books of the Corporation to be, and may treat him as, the absolute owner of the Series AA Super Voting Preferred Stock for all purposes, and the Corporation shall not be affected by any notice to the contrary. All such payments and such conversion shall be valid and effective to satisfy and discharge the liabilities arising under this Certificate of Designations to the extent of the sum or sums so paid or the conversion so made.

IN WITNESS WHEREOF, the undersigned Chairman and Chief Executive Officer on behalf of the Corporation does hereby declare and certify that this is the act and deed of the Corporation and accordingly has signed this Certificate of Designations as of February 22, 2013.

By:/s/ Alan Collier
Name: Alan Collier
Title: Chief Executive Officer

Certification of Principal Executive Officer and Principal Financial Officer
Pursuant to 18 U.S.C. 1350
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Alan Collier, certify that:

1. I have reviewed this Annual Report on Form 10-K of Hanover Portfolio Acquisitions, Inc.;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

Dated: April 16, 2013

/s/ Alan Collier

Chief Executive Officer, Interim Chief Financial
Officer, Secretary and Director
(Principal Executive, Financial and Accounting
Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned hereby certifies, in his capacity as the Chief Executive Officer and Interim Chief Financial Officer of Hanover Portfolio Acquisitions, Inc. (the "Company"), for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

- (1) The Company's Annual Report on Form 10-K for the year ended December 31, 2012 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 16, 2013

/s/ Alan Collier

Chief Executive Officer , Interim Chief Financial
Officer, Secretary and Director
(Principal Executive, Financial and Accounting
Officer)

This certification accompanies each Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.