
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q/A
Amendment No. 1**

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

For the quarterly period ended: **September 30, 2013**

OR

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

For the transition period from _____ to _____

Commission File No. 0-54360

WINDSTREAM TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Wyoming
(State or other jurisdiction
of incorporation)

98-0178621
(IRS Employer
Identification No.)

819 Buckeye Street
North Vernon, Indiana 47265
(Address of principal executive offices)

(812) 953-1481
(Registrant's telephone number, including area code)

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 past 12 months, 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 (Sec.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 whether the registrant is a large accelerated filer, an accelerated filer, or 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

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

As of November 15, 2013, there were 80,521,899 shares outstanding of the registrant's common stock.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

In connection with the audit of the Company's financial statements for the fiscal year ended December 31, 2013, management of the Company conducted analysis of the Company's equity transactions to determine if all of the transactions were recognized. As a result of the analysis, the Company determined that certain equity transactions were not recognized as of and for the period ended September 30, 2013.

This Amendment No. 1 on Form 10-Q/A amends and restates the quarterly report on Form 10-Q of Windaus Global Energy, Inc. (the "Company") for the quarter ended September 30, 2013, as originally filed with the Securities and Exchange Commission ("SEC") on November 18, 2013. We refer to the quarterly report on Form 10-Q as filed on November 18, 2013 as the "Original Filing." This Form 10-Q/A is being filed to restate the Company's consolidated financial statements in Item 1 in their entirety and related disclosures (including Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 2) for the period ended September 30, 2013.

As more fully described in Note 12 to the consolidated financial statements, in connection with the preliminary preparation of our audited financial statements for the fiscal year ended December 31, 2013, we determined that certain previously issued financial statements contained an error as to the recognition of certain equity transactions. We have evaluated the impact of these errors under the SEC's authoritative guidance on materiality and determined that the impact of those errors, individually and in the aggregate, on prior period financial statements was material. On April 4, 2014, after discussions with our independent public accounting firm and legal counsel, the Audit Committee of the Company's Board of Directors met and concluded that we should restate our unaudited interim financial statements for the period ended September 30, 2013 to correct the previously identified errors. Based on that determination, this Form 10-Q/A presents revised financial information that reflects the impact of the correction of these errors on our prior period financial statements.

Although this Form 10-Q/A supersedes the Original Filing in its entirety, this Form 10-Q/A only amends and restates Item 1 and certain provisions of Item 2 and Item 4 of Part I as a result of and to reflect the restatements, as well as immaterial conforming changes to other Items. No other information in the original filing is amended hereby. While the foregoing items have been updated, this amended report does not reflect any other events occurring after the original filing. In addition, currently dated certifications from our Chief Executive Officer and Chief Financial Officer, as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002, are attached to this Form 10-Q/A as Exhibits 31.1, 31.2, 32.1 and 32.2, respectively.

No other changes have been made to the Original Filing. This Amendment does not reflect events that have occurred after the November 18, 2013, the filing date of the Form 10-Q or modify or update the disclosures presented therein, except to reflect the amendment described above.

As a result of the restatement, the changes have been made to the original condensed consolidated financial statements included in this amended Form 10Q as of September 30, 2013. The effect is due to the recognition of the issuance of the warrants and options on the date of grant.

WINDSTREAM TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	<u>September 30, 2013</u>	<u>December 31, 2012</u>
	<u>(As Restated)</u>	
ASSETS		
CURRENT ASSETS		
Cash	\$ 641,540	\$ 4,022
Accounts receivable	109,780	24,933
Inventories	770,275	295,023
Prepaid expenses	60,748	77,717
Deferred financing costs	60,138	—
TOTAL CURRENT ASSETS	<u>1,642,481</u>	<u>401,695</u>
Property and equipment, net of accumulated depreciation of \$325,592 and \$202,303, respectively	371,271	487,942
OTHER ASSETS		
Deposits	7,500	7,500
TOTAL ASSETS	<u>\$ 2,021,252</u>	<u>\$ 897,137</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable	\$ 819,429	\$ 1,021,312
Accounts payable - related parties	—	41,705
Accrued liabilities	716,950	512,730
Deferred rent	—	61,098
Deferred revenues	9,841	102,428
Short Term Convertible Notes Payable, net of discount of \$359,774 and \$0, respectively	190,226	—
Short term debt - related parties	187,500	253,000
Short term debt - third parties	1,079,750	499,750
Current maturities of note payable	96,887	351,453
TOTAL CURRENT LIABILITIES	<u>3,100,583</u>	<u>2,843,476</u>
LONG TERM LIABILITY		
Note payable, non-current	1,228,113	1,048,547
TOTAL LIABILITIES	<u>4,328,696</u>	<u>3,892,023</u>
STOCKHOLDERS' DEFICIT		
Series A Convertible Preferred stock; \$0 par value; 500,000 shares authorized; 0 and 83,053 shares issued and outstanding, respectively	—	740,000
Seed 1 Convertible Preferred stock; \$0 par value; 35,000 shares authorized; 0 and 35,000 shares issued and outstanding, respectively	—	35,000
Seed 2 Convertible Preferred stock; \$0 par value; 500,000 shares authorized; 0 and 463,908 shares issued and outstanding, respectively	—	1,521,353
Preferred stock, no par value, unlimited shares authorized; no shares issued and outstanding	—	—
Common stock; \$0.001 par value; unlimited shares authorized; 78,501,899 and 24,646,646 shares issued and outstanding, respectively	78,479	24,647
Additional paid in capital	6,665,617	320,233
Accumulated deficit	(9,051,540)	(5,636,119)
TOTAL STOCKHOLDERS' DEFICIT	<u>(2,307,444)</u>	<u>(2,994,886)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u>\$ 2,021,252</u>	<u>\$ 897,137</u>

The accompanying notes are an integral part of these condensed unaudited financial statements

WINDSTREAM TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended September 30, 2013 (As Restated)	For the Three Months Ended September 30, 2012	For the Nine Months Ended September 30, 2013 (As Restated)	For the Nine Months Ended September 30, 2012
SALES	\$ 47,857	\$ 125,660	\$ 603,480	\$ 372,918
COST OF GOODS SOLD	<u>57,896</u>	<u>146,322</u>	<u>488,207</u>	<u>457,683</u>
GROSS (LOSS) PROFIT	<u>(10,039)</u>	<u>(20,662)</u>	<u>115,273</u>	<u>(84,765)</u>
OPERATING EXPENSES:				
Research and development	314,071	263,524	491,446	1,421,469
General and administrative expenses	<u>681,996</u>	<u>274,716</u>	<u>2,735,359</u>	<u>983,471</u>
TOTAL OPERATING EXPENSES	<u>996,067</u>	<u>538,240</u>	<u>3,226,805</u>	<u>2,404,940</u>
LOSS FROM OPERATIONS	<u>(1,006,106)</u>	<u>(558,902)</u>	<u>(3,111,532)</u>	<u>(2,489,705)</u>
OTHER INCOME (EXPENSE)				
Grant income	—	7,917	—	607,918
Other expense	—	—	(800)	(800)
Interest expense, net	<u>(172,098)</u>	<u>(56,036)</u>	<u>(303,089)</u>	<u>(135,498)</u>
TOTAL OTHER INCOME (EXPENSE)	<u>(172,098)</u>	<u>(48,119)</u>	<u>(303,889)</u>	<u>471,620</u>
NET LOSS	<u>\$ (1,178,204)</u>	<u>\$ (607,021)</u>	<u>\$ (3,415,421)</u>	<u>(2,018,085)</u>
Net Loss Per Share - Basic and Diluted	\$ (0.02)	\$ (0.02)	\$ (0.07)	(0.08)
Weighted Average Shares Outstanding - Basic and Diluted	75,583,933	24,646,646	48,009,364	24,646,646

