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Documents

10-Q	drs10q093009.htm
EX-31.1	ex31-1.htm
EX-31.2	ex31-2.htm
EX-32.1	ex32-1.htm
EX-32.2	ex32-2.htm

Module and Segment References

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company

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

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

Check whether the issuer has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

As of September 30, 2009, the Company had 15,921,718 shares of common stock issued and outstanding.

FORM 10-Q – DRS INC.
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DRS Inc.
Balance Sheets
As of September 30, 2009 and June 30, 2009

ASSETS	Unaudited 30-Sep-09	30-Jun-09
Current assets:		
Cash & short term deposits	\$ 945	\$ 18,481
Accounts receivable (net of allowance for bad debt)	167,900	329,037
Prepaid expenses	17,975	24,708
Total current assets	<u>\$ 186,820</u>	<u>\$ 372,226</u>
Other assets:		
Fixed assets- net	604,416	645,330
Security deposits- related party	<u>262,769</u>	<u>262,769</u>
Total assets	<u><u>\$ 1,054,005</u></u>	<u><u>\$ 1,280,325</u></u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable & accrued expenses	\$ 434,871	\$ 465,888
Capital lease payable- short term	<u>156,836</u>	<u>153,963</u>
Total current liabilities	<u>\$ 591,707</u>	<u>\$ 619,851</u>
Capital lease payable- long term	358,254	397,120
Notes payable	300,000	300,000
Loan payable- shareholder	147,489	116,041
Shareholders' equity:		
Common stock- \$.001 par value, authorized 25,000,000 shares, issued and outstanding, 15,903,718 shares at 6/30/09 and 15,921,718 at 9/30/09	\$ 15,921	\$ 15,903
Additional paid in capital	11,476,875	11,458,893
Retained deficit	<u>(11,836,241)</u>	<u>(11,627,483)</u>
Total shareholders' equity	<u>(343,445)</u>	<u>(152,687)</u>
Total Liabilities & Shareholders' Equity	<u><u>\$ 1,054,005</u></u>	<u><u>\$ 1,280,325</u></u>

See the notes to the financial statements.

DRS Inc.
Statements of Operations
For the Quarters Ended September 30, 2009 and September 30, 2008

	Unaudited 30-Sep-09	Unaudited 30-Sep-08
Revenues:		
Net revenues	\$ 567,083	\$ 798,390
Cost of revenues	<u>(508,835)</u>	<u>(711,672)</u>
Net revenues	\$ 58,248	\$ 86,718
General and administrative expenses:		
General administration	\$ 244,630	\$ 153,378
Total general & administrative expenses	<u>244,630</u>	<u>153,378</u>
Net loss from operations	\$ (186,382)	\$ (66,660)
Other revenues (expenses):		
Interest income	0	583
Interest expense	<u>(22,376)</u>	<u>(15,081)</u>
Net loss before provision for income taxes	\$ (208,758)	\$ (81,158)
Provision for income taxes	<u>0</u>	<u>0</u>
Net loss	<u>\$ (208,758)</u>	<u>\$ (81,158)</u>
Loss per common share:		
Basic & fully diluted	\$ (0.01)	\$ (0.01)
Weighted average of common shares:		
Basic & fully diluted	15,912,817	15,868,268

See the notes to the financial statements.

DRS Inc.
Statements of Cash Flows
For the Quarters Ended September 30, 2009 and September 30, 2008

