

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Flux Power Holdings, Inc.

Form: 10-Q

Date Filed: 2010-11-12

Corporate Issuer CIK: 1083743

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

FORM 10-Q

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

For the quarterly period ended September 30, 2010

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

For the transition period from _____ to _____

Commission file number 0-25909

Lone Pine Holdings, Inc.

(Exact name of small business issuer as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

86-0931332

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

c/o Sanders Ortoli Vaughn Flam Rosenstadt LLP
501 Madison Avenue
New York, NY 10022

(Address of principal executive offices, zip code)

Issuer's telephone number: 212-588-0022

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

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

Indicate by check mark whether the registrant is a large 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

The number of shares of the issuer's outstanding common stock, which is the only class of its common equity, on November 8, 2010, was 2,577,371.

PART I.	FINANCIAL STATEMENTS	<u>PAGES</u>
Item 1.	UNAUDITED CONDENSED FINANCIAL STATEMENTS:	
	Condensed Balance Sheets as of September 30, 2010 and December 31, 2009	2
	Condensed Statements of Operations for the Nine and Three Months Ended September 30, 2010 and 2009	3
	Condensed Statements of Cash Flows for the Nine Months Ended September 30, 2010 and 2009	4
	Notes to Condensed Financial Statements	5
Item 2.	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	7
Item 3.	QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK	8
Item 4.	CONTROLS AND PROCEDURES	8
PART II.	OTHER INFORMATION	9
Item 1.	LEGAL PROCEEDINGS	9
Item 1A.	RISK FACTORS	9
Item 2.	UNREGISTERED SALE OF EQUITY SECURITIES AND USE OF PROCEEDS	9
Item 3.	DEFAULTS UPON SENIOR SECURITIES	9
Item 4.	SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS	9
Item 5.	OTHER INFORMATION	9
Item 6.	EXHIBITS	9

LONE PINE HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

ASSETS

	<u>September 30,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ -	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>

LIABILITIES AND STOCKHOLDERS' (DEFICIT)

CURRENT LIABILITIES		
Due to principal stockholder	10,475	7,475
Accrued expenses	<u>56,500</u>	<u>29,500</u>
TOTAL CURRENT LIABILITIES	<u>66,975</u>	<u>36,975</u>
STOCKHOLDERS' (DEFICIT)		
Preferred stock, par value \$0.001, 5,000,000 shares authorized, none issued and outstanding	-	-
Common stock, par value \$0.001, 145,000,000 shares authorized, 2,577,371 issued and outstanding	2,577	2,577
Additional paid-in capital	4,915,774	4,915,774
Accumulated deficit	<u>(4,985,326)</u>	<u>(4,955,326)</u>
Total Stockholders' (Deficit)	<u>(66,975)</u>	<u>(36,975)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>

LONE PINE HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	FOR THE THREE MONTHS ENDED SEPTEMBER 30,		FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	2010	2009	2010	2009
REVENUE	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES				
General and administrative expenses	7,000	4,750	30,000	34,475
Total operating expenses	<u>7,000</u>	<u>4,750</u>	<u>30,000</u>	<u>34,475</u>
NET LOSS APPLICABLE TO COMMON SHARES	<u>(7,000)</u>	<u>(4,750)</u>	<u>(30,000)</u>	<u>(34,475)</u>
NET LOSS PER BASIC AND DILUTED SHARES	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
WEIGHTED AVERAGE OF COMMON SHARES OUTSTANDING BASIC AND DILUTED	<u>2,577,371</u>	<u>2,577,371</u>	<u>2,577,371</u>	<u>2,577,371</u>

