

Midwest Energy Emissions Corp.  
Form 8-K  
March 27, 2012

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) March 21, 2012

MIDWEST ENERGY EMISSIONS CORP.  
(Exact name of registrant as specified in its charter)

Commission file number 000-33067

Delaware  
(State or other jurisdiction of  
incorporation)

87-0398271  
(I.R.S. Employer Identification No.)

500 West Wilson Bridge Road, Suite 140  
Worthington, Ohio  
(Address of principal executive offices)

43085  
(Zip Code)

Registrant's telephone number, including area code: (614) 505-6115

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(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## Item 4.02 Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.

On March 21, 2012, as the result of errors described below, the management of Midwest Energy Emissions Corp (the “Company”) recommended to the Board of Directors that the Company correct (i) the unaudited financial statements for the period ended June 30, 2011 and for the period from inception (December 17, 2008) to June 30, 2011, contained in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, which was filed with the Commission on August 22, 2011, as amended on Form 10-Q/A filed on December 23, 2011 and (ii) the unaudited financial statements for the period ended September 30, 2011 and for the period from inception (December 17, 2008) to September 30, 2011, contained in the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, which was filed with the Commission on November 21, 2011. The Board of Directors agreed with management's recommendation, and it was concluded that the financial statements as of and for the aforementioned periods should no longer be relied upon, and noted that the errors were not related to the reporting of continuing operations. The Board of Directors has discussed this matter with Schneider Downs, the Company's independent registered public accounting firm.

The identified errors related to accounting for of the Agreement and Plan of Merger (the “Merger Agreement”) with Midwest Energy Emissions Corp., a North Dakota corporation on June 21, 2011. The errors were related to which entity survived the transaction in the recording of the merger, which was treated as a reverse merger for accounting purposes. As a result of these errors, we determined that the financial statements contained in the Company's Form 10-Q's for the quarters ended June 30, 2011 and September 30, 2011 should be restated on Forms 10-Q/A.

The Company anticipate that the Forms 10-Q/A with the noted restatements will be filed in the coming days. The following is a summary of the effects of the identified errors on the Company's financial statements:

|   | As<br>previously<br>reported | Adjustments  | As restated |
|---|------------------------------|--------------|-------------|
| Balance Sheet as of June 30, 2011                                 |                              |              |             |
| Cash  | 9,391                        | (726 )       | 8,665       |
| Current assets of discontinued operations                         | 1,149                        | (1,149 )     | -           |
| Total current assets  | 11,119                       | (1,875 )     | 9,244       |
| Property and equipment, net                                       | 1,037,199                    | (4,731 )     | 1,032,468   |
| Other assets of discontinued operations                           | 2,000                        | (2,000 )     | -           |
| Total assets  | 1,135,613                    | (8,606 )     | 1,127,007   |
| Account payable and accrued expenses                              | 777,250                      | (19,000 )    | 758,250     |
| Current liabilities of discontinued operations                    | 379,743                      | 71,283       | 451,026     |
| Advances payable - related party of discontinued operations       | 153,804                      | 180          | 153,984     |
| Total current liabilities   | 2,650,929                    | 52,463       | 2,703,392   |
| Beneficial conversion feature of discontinued operations          | (110,269 )                   | 110,269      | -           |
| Total liabilities   | 2,590,660                    | 162,732      | 2,753,392   |
| Additional paid in capital  | (284,828 )                   | 3,077,581    | 2,792,753   |
| Accumulated other comprehensive income of discontinued operations | (738 )                       | 738          | -           |
| Accumulated deficit   | (1,504,218)                  | (3,249,657 ) | (4,753,875) |
| Total stockholders deficit  | (1,455,047)                  | (171,338 )   | (1,626,385) |
| Total liabilities and stockholders' deficit                       | 1,135,613                    | (8,606 )     | 1,127,007   |
| Statement of Operations for the six months ended June 30, 2011    |                              |              |             |
| Selling, general and administrative expenses                      | 530,779                      | (19,000 )    | 511,779     |

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|   |              |              |             |
|---|--------------|--------------|-------------|
| Impairment of goodwill                  | -            | 3,403,286    | 3,403,286   |
| Total operating expenses                | 809,992      | 3,384,286    | 4,194,278   |
| Operating loss                          | (809,992 )   | (3,384,286 ) | (4,194,278) |
| Net loss from continuing operations     | (846,424 )   | (3,384,286 ) | (4,230,710) |
| Net loss form discontinued operations   | (155,479 )   | 134,629      | (20,850 )   |
| Net loss                                | (1,001,903 ) | (3,249,657 ) | (4,251,560) |
| Foreign currency translation adjustment | (738 )       | 738          | -           |