	Unaudited 30-Sep-09	Unaudited 30-Sep-08
Operating Activities:		
Net loss	\$ (208,758)	\$ (81,158)
Adjustments to reconcile net loss items not requiring the use of cash:		
Depreciation expense	52,682	21,180
Bad debt expense	15,063	18,413
Interest expense	3,448	3,781
Changes in other operating assets and liabilities :		
Accounts receivable	146,074	20,243
Prepaid expense	6,733	0
Accounts payable	(31,017)	44,439
Net cash used by operations	<u>\$ (15,775)</u>	<u>\$ 26,898</u>
Investing Activities:		
Security deposits	\$ 0	\$ (4,550)
Purchase of equipment	(11,768)	(12,453)
Net cash used by investing activities	<u>(11,768)</u>	<u>(17,003)</u>
Financing Activities:		
Issuance of common stock	\$ 18,000	\$ 0
Loans from shareholder	28,000	0
Payment of capital lease	(35,993)	(18,201)
Net cash provided by financing activities	<u>10,007</u>	<u>(18,201)</u>
Net increase (decrease) in cash during the period	\$ (17,536)	\$ (8,306)
Cash balance at July 1st	<u>18,481</u>	<u>50,525</u>
Cash balance at September 30th	<u>\$ 945</u>	<u>\$ 42,219</u>
Supplemental disclosures of cash flow information:		
Interest paid during the period	\$ 18,928	\$ 11,300
Income taxes paid during the period	\$ 0	\$ 0

See the notes to the financial statements.

DRS Inc.
Statement of Changes in Shareholder's Equity
For the Quarters Ended September 30, 2009 and September 30, 2008
(Unaudited)

	Common Shares	Common Par Value	Paid in Capital	Accumulated Deficit	Total	Issue Price Per Share
Balance at June 30, 2009	15,903,718	\$ 15,903	\$ 11,458,893	\$ (11,627,483)	\$ (152,687)	
Issuance of common stock	18,000	18	17,982		18,000	\$ 1.00
Net loss for the period				(208,758)	(208,758)	
Balance at September 30, 2009	<u>15,921,718</u>	<u>\$ 15,921</u>	<u>\$ 11,476,875</u>	<u>\$ (11,836,241)</u>	<u>\$ (343,445)</u>	

	Common Shares	Common Par Value	Paid in Capital	Accumulated Deficit	Total
Balance at June 30, 2008	15,868,268	\$ 15,868	\$ 11,423,478	\$ (11,047,706)	\$ 391,640
Net loss for the period- unaudited				(81,158)	(81,158)
Balance at September 30, 2008	<u>15,868,268</u>	<u>\$ 15,868</u>	<u>\$ 11,423,478</u>	<u>\$ (11,128,864)</u>	<u>\$ 310,482</u>

See the notes to the financial statements.

1. Organization of the Company and Significant Accounting Principles

DRS Inc. (the "Company") is a privately held corporation formed in November 2006 in the state of Nevada. The Company removes drywall and other rubbish from construction sites for disposal and recycling. The Company operates mainly in the state of Washington.

Use of Estimates- The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make reasonable estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses at the date of the financial statements and for the year they include. Actual results may differ from these estimates.

Cash- For the purpose of calculating changes in cash flows, cash includes all cash balances and highly liquid short-term investments with maturity dates of three months or less.

Fixed Assets- Fixed assets are stated at cost. Depreciation expense is computed using the straight-line method over the estimated useful life of the asset. The following is a summary of the estimated useful lives used in computing depreciation expense:

Office equipment	3 years
Vehicles	5 years
Equipment	3 Years
Furniture & fixtures	5 Years

Expenditures for major repairs and renewals that extend the useful life of the asset are capitalized. Minor repair expenditures are charged to expense as incurred.

Long Lived Assets- The Company reviews for the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when estimated future cash flows expected to result from the use of the asset and its eventual disposition is less than its carrying amount.

Income taxes- The Company accounts for income taxes in accordance with the Statement of Accounting Standards No. 109 (SFAS No. 109), "Accounting for Income Taxes". SFAS No. 109 requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between financial statement and income tax bases of assets and liabilities that will result in taxable income or deductible expenses in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets and liabilities to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period adjusted for the change during the period in deferred tax assets and liabilities.

Revenue Recognition- The Company realizes revenues from drywall removal jobs when the existence of an unconditional binding arrangement with a client is present, the work has been performed, the Company fees are determined and fixed, and the assurance of the revenue collection is reasonably secured.

Bad Debt Expense- The Company provides, through charges to income, a charge for bad debt expense, which is based upon management's evaluation of numerous factors. These factors include economic conditions, a predictive analysis of the outcome of the current portfolio and prior credit loss experience.