LONE PINE HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	FOR THE NINE MONTHS ENDED	
	SEPTEMBER 30,	
	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (30,000)	\$ (34,475)
Adjustments to reconcile net loss to cash used in operating activities:		
Increase in accrued expenses	27,000	27,000
Cash used in operating activities	<u>(3,000)</u>	<u>(7,475)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan from principal shareholder	<u>3,000</u>	<u>7,475</u>
Net cash provided by financing activities	<u>3,000</u>	<u>7,475</u>
NET INCREASE (DECREASE) IN CASH	\$ -	\$ -
CASH BEGINNING OF PERIOD	<u>-</u>	<u>-</u>
CASH END OF PERIOD	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>
Forgiveness of accrued expenses at December 31, 2008 by principal shareholder	<u>\$ -</u>	<u>\$ 87,534</u>

LONE PINE HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010
(UNAUDITED)

NOTE 1 - BASIS OF PRESENTATION AND NATURE OF BUSINESS

The accompanying condensed unaudited interim financial statements included herein have been prepared, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). The condensed financial statements and notes are presented as permitted on Form 10-Q and do not contain information included in the Company's annual statements and notes. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these condensed financial statements be read in conjunction with the December 31, 2009 audited financial statements and the accompanying notes thereto. While management believes the procedures followed in preparing these condensed financial statements are reasonable, the accuracy of the amounts are in some respects dependent upon the facts that will exist, and procedures that will be accomplished by the Company later in the year. These results are not necessarily indicative of the results to be expected for the full year.

These condensed unaudited financial statements reflect all adjustments, including normal recurring adjustments, which, in the opinion of management, are necessary to present fairly the operations and cash flows for the periods presented.

Nature of Business

On October 15, 2008, the board of Directors of the Company approved the transfer of all the outstanding shares of Australian Forest Industries, LTD., its operating subsidiary that had been placed in receivership, to the principal shareholders and Directors, personally. Subsequent to the spin out, the Company became a non-operating shell company. As the Company does not currently engage in any business activities, it is looking for a suitable candidate for acquisition or merger that does not need substantial additional capital, but which desires to establish a public trading market for its shares, while avoiding, among other things, the time delays, significant expense, and loss of voting control which may occur in a public offering. Although the Company may consider a business which has recently commenced operations, is a developing company in need of additional funds for expansion into new products or markets, is seeking to develop a new product or service, or is an established business which may be experiencing financial or operating difficulties and is in need of additional capital, it does not have any agreements or arrangements for such an acquisition or merger.

Going Concern

As shown in the accompanying financial statements, the Company incurred a loss from continuing operations of \$30,000 at September 30, 2010 and had an accumulated deficit of \$4,985,326 at September 30, 2010. Management in October 2008 dissolved the saw mill operations in Australia which was in receivership, spun out the bankrupt subsidiary and is currently looking for a merger candidate for the public shell. The Company's short term liquidity needs are principally related to its operating expenses. It is expected that this will get funded by the Company's principal stockholder. The accompanying financial statements have been prepared assuming that the Company will continue as a going concern and do not include any adjustments as a result of this uncertainty.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Loss Per Common Share

Basic earnings per share is computed using the weighted average number of common shares outstanding during the period. It also assumes that outstanding common shares were increased by shares issuable upon exercise of those stock options and warrants for which the market price exceeds exercise price, less shares which we could have purchased with related proceeds. There are no diluting financial instruments as of September 30, 2010 and 2009.

LONE PINE HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010
(UNAUDITED)

Fair Values of Financial Instruments

The Company uses financial instruments in the normal course of business. The carrying values of accrued expenses approximate their fair value due to the short-term maturities of these liabilities.

Income Taxes

The Company has adopted the provisions of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 740, Accounting for Income Taxes. The Company accounts for income taxes pursuant to the provisions of the ASC 740, Accounting for Income Taxes, which requires an asset and liability approach to calculating deferred income taxes. The asset and liability approach requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities.