The accompanying notes are an integral part of these condensed unaudited financial statements

WINDSTREAM TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Nine Months Ended Sept. 30, 2013 (As Restated)	For the Nine Months Ended Sept. 30, 2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (3,415,421)	\$ (2,018,085)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	123,289	116,855
Stock option expense	358,454	119,693
Stock based compensation	1,558,200	—
Amortization of deferred financing costs	30,000	—
Amortization of debt discount	168,284	—
Changes in operating Assets and Liabilities:		
Accounts receivables	(84,847)	(142,193)
Inventory	(475,252)	—
Prepaid expenses	16,969	—
Accounts payable	(201,883)	416,003
Accounts payable related parties	(41,705)	133,426
Accrued liabilities	204,220	119,781
Deferred rent	(61,098)	4,535
Deferred revenue	(92,587)	—
NET CASH USED IN OPERATING ACTIVITIES	(1,913,377)	(1,249,985)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for purchase of fixed assets	(6,618)	(56,122)
NET CASH USED BY INVESTING ACTIVITIES	(6,618)	(56,122)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash payments on deferred financing costs	(42,000)	—
Borrowings on line of credit, net	785,712	—
Repayments on line of credit, net	(285,712)	—
Proceeds from short term debt	—	230,000
Payments on short term debt	(20,000)	—
Principal payments on short term debt	—	—
Proceeds from short term debt - related parties	62,000	210,000
Payments on short term debt - related parties	(27,500)	—
Proceeds from issuance of convertible debt	550,000	—
Principal payments on long term debt	(75,000)	—
Proceeds from issuance of Series A preferred stock	—	660,000
Net proceeds from issuance of Common Stock and Warrants	1,610,013	—
NET CASH PROVIDED BY FINANCING ACTIVITIES	2,557,513	1,100,000
NET INCREASE (DECREASE) IN CASH	637,518	(206,108)
CASH, Beginning of Period	4,022	206,108
CASH, End of Period	<u>\$ 641,540</u>	<u>\$ —</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	\$ 213,817	\$ 62,174
Income taxes	800	800
NON CASH INVESTING AND FINANCING ACTIVITIES		
Debt discount on warrants issued with debt	528,058	—
Warrants Issued for deferred financing costs	48,138	—
Fixed assets purchased on credit	—	39,571
Reclassification of short term debt - related party debt	100,000	—

The accompanying notes are an integral part of these condensed unaudited financial statements

NOTE 1 – BASIS OF PRESENTATION AND NATURE OF ORGANIZATION

Basis of Presentation and Fiscal Year

The accompanying unaudited interim financial statements of Windstream Technologies, Inc. (the “Company”), have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission (“SEC”), and should be read in conjunction with the audited financial statements and notes thereto contained in the Company’s Form 8-K originally filed with the SEC on May 22, 2013 and subsequently amended on August 16, 2013, October 2, 2013 and November 1, 2013. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for future quarters or for the full year. Notes to the financial statements which substantially duplicate the disclosure contained in the audited financial statements for fiscal 2012 as reported in the Form 8-K have been omitted.

Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Since inception, the Company has incurred losses and has negative working capital. In addition, the Company generated negative cash flow from operations. These factors, among others, raise substantial doubt about the Company’s ability to continue as a going concern for a reasonable period of time.

If necessary, the Company will pursue additional equity and/or debt financing while managing cash flows from operations in an effort to provide funds to meet its obligations on a timely basis and to support future business development.

The financial statements do not contain any adjustments to reflect the possible future effects on the classification of assets or the amounts and classification of liabilities that may result should the Company be unable to continue as a going concern.

NOTE 2 – REVERSE MERGER

Effective May 22, 2013, Windaus Global Energy, Inc. entered into a Share Exchange Agreement with WindStream Technologies, Inc., pursuant to which, the Company agreed to exchange the outstanding common and preferred stock of WindStream held by the WindStream Shareholders for shares of common stock of the Company on a 1:25.808 basis. At the Closing, there were approximately 955,000 shares of WindStream common stock and 581,961 shares of WindStream preferred stock outstanding. Pursuant to the Share Exchange Agreement, the shares of WindStream common stock and preferred stock were exchanged for 39,665,899 (24,646,646 for the Windstream common shares and 15,019,253 for the Windstream preferred shares) new shares of the Company’s common stock, par value of \$0.001 per share. At the closing of the agreement, Windaus Global Energy, Inc. had approximately 24,000,000 shares of common stock issued outstanding and no preferred stock.

For accounting purposes, this transaction is being accounted for as a reverse merger and has been treated as a recapitalization of Windaus Global Energy, Inc., with WindStream Technologies, Inc. considered the accounting acquirer, and the financial statements of the accounting acquirer became the financial statements of the registrant. The Company did not recognize goodwill or any intangible assets in connection with the transaction. The 39,665,899 shares issued to the shareholder of WindStream Technologies, Inc., and its designees in conjunction with the share exchange transaction have been presented as outstanding for all periods. The historical consolidated financial statements include the operations of the accounting acquirer for all periods presented.

NOTE 3 – SHORT TERM DEBT – THIRD PARTIES

On February 25, 2013, the Company entered into a working capital revolving line of credit with a bank, with a credit limit of \$500,000, for use in financing overseas sales of the Company's products. The Company's draws under the line are transaction specific and are guaranteed by the Export Import Bank, a U.S. government entity. Draw downs on the line are used to meet the working capital needs of the Company to purchase materials and fund the labor and overhead to manufacture specific products for export to specific customers. The line accrues interest at a fixed rate of 6.6% and expires in March 2014.

For the nine months ended September 30, 2013, there were total draws on the line of credit of \$785,712 and repayments of \$285,712. The outstanding balance as of September 30, 2013 was \$500,000 which has been included in the short term debt – third parties on the balance sheet.

Transactions with the Export Import Bank were affected by the recent U.S. government shutdown which delayed acceptance of clients and the preparation of documentation to insure the client's purchase order. These transactions are returning to normal since the reopening of the government.

During the nine months ended September 30, 2013, one of the Company's board members resigned, therefore \$100,000 of short term debt - related parties that was owed to him was reclassified to short term debt – third parties.

The Company has entered into other various notes to individuals at interest rates ranging from 5% to 18% and are due on demand. At September 30, 2013, these notes aggregated \$579,750, (which includes the \$100,000 reclassified from short term debt – related parties as described above, and are included in the short term debt – third parties on the balance sheet) plus the \$500,000 line of credit above for a total of \$1,079,750.