2. Net Loss per Share

The Company applies SFAS No. 128, *Earnings per Share* to compute net loss per share. In accordance with SFAS No. 128, basic net loss per share has been computed based on the weighted average of common shares outstanding during the years. Diluted net loss per share gives the effect of outstanding common stock equivalents of the warrants outstanding. The effects on net loss per share of the common stock equivalents, however, are not included in the calculation of net loss per share since their inclusion would be anti-dilutive.

Net loss per common share has been computed as follows:

	30-Sep-09	30-Sep-08
Net loss	\$ (208,758)	\$ (81,158)
Total common shares outstanding	<u>15,921,718</u>	<u>15,868,268</u>
Weighted average of shares outstanding	<u>15,912,817</u>	<u>15,868,268</u>
Loss per common share:		
Basic & fully diluted	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>

3. Provision for Income Taxes

Provision for income taxes is comprised of the following:

	30-Sep-09	30-Sep-08
Net loss before provision for income taxes	\$ (208,758)	\$ (81,158)
Current tax expense:		
Federal	\$ 0	\$ 0
State	0	0
Total	<u>\$ 0</u>	<u>\$ 0</u>
Less deferred tax benefit:		
Timing differences	(379,646)	(144,904)
Allowance for recoverability	379,646	144,904
Provision for income taxes	<u>\$ 0</u>	<u>\$ 0</u>

A reconciliation of provision for income taxes at the statutory rate to provision for income taxes at the Company's effective tax rate is as follows:

Statutory U.S. federal rate	34%	34%
Statutory state and local income tax	10%	10%
Less allowance for tax recoverability	-44%	-44%
Effective rate	<u>0%</u>	<u>0%</u>

Deferred income taxes are comprised of the following:

Timing differences	\$ 379,646	\$ 144,904
Allowance for recoverability	(379,646)	(144,904)
Deferred tax benefit	<u>\$ 0</u>	<u>\$ 0</u>

Note: The deferred tax benefits arising from the timing differences expires in fiscal year 2028 and 2029 and may not be recoverable upon the purchase of the Company under current IRS statutes.

4. Common Stock Options Outstanding

A list of options outstanding at September 30, 2009 is as follows:

	Amount	Average Exercise Price	Estimated Average Years to Maturity
Outstanding at June 30, 2008	3,361,600	\$ 0.41	3.46
Issued	0		
Expired	0		
Exercised	0		
Outstanding at June 30, 2009	<u>3,361,600</u>	\$ 0.41	2.56
Issued	0		
Expired	0		
Exercised	0		
Outstanding at September 30, 2009	<u>3,361,600</u>	\$ 0.41	2.31

5. General Administrative Expenses

A detail of general administrative expenses in the statement of operations at September 30, 2009 and September 30, 2008 is as follows:

	30-Sep-09	30-Sep-08
Salaries & benefits	\$ 107,119	\$ 0
Automobile expense	0	2,352
Bad debt expense	15,063	18,413
Bank fees	2,046	426
Depreciation- office equipment	550	326
Insurance	19,308	15,559
Licenses	293	802
Management consulting	15,000	39,000
Marketing	3,249	189
Meals	78	484
Administration	5,048	19,380
Professionals & consulting fees	43,475	9,817
Rent expense	21,511	35,266
Taxes	3,012	4,058
Telephone	<u>8,878</u>	<u>7,306</u>
Total	<u>\$ 244,630</u>	<u>\$ 153,378</u>

6. Fixed Assets- Net

The following table is a summary of fixed assets:

	30-Sep-09	30-Jun-09
Vehicles	\$ 546,650	\$ 546,650
Equipment	289,148	277,380
Office equipment	6,532	6,532
Furniture & fixtures	15,035	15,035
Accumulated depreciation	<u>(252,949)</u>	<u>(200,267)</u>
Fixed assets- net	<u>\$ 604,416</u>	<u>\$ 645,330</u>

Assets lease under capital lease agreements are \$736,652 with accumulated depreciation of \$221,775 at September 30, 2009. Depreciation expense on these leased assets for the quarters ended September 30, 2009 and September 30, 2008 is \$50,109 and \$17,420, respectively.