NOTE 3 – RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2010 the Company received advances from the principal stockholder in the amount of \$3,000 to pay professional fees. The legal fees for the three and nine months ended September 30, 2010 were \$3,000 and \$9,000; they were incurred by Sanders Ortolí Vaughn-Flam Rosenstadt LLP of whom William Rosenstadt, President and CEO of the Company, is a partner. The amounts due to the related party are unsecured and non-interest bearing with no set terms of repayment.

NOTE 4- INCOME TAXES

Due to the uncertainty of utilizing the approximate \$534,000 and \$504,000 in net operating losses, for the periods ended September 30, 2010 and December 31, 2009 respectively, and recognizing the deferred tax assets, an offsetting valuation allowance has been established.

Federal, state and local income tax returns for years prior to 2006 are no longer subject to examination by tax authorities.

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

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

It should be noted that this Management's Discussion and Analysis of Financial Condition and Results of Operations may contain "forward-looking statements". The terms "believe", "anticipate", "intend", "goal", "expect" and similar expressions may identify forward-looking statements. These forward-looking statements represent our current expectations or beliefs concerning future events. The matters covered by these statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those set forth in the forward-looking statements. The foregoing list should not be construed as exhaustive, and we disclaim any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements, or to reflect the occurrence of anticipated or unanticipated events. In light of the significant uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as a representation that the strategy, objectives or other of our plans will be achieved. We wish to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made.

Background

Our former subsidiaries Integrated Forest Products Pty Ltd ("Integrated") and Timbermans Group Pty Ltd ("Timbermans") went into administration in Australia (in the United States this is tantamount to a Chapter 11 Bankruptcy). On July 31, 2007, Price Waterhouse Coopers LLP was appointed Receivers and Managers of both Integrated and Timbermans. Also on this same date, Deloitte was appointed Liquidator of Timbermans. Romanis Cant was appointed Liquidator of Integrated on October 18, 2007. The business operations of Integrated were continued until November 30, 2007 when all of the assets of Integrated were offered for sale as a going concern.

In connection with the receivership, the receiver formed a new Australian wholly owned subsidiary, Australian Forest Industries, LTD., and exchanged all of the shares of Integrated for Australian Forest Industries, LTD. shares. On October 15, 2008, the board of Directors of the Company approved the transfer of all the outstanding shares of Australian Forest Industries, LTD. to the principal shareholders and Directors, personally. Subsequent to the spin out, the Company became a non-operating shell company.

The Company incurred a net loss from continuing operations of \$30,000 for the nine months ended September 30, 2010 and has an accumulated deficit of \$4,985,326 at September 30, 2010. Because of the dissolution of the business and the liquidation of all liabilities, our current business objective for the next 12 months is to investigate and, if such investigation warrants, acquire a target company or business seeking the perceived advantages of being a publicly held corporation. We will not restrict our potential candidate target companies to any specific business, industry or geographical location and, thus, may acquire any type of business.

We do not currently engage in any business activities that provide us with positive cash flows. As such, the costs of investigating and analyzing business combinations for the next approximately 12 months and beyond will be paid through funds from financing to be obtained.

During the next 12 months, we anticipate incurring costs related to filing of Exchange Act reports and costs relating to consummating an acquisition.

We believe we will be able to meet these costs with amounts to be loaned to or invested in us by our principal stockholder or other investors.

We may consider a business which has recently commenced operations, is a developing company in need of additional funds for expansion into new products or markets, is seeking to develop a new product or service, or is an established business which may be experiencing financial or operating difficulties and is in need of additional capital. In the alternative, a business combination may involve the acquisition of, or merger with, a company which does not need substantial additional capital, but which desires to establish a public trading market for its shares, while avoiding, among other things, the time delays, significant expense, and loss of voting control which may occur in a public offering.

Any target business that is selected may be a financially unstable company or an entity in its early stages of development or growth, including entities without established records of sales or earnings. In that event, we will be subject to numerous risks inherent in the business and operations of financially unstable and early stage or potential emerging growth companies. In addition, we may effect a business combination with an entity in an industry characterized by a high level of risk, and, although our management will endeavor to evaluate the risks inherent in a particular target business, there can be no assurance that we will properly ascertain or assess all significant risks.