NOTE 4 – CONVERTIBLE NOTES PAYABLE

On June 1, 2013, the Company entered into subscriptions agreements with five accredited investors for the issuance of convertible promissory notes in the aggregate principal amount of \$550,000, which are convertible into shares of common stock of the Company at \$0.25 per share, and warrants entitling the holder to purchase up to an aggregate of 1,600,000 of shares of common stock of the Company at \$0.25 per share. The warrants have a term of three years and vested immediately. The notes bear interest at 8% and are due in one year.

The Company evaluated the embedded conversion features within the convertible debt under ASC 815 "Derivatives and Hedging" and determined that neither the embedded conversion feature nor the warrants qualified for derivative accounting. Additionally, the instruments were evaluated under ASC 470-20 "Debt with Conversion and Other Options" for consideration of any beneficial conversion features. It was concluded that a beneficial conversion feature existed for the convertible debt due to the relative fair value of the warrants issued with the debt. The relative fair value of the warrants was measured using the Black-Sholes Option Pricing Model and recorded as a debt discount, which is being amortized over the life of the debt using the effective interest method.

The total debt discount recorded on the date of issuance was \$528,058 (which is being amortized to interest expense over the term of the note) and the unamortized debt discount balance at September 30, 2013 was \$359,774. For the three and nine months period ended September 30, 2013, \$126,213 and \$168,284 has been charged to interest expenses, respectively.

At September 30, 2013, the unamortized debt discount balance of \$359,774 is being netted against the total convertible promissory notes principal amount of \$550,000 for presentation on the balance sheet.

In connection with one of the five debt issuances, the company paid finder's fees of \$42,000 as well as 140,000 common stock warrants at \$0.05 per share. The warrants vest immediately and have a three years term. The fair value of the warrants was determined to be \$48,138. The combined value of the warrants and cash amounted to \$90,138, which was recorded as deferred financing cost in the accompanying condensed consolidated balance sheet and is being amortized to interest expense over the life of the notes. As of September 30, 2013, the deferred financing costs had an unamortized balance of \$60,138. Amortization of deferred financing costs for the three and nine months ended September 30, 2013 was \$22,488 and \$30,000 respectively.

NOTE 5 – NOTE PAYABLE

In July 2011, the Company entered into a \$1,400,000 note agreement with the City of North Vernon, Indiana. Interest accrues at 5.5% and the note matures on August 1, 2016. As of September 30, 2013 and December 31, 2012, the note has an outstanding of \$1,325,000 and \$1,400,000, respectively.

The Company was unable to pay the interest and principal payments due on August 1, 2012 and is in default of such payment. The Company was able to negotiate payment terms with the City of North Vernon, Indiana, which allowed the Company to delay scheduled repayments of the loan.

Principal and interest payments are expected to be paid in each fiscal year follows:

	Principal	Interest	Total
2013	\$ -	\$ 224,254	\$ 224,254
2014	96,887	361,669	458,556
2015	107,838	126,464	234,302
2016	1,120,275	114,276	1,234,551
	<u>\$ 1,325,000</u>	<u>\$ 826,663</u>	<u>\$ 2,151,663</u>

NOTE 6 – RELATED PARTY TRANSACTIONS

From time to time, the President of the Company will pay for expenses on behalf of the Company, which are recorded as expenses in the accompanying condensed consolidated statement of operations and as a liability in the accompanying condensed consolidated balance sheet.

As of September 30, 2013, the Company owed \$0 to the Company president for expenses incurred on behalf of the Company. As of December 31, 2012, the balance due for expenses incurred was \$41,705. These amounts are non-interest bearing, unsecured and due on demand.

During the nine months ended September 30, 2013, the Company president advanced to the Company an additional \$62,000 to fund operations and the Company repaid \$27,500 of the total amount that was advanced. The outstanding balance as of December 31, 2012 and September 30, 2013 was \$253,000, (which included the \$100,000 reclassified from short term debt – related parties to short term debt – third parties during the nine months ended September 30, 2013) and \$187,500, respectively.

NOTE 7 – STOCK OPTIONS (AS RESTATED)

On or about July 22, 2013, the Company issued a total of 1,100,000 warrants. The Company determined the fair value of the warrants as of the date of issuance was approximately \$54,000 using the Black Scholes option value pricing model.

On or about July 29, 2013, the Company issued a total of 4,820,000 options. The Company determined the fair value of the options as of the date of issuance was approximately \$240,000 using the Black Scholes option value pricing model.

In fiscal 2010, the Company issued 4,451,880 options to purchase common stock to various employees for services rendered. These options were granted with an exercise price ranging from \$0.025 to \$0.035 per share, have a contract term of ten years and are vested for a period of five years or immediately. The options have a fair value of \$565,770 which was calculated using the Black-Scholes option pricing model. As described in Note 2 regarding the reverse merger, the exchange of common stock was at 1:25.808 basis. Therefore the number of post reverse merger common stock shares for these options was 4,451,880 at an exercise price of \$0.032.

In fiscal 2012, the Company issued 838,760 options to purchase common stock to various employees and consultants for services rendered. These options were granted with an exercise price of \$0.035 per share, have a contract term of ten years and are vested for a period of five years. The options have a fair value of \$289,572 which was calculated using the Black-Scholes option pricing model. As described in Note 2 regarding the reverse merger, the exchange of common stock was at 1:25.808 basis. Therefore the number of post reverse merger common stock shares for these options was 838,760 at an exercise price of \$0.035.

In fiscal 2013, the Company issued 4,820,000 options to purchase common stock to various employees for services rendered. These options were granted with an exercise price of \$0.05 per share, have a contract term of three years and are vested immediately. The options have a fair value of \$238,761 which was calculated using the Black-Scholes option pricing model.

Stock option activity is presented in the table below (As Restated):

	Number of Shares	Weighted average Exercise Price	Weight average Contractual Term (years)	Aggregate Intrinsic Value
Outstanding at January 1, 2012	4,451,880	0.03	8.75	—
Granted	838,760	0.03	10.00	—
Outstanding at December 31, 2012	5,290,640	0.03	7.95	—
Granted	4,820,000	0.05	3.00	—
Outstanding at September 30, 2013	10,110,640	0.08	2.75	—

The Company recognized stock compensation expense as follows for all periods presented:

Three months ended September 30, 2013 (As Restated)	Three months ended September 30, 2012	Nine months ended September 30, 2013 (As Restated)	Nine months ended September 30, 2012
\$ 278,654	\$ 39,893	\$ 358,454	\$ 119,693

The total remainder of stock compensation expense to be recognized through the vesting period of the above options, at September 30, 2013, will be approximately \$380,000.

The fair value of the options granted during the various periods was estimated at the date of grant using the Black-Scholes option-pricing model and the following assumptions:

Year Options were granted	2013	2012	2010
Market value of stock on grant date	\$.05 - .25	\$0.13 - .345	\$ 0.13
Risk-free interest rate	.61%	1.39%	1.54 to 3.14%
Dividend Yield	0%	0%	0%
Volatility Factor	300%	300%	300%
Weighted average expected life	3 years	7.5 years	5 to 7.5 years
Expected forfeiture rate	0%	0%	0%

The options vested as of September 30, 2013 were 6,684,292 and the total options expected to vest, as of September 30, 2013, is 10,110,640.