7. Commitments and Contingencies

The Company is committed to various non-cancelable operating leases for office, vehicle parking space, and recycling facilities in Washington State. Future minimum lease payments required under these leases is as follows:

	2010	\$ 205,841
	2011	221,035
	2012	206,614
	2013	209,837
	2014	<u>94,504</u>
Total		<u>\$ 937,831</u>

Rent expense for quarters ended September 30, 2009 and September 30, 2008 is \$21,511 and \$35,266, respectively.

The Company has entered into various capital lease agreements for the vehicle equipment.

Future minimum lease payments required under these leases is as follows:

	2010	\$	197,004
	2011		159,613
	2012		89,091
	2013		82,773
	2014		58,427
	2015		<u>20,595</u>
Total minimum lease payments		\$	607,503
Less amounts representing interest			<u>(92,414)</u>
Present value of net minimum lease payments		\$	<u>515,090</u>

8. Litigation

The Company is a defendant in various lawsuits initiated against it as a result of the ordinary course of its business. At the date of this report, management cannot predict the likelihood of an unfavorable of these lawsuits nor can management estimate a probable range of loss, if any, upon the resolution of these matters. However, in the opinion of management, the eventual disposition of these lawsuits will not have a material effect on the Company's financial position.

9. Related Party Transactions

During quarter ended September 30, 2009, sales revenues of \$61,567 were generated from companies owned by the Company's management and other shareholders. Accounts receivables from related parties at September 30, 2009 were \$12,792.

The Company has entered into equipment rental agreements with the secretary and treasurer of the Company and a majority shareholder. The rental agreements are on a month to month basis and the Company has deposited \$227,681 as security with this related party to secure the rental agreements. The deposits are unsecured and non interest bearing.

During fiscal year 2009 and for the quarter ended September 30, 2009, the Company issued notes payable to a shareholder and received proceeds of \$115,000 and \$28,000, respectively. The loans are secured by the receivables of the Company and mature from May 2010 to July 2010. Although there was no stated interest on these notes, the Company imputed an interest rate of 10.67% and recorded interest expense in the statement of operations.

10. Debt and Credit Line

In October 2008, the Company issued a note payable to a creditor and received proceeds of \$200,000. The loan is secured by the receivables of the Company and matures in December 2009 at an interest rate of 10%.

In January 2009, the Company issued a note payable to a creditor and received proceeds of \$100,000. The loan is secured by the receivables of the Company and matures in February 2010 at an interest rate of 12%.

The Company has a \$10,000 line of credit from a bank at a fluctuating interest rate based on the prime interest rate. The balance on the credit line at September 30, 2009 is \$3,200.

11. Going Concern

The accompanying financial statements have been presented in accordance with generally accepted accounting principles, which assume the continuity of the Company as a going concern. However, the Company has incurred significant losses since its inception and continues to rely on financing and the issuance of shares to raise capital to fund its business operations.

Management's plans with regard to this matter are as follows:

Management plans to raise capital through an offering of its common stock. The Company will use the proceeds of this offering to purchase the leased equipment discussed in Note 9. Management estimates the purchase will save the Company approximately \$475,000 in depreciation expense, leased trucks expense, and interest expense.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS AND PLAN OF OPERATION

Summary of Operations

Overview

You should read the following discussion and analysis in conjunction with the Consolidated Financial Statements and Notes thereto, and the other financial data appearing elsewhere in this Report.