2

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|  | As<br>previously<br>reported | Adjustments  | As restated |
|--|------------------------------|--------------|-------------|
| Statement of Cash Flows for the six months ended June 30, 2011           |                              |              |             |
| Net loss from continuing operations                                      | (846,424 )                   | 846,424      | -           |
| Net loss form discontinued operations                                    | (155,479 )                   | 155,479      | -           |
| Net loss   | -                            | (4,251,560 ) | (4,251,560) |
| Stock based compensation   | 209,331                      | (146,831 )   | 62,500      |
| Amortization of beneficial conversion feature of discontinued operations | 5,803                        | (5,803 )     | -           |
| Depreciation expense   | 2,170                        | (1,950 )     | 220         |
| Impairment of goodwill   | -                            | 3,403,286    | 3,403,286   |
| Decrease in other assets attributable to discontinued operations         | 727                          | 8,855        | 9,582       |
| Increase in accounts payable and accrued expenses                        | 717,244                      | (10,230 )    | 707,014     |
| Increase in accounts payable attributable to discontinued operations     | 109                          | (109 )       | -           |
| Net cash used in operating activities                                    | (64,157 )                    | (2,439 )     | (66,596 )   |
| Purchase of equipment  | (1,031,917)                  | 975          | (1,030,942) |
| Effect of exchange rate  | (738 )                       | 738          | -           |
| Net increase in cash and cash equivalents                                | 2,081                        | (726 )       | 1,355       |
| Cash and cash equivalents - end of period                                | 9,391                        | (726 )       | 8,665       |

| Balance Sheet as of September 30, 2011                            |             |              |             |
|---|-------------|--------------|-------------|
| Cash  | 10,396      | (2,938 )     | 7,458       |
| Current assets of discontinued operations                         | 1,163       | (1,163 )     | -           |
| Total current assets  | 395,871     | (4,101 )     | 391,770     |
| Property and equipment, net                                       | 1,288,695   | (3,758 )     | 1,284,937   |
| Other assets of discontinued operations                           | 2,000       | (2,000 )     | -           |
| Total assets  | 1,815,844   | (9,859 )     | 1,805,985   |
| Account payable and accrued expenses                              | 975,187     | (58,823 )    | 916,364     |
| Current liabilities of discontinued operations                    | 384,942     | 48,406       | 433,348     |
| Advances payable - related party of discontinued operations       | 153,894     | 16,090       | 169,984     |
| Total current liabilities   | 3,486,429   | 5,673        | 3,492,102   |
| Beneficial conversion feature of discontinued operations          | (104,466 )  | 104,466      | -           |
| Total liabilities   | 3,581,963   | 110,139      | 3,692,102   |
| Additional paid in capital  | 321,036     | 2,930,839    | 3,251,875   |
| Accumulated other comprehensive income of discontinued operations | (1,589 )    | 1,589        | -           |
| Accumulated deficit   | (2,427,317) | (3,052,426 ) | (5,479,743) |
| Total stockholders deficit  | (1,766,119) | (119,998 )   | (1,886,117) |
| Total liabilities and stockholders' deficit                       | 1,815,844   | (9,859 )     | 1,805,985   |

|   | As<br>previously<br>reported | Adjustments  | As restated |
|---|------------------------------|--------------|-------------|
| <b>Statement of Operations for the nine months ended September 30, 2011</b> |                              |              |             |
| Selling, general and administrative expenses                                | 630,548                      | (5,361 )     | 625,187     |
| Professional fees   | 458,243                      | (53,462 )    | 404,781     |
| Impairment of goodwill  | -                            | 3,403,286    | 3,403,286   |
| Total operating expenses  | 1,470,504                    | 3,344,463    | 4,814,967   |
| Operating loss  | (1,522,774)                  | (3,344,463 ) | (4,867,237) |
| Net loss from continuing operations   | (1,609,694)                  | (3,344,463 ) | (4,954,157) |
| Net loss form discontinued operations                                       | (315,306 )                   | 292,037      | (23,269 )   |
| Net Loss  | (1,925,000)                  | (3,052,426 ) | (4,977,426) |
| Foreign currency translation adjustment                                     | (1,589 )                     | 1,589        | -           |
| <b>Statement of Cash Flows for the nine months ended September 30, 2011</b> |                              |              |             |
| Net loss from continuing operations   | (1,609,694)                  | 1,609,694    | -           |
| Net loss form discontinued operations                                       | (315,306 )                   | 315,306      | -           |
| Net loss  | -                            | (4,977,426 ) | (4,977,426) |
| Stock based compensation  | 496,044                      | (293,664 )   | 202,380     |
| Amortization of beneficial conversion feature of discontinued operations    | 11,606                       | (11,606 )    | -           |
| Depreciation expense  | 2,302                        | (1,948 )     | 354         |
| Impairment of goodwill  | -                            | 3,403,286    | 3,403,286   |
| Decrease in other assets attributable to discontinued operations            | 713                          | 8,869        | 9,582       |
| Increase in accounts payable and accrued expenses                           | 850,186                      | (58,823 )    | 791,363     |
| Increase in accounts payable attributable to discontinued operations        | 5,307                        | 1,785        | 7,092       |
| Net cash used in operating activities                                       | (952,946 )                   | (4,527 )     | (957,473 )  |
| Effect of exchange rate   | (1,589 )                     | 1,589        | -           |
| Net increase in cash and cash equivalents                                   | 3,086                        | (2,938 )     | 148         |
| Cash and cash equivalents - end of period                                   | 10,396                       | (2,938 )     | 7,458       |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MIDWEST ENERGY EMISSIONS CORP

Dated: March 27, 2011

By: /s/ Richard Gross  
Name: Richard H. Gross  
Title: Chief Financial Officer