NOTE 8 – COMMON STOCK ISSUED FOR CONSULTING SERVICES

In May 2013, the Company issued 4.36 million shares of common stock for consulting services. The shares were valued at \$.345 per share with a par value of .001 per share. The shares were not for forfeitable and vested immediately. A total of \$1,504,200 in stock based compensation was recognized on the share issuances and recorded under general and administrative expenses in the accompanying condensed consolidated statement of operations as of September 30, 2013.

NOTE 9 – FINANCING TRANSACTIONS

On July 4, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 5,000,000 shares of common stock at \$0.05 per share, for an aggregate purchase price of \$250,000.

In July 2013, the Company entered into subscription agreements with accredited investors for the issuance of 1,800,000 shares at \$0.25 per share together with warrants to purchase 1,500,000 shares at \$0.50 per share for an aggregate purchase price of \$450,000. The warrants vest immediately and have a term of three years.

On August 5, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 200,000 shares at \$0.25 per share together with warrants to purchase 50,000 shares at \$0.50 per share for an aggregate purchase price of \$50,000. The warrants vest immediately and have a term of three years.

On August 13, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 800,000 shares at \$0.25 per share together with warrants to purchase 200,000 shares at \$0.50 per share for an aggregate purchase price of \$200,000. The warrants vest immediately and have a term of three years.

On August 15, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 120,000 shares at \$0.25 per share together with warrants to purchase 30,000 shares at \$0.50 per share for an aggregate purchase price of \$30,000. The warrants vest immediately and have a term of three years.

On August 15, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 400,000 shares at \$0.25 per share together with warrants to purchase 400,000 shares at \$0.50 per share for an aggregate purchase price of \$100,000. The warrants vest immediately and have a term of three years.

On August 22, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 1,400,000 shares at \$0.25 per share together with warrants to purchase 1,400,000 shares at \$0.50 per share for an aggregate purchase price of \$350,000. The warrants vest immediately and have a term of three years.

On August 30, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 400,000 shares at \$0.25 per share together with warrants to purchase 400,000 shares at \$0.50 per share for an aggregate purchase price of \$100,000. The warrants vest immediately and have a term of three years.

On August 31, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 36,000 shares at \$0.25 per share together with warrants to purchase 36,000 shares at \$0.50 per share for an aggregate purchase price of \$9,000. The warrants vest immediately and have a term of three years.

On September 2, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 100,000 shares at \$0.25 per share together with warrants to purchase 100,000 shares at \$0.50 per share for an aggregate purchase price of \$25,000. The warrants vest immediately and have a term of three years.

On September 3, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 120,000 shares at \$0.25 per share together with warrants to purchase 120,000 shares at \$0.50 per share for an aggregate purchase price of \$30,000. The warrants vest immediately and have a term of three years.

On September 5, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 100,000 shares at \$0.25 per share together with warrants to purchase 100,000 shares at \$0.50 per share for an aggregate purchase price of \$25,000. The warrants vest immediately and have a term of three years.

Based on management's analysis, all warrants granted had no provision within the terms of the warrants that would require derivative treatment.

The Company incurred expenses of approximately \$10,000 in connection with these equity raises.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Leases

The Company leases various facilities under a non-cancelable operating lease expiring on September 30, 2013. The current minimum monthly rental payment is \$4,750 plus various expenses incidental to use of the property. The Company has an option to extend the lease for one twelve month period at slightly higher monthly rent.

The Company also leases a research facility in New Albany, Indiana under a sixty-five month lease expiring March 30, 2015. The Company evaluated the lease under FASB ASC 840-20 "Operating Leases" and notes that the lease qualifies as an escalating lease.

Therefore, rent expense was calculated on a straight-line basis, and was determined to be \$3,124 per month.

In May 2013, the landlord terminated the lease and the company moved out of the related space. All past and future rent unpaid obligations under the lease were forgiven. The Company's deferred rent liability for the nine month period ended September 30, 2013 and for the year ended December 31, 2012 was \$0 and \$61,098, respectively.

Litigation

Various lawsuits, claims and other contingencies arise in the ordinary course of the Company's business activities. While the ultimate outcome of the aforementioned contingencies is not determinable at this time, management believes that any liability or loss resulting there from will not materially affect the financial position, result of operations or cash flows of the Company.

NOTE 11 – SUBSEQUENT EVENTS

On October 3, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 80,000 shares at \$0.25 per share together with warrants to purchase 20,000 shares at \$0.50 per share for an aggregate purchase price of \$20,000. The warrants vest immediately and have a term of three years.

On October 3, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 40,000 shares at \$0.25 per share together with warrants to purchase 10,000 shares at \$0.50 per share for an aggregate purchase price of \$10,000. The warrants vest immediately and have a term of three years.

On October 3, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 40,000 shares at \$0.25 per share together with warrants to purchase 10,000 shares at \$0.50 per share for an aggregate purchase price of \$10,000. The warrants vest immediately and have a term of three years.

On October 3, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 40,000 shares at \$0.25 per share together with warrants to purchase 10,000 shares at \$0.50 per share for an aggregate purchase price of \$10,000. The warrants vest immediately and have a term of three years.

On October 3, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 80,000 shares at \$0.25 per share together with warrants to purchase 20,000 shares at \$0.50 per share for an aggregate purchase price of \$20,000. The warrants vest immediately and have a term of three years.

On October 7, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 80,000 shares at \$0.25 per share together with warrants to purchase 80,000 shares at \$0.50 per share for an aggregate purchase price of \$20,000. The warrants vest immediately and have a term of three years.

On October 16, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 1,200,000 shares at \$0.25 per share together with warrants to purchase 1,200,000 shares at \$0.50 per share for an aggregate purchase price of \$300,000. The warrants vest immediately and have a term of three years.

On October 17, the Company entered into subscription agreements with an accredited investor for the issuance of 260,000 shares at \$0.25 per share together with warrants to purchase 260,000 shares at \$0.50 per share for an aggregate purchase price of \$65,000. The warrants vest immediately and have a term of three years.

On October 22, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 100,000 shares at \$0.25 per share together with warrants to purchase 100,000 shares at \$0.50 per share for an aggregate purchase price of \$25,000. The warrants vest immediately and have a term of three years.

On October 24, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 100,000 shares at \$0.25 per share together with warrants to purchase 100,000 shares at \$0.50 per share for an aggregate purchase price of \$25,000. The warrants vest immediately and have a term of three years.

NOTE 12 – RESTATEMENT OF SEPTEMBER 30, 2013 FORM 10Q

In connection with the audit of the Company’s financial statements for the fiscal year ended December 31, 2013, management of the Company conducted analysis of the Company’s equity transactions to determine if all of the transactions were recognized. As a result of the analysis, the Company determined that certain equity transactions were not recognized as of and for the period ended September 30, 2013.

On or about July 22, 2013, the Company issued a total of 1,100,000 warrants. The Company determined the fair value of the warrants as of the date of issuance was approximately \$54,000 using the Black Scholes option value pricing model.