The information set forth in Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, including, among others (i) expected changes in the Company's revenues and profitability, (ii) prospective business opportunities and (iii) the Company's strategy for financing its business. Forward-looking statements are statements other than historical information or statements of current condition. Some forward-looking statements may be identified by use of terms such as "believes", "anticipates", "intends" or "expects". These forward-looking statements relate to the plans, objectives and expectations of the Company for future operations. Although the Company believes that its expectations with respect to the forward-looking statements are based upon reasonable assumptions within the bounds of its knowledge of its business and operations, in light of the risks and uncertainties inherent in all future projections, the inclusion of forward-looking statements in this report should not be regarded as a representation by the Company or any other person that the objectives or plans of the Company will be achieved. In light of these risks and uncertainties, there can be no assurance that actual results, performance or achievements of the Company will not differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. The foregoing review of important factors should not be construed as exhaustive. The Company undertakes no obligation to release publicly the results of any future revisions it may make to forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

The Company was incorporated in November 2006 and is currently focused on drywall and other waste removal from construction sites for disposal and recycling in the Northwest United States. The Company recycles the gypsum and other products from the drywall for sale to farmers in Washington State as fertilizer. However, the revenues received from these sales were not material in fiscal years 2008 and 2007 to warrant discussion. In fiscal year ended June 30, 2009, however, product sales were approximately five percent (5%) of gross revenue.

Results of Operations

For the Quarter Ended September 30, 2009 and September 30, 2008

Although the Company was incorporated in November 2006, operations began in February 2007. The Company currently leases twenty nine vehicles and pieces of equipment and currently employs around 50 line and supervisory workers whose task is to remove drywall debris and other waste from various construction sites in the state of Washington, and install and finish drywall in residential and commercial projects.

Gross sales from drywall removal, drywall services, and other hauling were \$567,083 and \$798,390 for the quarters ended September 30, 2009 and September 30, 2008, respectively. Sales are billed to the client based upon the amount of debris removed, the type of debris, the square footage of drywall installed, and transportation distances.

Gross margin on sales was \$58,248 and \$86,718, respectively for the quarters.

Administrative costs for the quarters ended September 30, 2009 and September 30, 2008 are as follows:

	30-Sep-09	30-Sep-08
Salaries & benefits	\$ 107,119	\$ 0
Automobile expense	0	2,352
Bad debt expense	15,063	18,413
Bank fees	2,046	426
Depreciation- office equipment	550	326
Insurance	19,308	15,559
Licenses	293	802
Management consulting	15,000	39,000
Marketing	3,249	189
Meals	78	484
Administration	5,048	19,380
Professionals & consulting fees	43,475	9,817
Rent expense	21,511	35,266
Taxes	3,012	4,058
Telephone	8,878	7,306
	<u>244,630</u>	<u>153,378</u>
Total	<u>\$ 244,630</u>	<u>\$ 153,378</u>

Salaries increased \$107,119 over the prior year's quarter due to a reclassification of sales salaries that were previously included in the direct costs and reflected through gross margin.

There were no salaries for the president and office help for quarter ending September 30, 2009. The company does not see any change in this for the next quarter.

Automobile expenses have been reduced in the current quarter as part of managements cost cutting measures.

Management Consulting decreased \$24,000 over the prior year's quarter as part of managements cost cutting measures.

Marketing increased slightly over the prior year's quarter as a result of increasing awareness of the company's public offering.

Administration costs decreased dramatically, \$14,322 over the prior year's quarter due to managements cost cutting measures.

Professionals & Consulting increased \$33,658 over the prior year's quarter due to the costs of the annual audit and increased costs of continued public offering efforts.

Rent expense decreased \$13,755 over the prior year's quarter of as a result of signing an operating agreement with Drywall Recycling Services Inc. a Wyoming corporation to run the Ridgefield facility.

As a result, our net loss from operations for quarters ended September 30, 2009 and September 30, 2008 was \$186,382 and \$66,660. After deducting the interest costs on the capital leases for our trucks and adding interest income, we incurred a net loss of \$208,758 in the first quarter of 2009, or about .01 per share compared to \$81,158 in first quarter of 2008, or about .01 per share.

Liquidity & Capital Resources

Cash on hand at September 30, 2009 was \$945 compared to \$42,219 at September 30, 2009. We used \$17,536 for operations quarter ending September 30, 2009 compared to \$8,306 for quarter ending September 30, 2008.

