CIRTRAN CORP
Form 10-K
April 16, 2013

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

Commission File Number 000-49654

CirTran Corporation
(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of incorporation or organization)	**68-0121636** (I.R.S. Employer Identification No.)
4125 South 6000 West **West Valley City, Utah** (Address of principal executive offices)	**84128** (Zip Code)

(801) 963-5112
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Name of each exchange on which registered
n/a	**n/a**

Securities registered pursuant to Section 12(g) of the Exchange Act:

Common Stock, Par Value $0.001
(Title of Class)

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. ¨

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark if disclosure of delinquent filers in response to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

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

Large accelerated filer o	Accelerated filer ¨
Non-accelerated filer o	Smaller reporting company x

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

State the aggregate market value of the voting and nonvoting common equity held by nonaffiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter. **As of June 30, 2012, the aggregate market value of the voting and nonvoting common equity held by nonaffiliates of the issuer was $1,539,747.**

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. **As of April 15, 2013, issuer had 3,106,415,910 shares of issued and outstanding common stock, par value $0.001.**

DOCUMENTS INCORPORATED BY REFERENCE: None.

TABLE OF CONTENTS

SPECIAL NOTE ABOUT FORWARD-LOOKING INFORMATION

Certain statements in this Annual Report on Form 10-K are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements are typically identified by the use of the words “believe,” “may,” “could,” “should,” “expect,” “anticipate,” “estimate,” “project,” “propose,” “plan,” “intend,” and similar wor expressions. Statements that describe our future strategic plans, goals, or objectives are also forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. The forward-looking statements included in this report are made only as of the date of this report.

Readers of this report are cautioned that any forward-looking statements, including those regarding us or our management’s current beliefs, expectations, anticipations, estimations, projections, strategies, proposals, plans, or intentions, are not guarantees of future performance or results of events and involve risks and uncertainties, such as:

- We may be deemed to be insolvent and may face liquidation.
- The auditors’ report for our most recent fiscal year contains an explanatory paragraph about our ability to continue as a going concern.
- Our ability to continue energy drink distribution, our only source of revenue, is subject to interruption or termination because of disputes respecting the status of the Play Beverages, LLC, license to market Playboy-licensed energy drinks.
- All of our assets are encumbered to secure the payment of an aggregate of $5.7 million in indebtedness that requires substantial monthly payments, and our default could result in the loss of all of our assets.
- We are parties to numerous lawsuits that require significant management attention and funds for attorney’s fees and that subject us to risk of damages.
- We will require substantial amounts of additional capital from external sources.
- Any substantial increase in sales will require skilled management of growth.
- We cannot predict the impact on our activities of the current economic crises.
- We are authorized to issue substantial additional shares of stock, which would dilute the ownership of our stockholders.
- Penny stock regulations will impose certain restrictions on resales of our securities, which may cause an investor to lose some or all of its investment.

- The factors set forth under “Management’s Discussion and Analysis of Analysis of Financial Condition and Results of Operation” and other factors that are not currently known to us that may emerge from time to time.

The forward-looking information is based on present circumstances and on our predictions respecting events that have not occurred, that may not occur, or that may occur with different consequences from those now assumed or anticipated. Actual events or results may differ materially from those discussed in the forward-looking statements. The forward-looking statements included in this report are made only as of the date of this report.

PART I

ITEM 1. BUSINESS

INTRODUCTION AND OVERVIEW

We manufacture, market, and distribute internationally an energy drink under a license, now in dispute, with Playboy Enterprises, Inc., or Playboy, though our subsidiary, CirTran Beverage Corporation. CirTran Beverage manufactures, markets, and distributes Playboy-branded energy drinks in accordance with an agreement we entered into with Play Beverages, LLC, or PlayBev, a consolidated variable interest entity, which holds the Playboy license. Playboy asserts that the license is no longer valid and that PlayBev is no longer authorized to market the Playboy branded energy drink, which is now being litigated. See Item 3. Legal Proceedings.

During 2012, our activities continued to be significantly restrained by the necessity to devote priority to efforts to obtaining the forbearance of our principal secured and judgment creditors, seeking to resolve disputes respecting the PlayBev license to market Playboy-licensed energy drinks, defending the numerous lawsuits to which we are a party, and obtaining additional capital. Disputes respecting the status of the PlayBev license to market Playboy-licensed energy drinks impaired our ability to establish new distributors, damaged some of our relationships with existing distributors, and depressed revenues significantly. On December 6, 2012, the bankruptcy proceeding of PlayBev was dismissed, freeing PlayBev and, in turn, us to pursue our beverage distribution business without court supervision. However, the validity of the license from Playboy under which we conduct these activities remains in dispute. See Item 3. Legal Proceedings.