On or about July 29, 2013, the Company issued a total of 4,820,000 options. The Company determined the fair value of the options as of the date of issuance was approximately \$240,000 using the Black Scholes option value pricing model.

As a result of the restatement, the table below sets forth the changes to be made in the condensed consolidated financial statements previously filed. The effect is due to the recognition of the issuance of the warrants and options on the date of grant.

Accordingly, the accounts below have been retroactively adjusted as summarized below:

	As Previously Reported	Adjustment	As Restated
As of and for the period ended September 30, 2013			
Condensed Consolidated Balance Sheet			
Additional paid-in capital	6,372,856	292,761	6,665,617
Accumulated deficit	(8,758,779)	(292,761)	(9,051,540)
Condensed Consolidated Statement of Operations			
For the three months ended			
General and administrative expenses	389,235	292,761	681,996
Total operating expenses	703,306	292,761	996,067
Loss from operations	(713,345)	(292,761)	(1,006,106)
Net loss	(885,443)	(292,761)	(1,178,204)
Net loss per share - basic and diluted	(0.01)	(0.01)	(0.02)
For the nine months ended			
General and administrative expenses	2,442,598	292,761	2,735,359
Total operating expenses	2,934,044	292,761	3,226,805
Loss from operations	(2,818,771)	(292,761)	(3,111,532)
Net loss	(3,122,660)	(292,761)	(3,415,421)
Condensed Consolidated Statement of Cash Flows:			
Net loss	(3,122,660)	(292,761)	(3,415,421)
Stock option expense	119,693	238,761	358,454
	1,504,200	54,000	1,558,200
Stock based compensation			

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

This quarterly report on Form 10-Q and other reports filed by Windstream Technologies, Inc. (the “Company”) from time to time with the SEC (collectively, the “Filings”) contain or may contain forward-looking statements and information that are based upon beliefs of, and information currently available to, the Company’s management as well as estimates and assumptions made by Company’s management. Readers are cautioned not to place undue reliance on these forward-looking statements, which are only predictions and speak only as of the date hereof. When used in the Filings, the words “anticipate,” “believe,” “estimate,” “expect,” “future,” “intend,” “plan,” or the negative of these terms and similar expressions as they relate to the Company or the Company’s management identify forward-looking statements. Such statements reflect the current view of the Company with respect to future events and are subject to risks, uncertainties, assumptions, and other factors, including the risks relating to the Company’s business, industry, and the Company’s operations and results of operations. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended, or planned.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee future results, levels of activity, performance, or achievements. Except as required by applicable law, including the securities laws of the United States, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). These accounting principles require us to make certain estimates, judgments and assumptions. We believe that the estimates, judgments and assumptions upon which we rely are reasonable based upon information available to us at the time that these estimates, judgments and assumptions are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the periods presented. Our financial statements would be affected to the extent there are material differences between these estimates and actual results. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require management’s judgment in its application. There are also areas in which management’s judgment in selecting any available alternative would not produce a materially different result. The following discussion should be read in conjunction with our financial statements and notes thereto appearing elsewhere in this report.

Basis of Presentation

The following management’s discussion and analysis is intended to provide additional information regarding the significant changes and trends which influenced our financial performance for the quarters ended September 30, 2013 and 2012. This discussion should be read in conjunction with the audited financial statements and notes as set forth in this Report.

The comparability of our financial information is affected by our acquisition of WindStream in May of 2013. For further discussion of the acquisition see note 1 of the financial statements.

Overview

WindStream has designed and manufactures a patented small-wind and hybrid (wind and solar) renewable energy device that is suitable for on or off grid installations in the urban or rural setting. The Company operates out of its 50,000 sq. ft. facility in North Vernon, Indiana. It has recently secured an Export Insurance Policy from the Export Import Bank of the United States, (EXIM) allowing it to offer financing terms to its overseas buyers. The company is actively marketing and selling its products to customers all over the world.

Plan of Operations

WindStream has identified 2 significant markets for the sale of its products in the near term:

1. Areas of the world where energy is inconsistent or non-existent (e.g., India, Africa, Latin America and Asia)
2. Areas of the world where energy costs are high

These two drivers present a majority of the world’s population and as such the Company is finding great success in penetrating these markets with its highly efficient, low cost devices. The Company is setting up distribution partnerships with key companies and individuals in these markets in order to more quickly establish a presence and generate revenue from these territories.

Restatement of September 30, 2013 Form 10Q

In connection with the audit of the Company's financial statements for the fiscal year ended December 31, 2013, management of the Company conducted analysis of the Company's equity transactions to determine if all of the transactions were recognized. As a result of the analysis, the Company determined that certain equity transactions were not recognized as of and for the period ended September 30, 2013.

On or about July 22, 2013, the Company issued a total of 1,100,000 warrants. The Company determined the fair value of the warrants as of the date of issuance was approximately \$54,000 using the Black Scholes option value pricing model.

On or about July 29, 2013, the Company issued a total of 4,820,000 options. The Company determined the fair value of the options as of the date of issuance was approximately \$240,000 using the Black Scholes option value pricing model.

On April 4, 2014, as a result of the analysis, management and the Board of Directors concluded that it was necessary to restate its previously filed condensed consolidated financial statements in the quarterly report Form 10Q for the period ended September 30, 2013, filed on November 18, 2013. The restatements are required to properly reflect the Company's condensed consolidated financial results for the period mentioned above. As a result, the condensed consolidated financial statements included in the originally filed Form 10Q should no longer be relied upon. As a result of the restatement, the table below sets forth the changes to be made in the condensed consolidated financial statements previously filed. The effect is due to the recognition of the issuance of the warrants and options on the date of grant.

Accordingly, the accounts below have been retroactively adjusted as summarized below:

	As Previously Reported	Adjustment	As Restated
As of and for the period ended September 30, 2013			
Condensed Consolidated Balance Sheet			
Additional paid-in capital	6,372,856	292,761	6,665,617
Accumulated deficit	(8,758,779)	(292,761)	(9,051,540)
Condensed Consolidated Statement of Operations			
For the three months ended			
General and administrative expenses	389,235	292,761	681,996
Total operating expenses	703,306	292,761	996,067
Loss from operations	(713,345)	(292,761)	(1,006,106)
Net loss	(885,443)	(292,761)	(1,178,204)
Net loss per share - basic and diluted	(0.01)	(0.01)	(0.02)
For the nine months ended			
General and administrative expenses	2,442,598	292,761	2,735,359
Total operating expenses	2,934,044	292,761	3,226,805
Loss from operations	(2,818,771)	(292,761)	(3,111,532)
Net loss	(3,122,660)	(292,761)	(3,415,421)
Condensed Consolidated Statement of Cash Flows:			
Net loss	(3,122,660)	(292,761)	(3,415,421)
Stock option expense	119,693	238,761	358,454
Stock based compensation	1,504,200	54,000	1,558,200

Revenues

We generate substantially all of our net sales from the sale of small wind and hybrid products, the TurboMill and SolarMill respectively.