RESULTS OF OPERATIONS

Net loss for the three months ended September 30, 2010 was \$7,000 as compared to a net loss of \$4,750 for the three months ended September 30, 2009. Net loss for the nine months ended September 30, 2010 was \$30,000 as compared to a net loss of \$34,475 for the nine months ended September 30, 2009. All of the losses in the 2010 and 2009 periods were from continuing operations and related almost exclusively to accounting, legal and transfer agent fees. Apart from looking for a merger candidate, we have no current operations, and we have no employees.

LIQUIDITY AND CAPITAL RESOURCES

Net cash used by operations was \$3,000 for the nine months ended September 30, 2010 as compared to net cash used by operations of \$7,475 for the nine months ended September 30, 2009. We realized \$3,000 net cash provided by financing activities for our continuing operations for the nine-month period ended September 30, 2010, and we realized net cash provided by financing activities of \$7,475 for the nine-month period ended September 30, 2009 provided by our principal stockholder.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's discussion and analysis of its financial condition and results of operations are based upon its financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, the Company evaluates its estimates, including those related to bad debts, income taxes and contingencies and litigation. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Item 3. Quantitative and Qualitative Disclosure About Market Risk.

Not applicable

Item 4/4T. – Controls and Procedures

(a) Disclosure Controls and Procedures.

As of the end of the period covering this Form 10-Q, we evaluated the effectiveness of the design and operation of our "disclosure controls and procedures". We conducted this evaluation under the supervision and with the participation of management, including our Chief Executive Officer and Acting Principal Accounting Officer.

(i) Definition of Disclosure Controls and Procedures .

Disclosure controls and procedures are controls and other procedures that are designed with the objective of ensuring that information required to be disclosed in our periodic reports filed under the Exchange Act, such as this report, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. As defined by the SEC, such disclosure controls and procedures are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the Chief Executive Officer and Acting Principal Accounting Officer, in such a manner as to allow timely disclosure decisions.

(ii) Conclusions with Respect to Our Evaluation of Disclosure Controls and Procedures.

Our Chief Executive Officer and Acting Principal Accounting Officer determined that, as of the end of the period covered by this report, these controls and procedures are adequate and effective in alerting them in a timely manner to material information relating to us required to be included in our periodic SEC filings.

(b) Changes in Internal Controls.

There have been no changes in our internal controls over financial reporting that could significantly affect these controls subsequent to the date of their evaluation.

PART II

Item 1. Legal Proceedings

No material changes.

Item 1A Risk Factors

Not applicable.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Index

Exhibit 31.1 Certification of Chief Executive Officer and Acting Principal Accounting Officer

Exhibit 32.1 Certification of Chief Executive Officer and Acting Principal Accounting Officer

SIGNATURES

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

LONE PINE HOLDINGS, INC.

/s/ William S. Rosenstadt

Name: William S. Rosenstadt

Title: CEO, President and Principal Accounting Officer

Date: November 11, 2010

CERTIFICATION OF CHIEF EXECUTIVE OFFICER, PRESIDENT AND

ACTING PRINCIPAL ACCOUNTING OFFICER

I, William S. Rosenstadt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Lone Pine Holdings, 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 quarterly 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 of internal control over financial reporting, 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 control over financial reporting.

Date: November 11, 2010

/s/ William S. Rosenstadt

Name: William S. Rosenstadt

Title: CEO, President and Principal Accounting Officer

Certification Pursuant to 18 U.S.C. Section 1350 As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, William S. Rosenstadt, Chief Executive Officer, President and Acting Principal Accounting Officer of Lone Pine Holdings, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- (1) the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2010 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 11, 2010

/s/ William S. Rosenstadt

Name: William S. Rosenstadt

Title: CEO, President and Principal Accounting Officer