Total assets at September 30, 2009 and June 30, 2009 were \$1,054,005 and \$1,280,325, respectively. Our working capital at September 30, 2009 was (\$404,887) as compared to (\$247,625) at June 30, 2009. The decrease in working capital is a result of decreased accounts receivable and aging in accounts payable.

In the first quarter of 2010, our operating loss was \$208,758, bringing our shareholder equity at September 30, 2009 to (\$343,445).

Projecting forward for the quarter ending December 31, 2009, the Company expects to continue to reduce costs and maximize cash flow as efforts continue to raise capital through sales of stock.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company does not hold any assets or liabilities requiring disclosure under this item.

ITEM 4T. CONTROLS AND PROCEDURES

As of the end of the period covered by this Quarterly Report on Form 10-Q, our principal executive officer and principal financial officer has evaluated the effectiveness of our “disclosure controls and procedures” (“Disclosure Controls”). Disclosure Controls, as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Exchange Act, such as this Quarterly Report, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure Controls are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Our management, including the Chief Executive Officer and Chief Financial Officer, does not expect that our Disclosure Controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Based upon their controls evaluation, our Chief Executive Officer, and Chief Financial Officer, has concluded that our Disclosure Controls are effective at a reasonable assurance level.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There are no material legal proceedings pending at this time.

ITEM 2. UNREGISTERED SALES 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

Not applicable

ITEM 6. EXHIBITS

Please see Exhibit Index located behind the signature page.

Copies of the following documents are included as exhibits to this report pursuant to Item 601 Regulation S-K.

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 thereunto duly authorized.

DRS Inc.

Dated: November 11, 2009

/s/ Daniel Mendes
Daniel Mendes
Principal Executive Officer

/s/ George Guimont
George Guimont
Principal Financial Officer

EXHIBIT INDEX

Exhibit No.	SEC Ref. No.	Title of Document
1	31.1	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
2.	31.2	Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
3	32.1	Certification of the Principal Executive Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
4	32.2	Certification of the Principal Financial Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*

* The Exhibit attached to this Form 10-Q shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to liability under that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

**Certification Pursuant to pursuant to Rule 13a-14(a) or Rule 15d-14(a)
of the Securities Exchange Act of 1934, as amended**

I, Daniel Mendes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of DRS Inc. (the “Company”);
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. As the registrant’s certifying officer, I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and I 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 my 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 period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.
5. As the registrant’s certifying officer, I have disclosed, based on my 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 function):
 - 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.

/s/ Daniel Mendes
Daniel Mendes
Principal Executive Officer, DRS Inc.

Dated: November 11, 2009

**Certification Pursuant to pursuant to Rule 13a-14(a) or Rule 15d-14(a)
of the Securities Exchange Act of 1934, as amended**

I, George Guimont, certify that:

1. I have reviewed this quarterly report on Form 10-Q of DRS Inc. (the "Company");
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. As the registrant's Principal Financial Officer, I am instrumental in establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15 (e)) for the registrant and along with our Principal Executive Officer, I 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 my 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 period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. As the registrant's Principal Financial Officer, I have disclosed, based on my 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 function):
 - 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.

/s/ George Guimont
George Guimont
Principal Financial Officer, DRS Inc.

Dated: November 11, 2009

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

In connection with the Quarterly Report of DRS Inc. a Nevada corporation (the "Company"), on Form 10-Q for the quarterly period ending September 30, 2009 as filed with the Securities and Exchange Commission (the "Report"), I, Daniel Mendes, Principal Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350), that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Daniel Mendes
Daniel Mendes
Principal Executive Officer, DRS Inc.
Date: November 11, 2009

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

In connection with the Quarterly Report of DRS Inc. a Nevada corporation (the "Company"), on Form 10-Q for the quarterly period ending September 30, 2009, as filed with the Securities and Exchange Commission (the "Report"), I, George Guimont, Principal Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350), that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ George Guimont
George Guimont
Principal Executive Officer, DRS Inc.
Date: November 11, 2009