Cost of Sales

Our cost of sales includes the cost of raw material and components such as stamped metal parts contained in the turbine blades and generator housings, injection molded components and electronic circuitry and other components. Other items contributing to our cost of sales are the direct assembly labor and manufactured overhead from our component suppliers. Overall, we currently expect our cost of sales per unit to decrease as we ramp production lots in the future to meet the product demands from our customers.

Gross Profit

Gross profit is affected by numerous factors, including our average selling prices, distributor discounts, foreign exchange rates, and our manufacturing costs. Another factor impacting gross profits is the ramp of production going forward. As a result of the above, gross profits may vary from quarter to quarter and year to year.

Research and Development.

Research and development expense consists primarily of salaries and personnel-related costs and the cost of products, materials and outside services used in our process and product research and development activities.

Selling, General and Administrative

Selling, general and administrative expense consists primarily of salaries and other personnel-related costs, professional fees, insurance costs, travel expense, other selling expenses as well as share based compensation expense relating to stock options. We expect these expenses to increase in the near term, both in absolute dollars and as a percentage of net sales, in order to support the growth of our business as we expand our sales and marketing efforts, improve our information processes and systems and implement the financial reporting, compliance and other infrastructure required by a public company. Over time, we expect selling, general and administrative expense to decline as a percentage of net sales as our net sales increase.

Other Expenses

Interest expense, net of amounts capitalized, is incurred on various debt financings as well as the amount recorded for the derivative liability associated with convertible notes and warrants. Any interest income earned on our cash, cash equivalents and marketable securities is netted in other expenses as it is immaterial.

Use of Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our audited consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amount of assets, liabilities, net sales and expenses and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, including those related to inventories, intangible assets, income taxes, warranty obligations, marketable securities valuation, derivative financial instrument valuation, end-of-life collection and recycling, contingencies and litigation and share based compensation. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Recent Developments

- ACC Limited, South Asia's largest cement manufacturer. **PILOT APPROVED**. 2-3 MW's are now being planned for commercial deployment
- WindStream Technologies, India established July 2013 - Multiple MW projects being negotiated
India - BBNL – government project to bring internet connectivity to rural India. 250,000 WIFI hotspots being deployed.
- Jamaica – product to be distributed and installed by the Jamaican Utility Company, JPS Co. The first purchase order has been issued.
- EXIM Bank Export Insurance Policy in place.
- New distribution agreements being formalized.

Results of Operations for the Three Months Ended September 30, 2013 and 2012:

	Three Months Ended	
	September 30, 2013	September 30, 2012
	(As Restated)	
Sales	\$ 47,857	\$ 125,660
Gross Profit (Loss)	\$ (10,039)	\$ (20,662)
Research and Development Expenses	\$ 314,071	\$ 263,524
General and Administrative Expenses	\$ 681,996	\$ 274,716
Operating Expenses	\$ 996,067	\$ 538,240
Other Income (Expense)	\$ (172,098)	\$ (48,119)
Net Loss	\$ (1,178,204)	\$ (607,021)

For the three months ended September 30, 2013 and 2012, the Company reported a net loss of \$1,178,204 and \$607,021, respectively. The change in net loss between the three months ended September 30, 2013 and 2012 was primarily attributable to a lower level of sales during a period of greater manufacturing activities, and thus greater costs, as well as the amortization of the debt discount and deferred financing costs, which are included in interest expense in 2013. These costs did not occur in 2012.

Sales - Net sales for the three months ended September 30, 2013, were \$47,857, compared to \$125,660 for the three months ended September 30, 2012. The decrease in sales is due to the efforts of the Company's sales force in this quarter to focus on larger volume customers for future periods.

Gross Profit/(Loss) - During the three months ended September 30, 2013, our gross loss as a percentage of sales was (21.0%), compared to a gross loss as a percentage of sales of (16.4)% for the three months ended September 30, 2012. This decrease in gross profit percentage is primarily attributable to increased manufacturing activities during a period of lower sales.

Operating Expenses -

Research and Development - Research and Development for the three months ended September 30, 2013, were \$314,071, as compared to \$263,524 for the three months ended September 30, 2012. The change is primarily attributable to the increase of development activities for the next generation of the Company's products.

General and Administrative Expenses - General and Administrative for the three months ended September 30, 2013, were \$681,996, as compared to \$274,716 for the three months ended September 30, 2012. The change is primarily attributable to the expense for stock options granted to employees, \$292,761, during the three months ended September 30, 2013 and to the expenses associated with the Company's various public security filings offset by lower overall payroll costs and slightly higher travel and entertainment expenses associated with obtaining new customers.

Total Operating expenses for the three months ended September 30, 2013 were \$996,067, as compared to \$538,240 for the three months ended September 30, 2012.

We anticipate that as our operations increase our research and development expenses may increase because we believe that maintaining state of the art products is a key to our continued success, however, we believe that such expenses will constitute a lower percentage of our operating budget as much of our initial development efforts have been completed. We expect to achieve economies of scale in our general and administrative expenses as our operations increase as much our administrative expenses are fixed costs, such as salaries of key personnel and rent. As a result, while we may need to hire additional personnel as operations increase, we believe that the increases in general and administrative expenses will be at a lower rate than the increase in revenues.

Other Income (Expense) - Other income (expense) for the three months ended September 30, 2013 was (\$172,098), as compared to \$(48,119) for the three months ended September 30, 2012. The increase is primarily attributable to various government issued credits and grants that were received in 2012, but not in 2013 as well as the amortization of the debt discount and the amortization of deferred financing costs, totaling \$148,701, which are included in interest expense for the three months ended September 30, 2013. These costs did not occur in 2012.

Results of Operations for the Nine Months Ended September 30, 2013 and 2012:

	Nine Months Ended	
	September 30, 2013	September 30, 2012
	(As Restated)	
Sales	\$ 603,480	\$ 372,918
Gross Profit (Loss)	\$ 115,273	\$ (84,765)
Research and Development Expenses	\$ 491,446	\$ 1,421,469
General and Administrative Expenses	\$ 2,735,359	\$ 983,471
Operating Expenses	\$ 3,226,805	\$ 2,404,940
Other Income (Expense)	\$ (303,889)	\$ 471,620
Net Loss	\$ (3,415,421)	\$ (2,018,085)

For the nine months ended September 30, 2013 and 2012, the Company reported a net loss of \$3,415,421 and \$2,018,085, respectively. The change in net loss between the nine months ended September 30, 2013 and 2012 was primarily attributable to the expense for various consultants who received stock in lieu of cash, \$1.5 million, in 2013 and the costs of stock options issued to employees, \$292,671, in 2013 offset by reduced development expenses as the Company's products became commercially viable and were sold as well as the amortization of the debt discount and deferred financing costs, which are included in interest expense in 2013. These costs did not occur in 2012.

Sales - Net sales for the nine months ended September 30, 2013, were \$603,480, compared to \$372,918 for the nine months ended September 30, 2012. The increase in sales is primarily a result of the completion of the development of a number of the Company's products and the success in landing sales of those new products during the nine month period.

Gross Profit/(Loss) - During the nine months ended September 30, 2013, our gross profit as a percentage of sales was 19.1%, compared to a gross loss as a percentage of sales of (22.7)% for the nine months ended September 30, 2012. This increase in gross profit percentage is primarily attributable to increased higher production volumes and greater manufacturing efficiencies during the nine month period.

Operating Expenses -

Research and Development - Research and Development for the nine months ended September 30, 2013, were \$491,446, as compared to \$1,421,469 for the nine months ended September 30, 2012. The change is primarily attributable to the reductions in expenses due to the completion of most of the development efforts associated with the Company's products.

General and Administrative Expenses - General and Administrative for the nine months ended September 30, 2013, were \$2,735,359, as compared to \$983,471 for the nine months ended September 30, 2012. The change is primarily attributable to the expense for various consultants who received stock in lieu of cash, \$1.5 million in 2013 and the costs of stock options issued to employees, \$292,761, in 2013, offset by the reductions in expenses due to the completion of most of the development efforts associated with the Company's products and reduced travel and entertainment costs as travel became more customer specific. General and administrative expenses should remain at the level of spending with perhaps a small increase due to international travel related to sales efforts.

Total Operating expenses for the nine months ended September 30, 2013 were \$3,226,805, as compared to \$2,404,940 for the nine months ended September 30, 2012.

Other Income (Expense) - Other income (expense) for the nine months ended September 30, 2013 was (\$303,889), as compared to \$471,620 for the nine months ended September 30, 2012. The increase is primarily attributable to various government issued credits and grants that were received in 2012, but not in 2013 as well as the amortization of the debt discount and the amortization of deferred financing costs, totaling \$198,284, which are included in interest expense for the nine months ended September 30, 2013. These costs did not occur in 2012.

Liquidity and Capital Resources

The following table summarizes total current assets, liabilities and working capital at September 30, 2013 compared to December 31, 2012:

	<u>September 30, 2013</u>	<u>December 31, 2012</u>	<u>Increase/(Decrease)</u>
Current Assets	\$ 1,642,481	\$ 401,695	\$ 1,240,786
Current Liabilities	\$ 3,100,583	\$ 2,843,476	\$ 257,107
Working Capital	<u>\$ (1,458,102)</u>	<u>\$ (2,441,781)</u>	<u>\$ 983,679</u>

As of September 30, 2013, we had negative working capital of \$1,458,102 which was an improvement period to period as compared to negative working capital of \$2,441,781 as of December 31, 2012. The improvement was due primarily to improved cash flow from operations and increased sources of financing.

Net cash used in operating activities for the nine months ended September 30, 2013 and 2012 was \$1,913,377 and \$1,249,085 respectively. The increase in cash used in operating activities was primarily related to the sale of products in the first year of the Company's sales activities and increases in related working capital.

Net cash in all investing activities for the nine months ended September 30, 2013 was \$6,618 as compared to \$56,122 for the nine months ended September 30, 2012. The Company purchased machinery and equipment during the nine months ended September 30, 2013 and 2012.

Net cash obtained through all financing activities for the nine months ended September 30, 2013, was \$2,557,513, as compared to \$1,100,000 for the nine months ended September 30, 2012. The Company received proceeds from convertible debt, borrowings on the line of credit and short term debt from related parties and issuance of common stock in the nine months ended September 30, 2013 and proceeds from short term debt, short term debt from related parties and issuance of preferred stock in the nine months ended September 30, 2012. The estimated working capital requirement for the next 12 months is \$1,000,000 with an estimated burn rate of \$100,000 per month. As reflected in the accompanying financial statements, the Company had cash of \$641,540 at September 30, 2013.

The ability of the Company to continue its operations is dependent on Management's plans, which include the raising of capital through debt and/or equity markets with some additional funding from other traditional financing sources, including term notes, until such time that funds provided by operations are sufficient to fund working capital requirements. The Company may need to incur additional liabilities with certain related parties to sustain the Company's existence.

The Company will require additional funding to finance the growth of its current and expected future operations as well as to achieve its strategic objectives. The Company believes its current available cash along with anticipated revenues may be insufficient to meet its cash needs for the near future if it does not receive the anticipated additional funding. There can be no assurance that financing will be available in amounts or terms acceptable to the Company, if at all. In that event, the Company would be required to change its growth strategy and seek funding on that basis, if at all.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

Recent Accounting Pronouncements

There are no recent accounting pronouncements that are expected to have an effect on the Company's financial statements.

Critical Accounting Policies

Our financial statements and related public financial information are based on the application of accounting principles generally accepted in the United States ("GAAP"). GAAP requires the use of estimates; assumptions, judgments and subjective interpretations of accounting principles that have an impact on the assets, liabilities, revenues and expense amounts reported. These estimates can also affect supplemental information contained in our external disclosures including information regarding contingencies, risk and financial condition. We believe our use of estimates and underlying accounting assumptions adhere to GAAP and are consistently and conservatively applied. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ materially from these estimates under different assumptions or conditions. We continue to monitor significant estimates made during the preparation of our financial statements.

Our significant accounting policies are summarized in Note 2 of our financial statements. While all these significant accounting policies impact our financial condition and results of operations, we view certain of these policies as critical. Policies determined to be critical are those policies that have the most significant impact on our financial statements and require management to use a greater degree of judgment and estimates. Actual results may differ from those estimates. Our management believes that given current facts and circumstances, it is unlikely that applying any other reasonable judgments or estimate methodologies would cause effect on our consolidated results of operations, financial position or liquidity for the periods presented in this report.

We believe the following critical accounting policies and procedures, among others, affect our more significant judgments and estimates used in the preparation of our consolidated financial statements:

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its parent, Windaus Global Energy, Inc. There were no intercompany accounts and transaction between the Company and Windaus.

Basic and Diluted Net Loss per Share

The Company computes loss per share in accordance with ASC 260, *Earnings per Share*. ASC 260 requires presentation of both basic and diluted earnings per share ("EPS") on the face of the income statement. Basic EPS is computed by dividing net loss available to common shareholders (numerator) by the weighted average number of common shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period including stock options, using treasury stock method, and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential common shares if their effect is anti-dilutive. Common stock equivalents pertaining to the convertible debt, options, warrants and convertible preferred shares were not included in the computation of diluted net loss per common share because the effect would have been anti-dilutive due to the net loss for the three months ended September 30, 2013 and 2012 and for the nine months ended September 30, 2013 and 2012, respectively.

Stock Based Payments

We account for share-based awards to employees in accordance with ASC 718 "Stock Compensation". Under this guidance, stock compensation expense is measured at the grant date, based on the fair value of the award, and is recognized as an expense over the estimated service period (generally the vesting period) on the straight-line attribute method. Share-based awards to non-employees are accounted for in accordance with ASC 505-50 "Equity", wherein such awards are expensed over the period in which the related services are rendered.

Deferred Financing Costs

Costs associated with the issuance of debt is capitalized as deferred financing costs and amortized into interest expense using the effective interest method over the life of the related debt. At September 30, 2013 and December 31, 2012 unamortized deferred financing costs incurred totaled \$60,138 and \$0, respectively. Amortization of deferred financing costs, which has been included interest expense, for the nine months ended September 30, 2013 and 2012 was \$30,000 and \$0 respectively.

Research and Development

Costs incurred in developing the ability to create and manufacture products for sale are included in research and development. Once a product is commercially feasible and starts to sell to third party customers, the classification of such costs as development costs stops and such costs are recorded as costs of production, which is included in cost of goods sold. Research and development costs are expensed when incurred.

Related parties

A party is considered to be related to the Company if the party directly or indirectly or through one or more intermediaries, controls, is controlled by, or is under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. A party which can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests is also a related party.

Off Balance Sheet Arrangements:

We do not have any off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as "special purpose entities" (SPEs).

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We do not hold any derivative instruments and do not engage in any hedging activities.

Item 4. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures.

Pursuant to Rule 13a-15(b) under the Exchange Act, the Company carried out an evaluation, with the participation of the Company's management, including the Company's Principal Executive Officer ("PEO") and Principal Financial Officer ("PFO"), of the effectiveness of the Company's disclosure controls and procedures (as defined under Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, the Company's PEO and PFO concluded that the Company's disclosure controls and procedures were not effective to ensure that information required to be disclosed by the Company in the reports that the Company files or submits under the Exchange Act, is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including the Company's CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

(b) Changes in Internal Control over Financial Reporting.

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

We are currently not involved in any litigation that we believe could have a material adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our Company or any of our subsidiaries, threatened against or affecting our company, our common stock, any of our subsidiaries or of our companies or our subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

Item 1A. Risk Factors.

We believe there are no changes that constitute material changes from the risk factors previously disclosed in our Current Report on Form 8-K/A, filed with the SEC on August 16, 2013.

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

During the three months ended September 30, 2013, we have issued the following securities which were not registered under the Securities Act. Unless otherwise indicated, all of the share issuances described below were made in reliance on the exemption from registration provided by Section 4(2) of the Securities Act for transactions not involving a public offering.

On July 4, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 5,000,000 shares of common stock at \$0.05 per share, for an aggregate purchase price of \$250,000.

In July 2013, the Company entered into subscription agreements with accredited investors for the issuance of 1,800,000 shares at \$0.25 per share together with warrants to purchase 1,500,000 shares at \$0.50 per share for an aggregate purchase price of \$450,000. The warrants vest immediately and have a term of three years.

On August 5, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 200,000 shares at \$0.25 per share together with warrants to purchase 50,000 shares at \$0.50 per share for an aggregate purchase price of \$50,000. The warrants vest immediately and have a term of three years.

On August 13, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 800,000 shares at \$0.25 per share together with warrants to purchase 200,000 shares at \$0.50 per share for an aggregate purchase price of \$200,000. The warrants vest immediately and have a term of three years.

On August 15, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 120,000 shares at \$0.25 per share together with warrants to purchase 30,000 shares at \$0.50 per share for an aggregate purchase price of \$30,000. The warrants vest immediately and have a term of three years.

On August 15, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 400,000 shares at \$0.25 per share together with warrants to purchase 400,000 shares at \$0.50 per share for an aggregate purchase price of \$100,000. The warrants vest immediately and have a term of three years.

On August 22, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 1,400,000 shares at \$0.25 per share together with warrants to purchase 1,400,000 shares at \$0.50 per share for an aggregate purchase price of \$350,000. The warrants vest immediately and have a term of three years.

On August 30, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 400,000 shares at \$0.25 per share together with warrants to purchase 400,000 shares at \$0.50 per share for an aggregate purchase price of \$100,000. The warrants vest immediately and have a term of three years.

On August 31, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 36,000 shares at \$0.25 per share together with warrants to purchase 36,000 shares at \$0.50 per share for an aggregate purchase price of \$9,000. The warrants vest immediately and have a term of three years.

On September 2, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 100,000 shares at \$0.25 per share together with warrants to purchase 100,000 shares at \$0.50 per share for an aggregate purchase price of \$25,000. The warrants vest immediately and have a term of three years.

On September 3, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 120,000 shares at \$0.25 per share together with warrants to purchase 120,000 shares at \$0.50 per share for an aggregate purchase price of \$30,000. The warrants vest immediately and have a term of three years.

On September 5, 2013, the Company entered into subscription agreements with an accredited investor for the issuance of 100,000 shares at \$0.25 per share together with warrants to purchase 100,000 shares at \$0.50 per share for an aggregate purchase price of \$25,000. The warrants vest immediately and have a term of three years.

Item 3. Defaults Upon Senior Securities.

There has been no default in the payment of principal, interest, sinking or purchase fund installment, or any other material default, with respect to any indebtedness of the Company.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

There is no other information required to be disclosed under this item which has not been previously disclosed.

Item 6. Exhibits.

Exhibit No.	Description
31.1	Certification by the Principal Executive Officer of Registrant pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) or Rule 15d-14(a)). *
31.2	Certification by the Principal Financial Officer of Registrant pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) or Rule 15d-14(a)). *
32.1	Certification by the Principal Executive Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. *
32.2	Certification by the Principal Financial Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. *
101.INS	XBRL Instance Document **
101.SCH	XBRL Taxonomy Extension Schema **
101.CAL	XBRL Taxonomy Extension Calculation Linkbase **
101.DEF	XBRL Taxonomy Extension Definition Linkbase **
101.LAB	XBRL Taxonomy Extension Label Linkbase **
101.PRE	XBRL Taxonomy Extension Presentation Linkbase **

* Filed herewith

** In accordance with Regulation S-T, the XBRL-related information on Exhibit No. 101 to this Quarterly Report on Form 10-Q shall be deemed "furnished" herewith and not "filed."

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.

WINDSTREAM TECHNOLOGIES, INC.

Date: April 28, 2014

By: /s/ Daniel Bates

Name: Daniel Bates

Title: Chief Executive Officer (Principal Executive Officer)

(Principal Financial Officer) (Principal Accounting Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Daniel Bates, certify that:

1. I have reviewed this Form 10-Q of Windstream Technologies, 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(s) 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(s) 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 the 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: April 28, 2014

By: */s/ Daniel Bates*

Daniel Bates
Principal Executive Officer
Windstream Technologies, Inc.

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Ryan Keating, certify that:

1. I have reviewed this Form 10-Q of Windstream Technologies, 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(s) 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(s) 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 the 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: April 28, 2014

By: /s/ Ryan Keating
Ryan Keating
Principal Financial Officer
Windstream Technologies, Inc.

**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 this Quarterly Report of Windstream Technologies, Inc. (the "Company"), on Form 10-Q for the period ended September 30, 2013, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Daniel Bates, Principal Executive Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Quarterly Report on Form 10-Q for the period ended September 30, 2013, 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 such Quarterly Report on Form 10-Q for the period ended September 30, 2013, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 28, 2014

By: /s/ Daniel Bates

Daniel Bates
Principal Executive Officer
Windstream Technologies, Inc.

**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 this Quarterly Report of Windstream Technologies, Inc. (the "Company"), on Form 10-Q for the period ended September 30, 2013, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Ryan Keating, Principal Financial Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Quarterly Report on Form 10-Q for the period ended September 30, 2013, 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 such Quarterly Report on Form 10-Q for the period ended September 30, 2013, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 28, 2014

By: /s/ Ryan Keating

Ryan Keating
Principal Financial Officer
Windstream Technologies, Inc.