In the United States, we provide a mix of high- and medium-volume turnkey manufacturing services and products using various high-tech applications for leading electronics OEMs (original equipment manufacturers) in the communications, networking, peripherals, gaming, law enforcement, consumer products, telecommunications, automotive, medical, and semiconductor industries. Our services include pre-manufacturing, manufacturing, and post-manufacturing services. Our goal is to offer customers the significant competitive advantages that can be obtained from manufacture outsourcing. We are engaged in the following business segments.

Beverage Distribution (98% and 96% of total revenue during 2012 and 2011, respectively)

CirTran Beverage manufactures, markets, and distributes Playboy-licensed energy drinks in accordance with an agreement we entered into with PlayBev, our consolidated variable interest entity that holds the Playboy license.

Contract Manufacturing (2% and 4% of total revenue during 2012 and 2011, respectively)

CirTran Products pursues contract-manufacturing relationships in the U.S. consumer products markets, including licensed merchandise sold in the sports and entertainment markets.

CirTran - Asia manufactures and distributes electronics, consumer products, and general merchandise to companies selling in international markets. For the year ended December 31, 2012, we recognized approximately $77,000 of royalty revenue.

Prior to 2012, we also conducted activities in the marketing and media and electronics assembly operating segments, which may be reactivated. See “Other Business Segments” below.

All of our activities during the year, as in previous years, were adversely affected by our severe shortages of working capital and cash.

References to “us,” “we,” and “our” and correlative terms refer to CirTran Corporation and the subsidiaries and divisions through which we conduct our activities.

PRINCIPAL PRODUCTS AND SERVICES

Beverage Distribution

In May 2007, we incorporated CirTran Beverage to arrange for the manufacture, marketing, and distribution of Playboy-licensed energy drinks, flavored water beverages, and related merchandise through various distribution channels. We also entered into an agreement with PlayBev, the licensee under a product licensing agreement with Playboy to market, manufacture, and distribute energy drinks and beverages under its brand name. Under the terms of the PlayBev agreement, we are to provide the initial development and promotional services to PlayBev, which will collect from us a royalty based on product sales and manufacturing costs once licensed product distribution commences. As part of our efforts to finance the initial development and marketing of the Playboy energy drink, we and other investors formed After Bev Group LLC, a majority owned subsidiary organized in California. Effective January 1, 2010, PlayBev was required to be consolidated into our financial statements as a variable interest entity.

Regular and sugar-free versions of the Playboy energy drink, in 8.4 and 16 ounce cans, have been developed. We currently have sales and distribution networks in 65 countries throughout Europe, Africa, Australia, the Pacific, and the Middle East, although we have been hampered in our efforts to expand our sales and distribution networks because of PlayBev’s bankruptcy proceeding, which was dismissed in December 2012, Our expansion efforts continue to be adversely affected by pending litigation against Playboy about the validity of our license to distribute a Playboy-branded nonalcoholic beverage. We will continue to try to expand our sales and distribution network and to overcome or resolve impediments attributable to the ongoing Playboy litigation. Energy drink sales and royalties in 2012 and 2011 accounted for 98% and 96% of total sales, respectively.

Our revenues by geographic area are as follows:

	Revenues	
	2012	2011
South America	$ 908,334	$ 1,042,539
India	774,772	-
Middle East	513,429	
Africa	494,418	
Eastern Europe	399,204	329,600
United States of America	341,685	772,816
China	291,667	-
Western Europe	243,049	747,223
Canada	96,843	172,260
Other	197,016	-
	$ 4,260,417	$ 3,064,438

As discussed in detail in **Item 3. Legal Proceedings**, on December 6, 2012, the bankruptcy court dismissed the PlayBev bankruptcy case that had been initiated by creditors that filed an involuntary bankruptcy petition against PlayBev in April 2011. Shortly after filing, the bankruptcy proceeding was converted into a Chapter 11 reorganization proceeding, with PlayBev acting as debtor-in-possession. Playboy initially sought to terminate its product license agreement with PlayBev, but thereafter stipulated to suspend further proceedings pending the exploration of settlement. PlayBev reached a settlement with Playboy that would have provided for a new license, conditioned on bankruptcy court approval of PlayBev's reorganization plan, PlayBev's payment of $2.0 million to Playboy, and other provisions, but PlayBev was unable to obtain the funding needed to pay Playboy the initial amount or otherwise implement the reorganization plan, so the plan was abandoned and the settlement agreement and the new Playboy license did not become effective.

In an effort to obtain a court determination that the Playboy license to PlayBev to market a Playboy-branded nonalcoholic energy drink remained in force, we, in collaboration with PlayBev, filed a lawsuit in Cook County, Illinois, against Playboy and others alleging that Playboy breached, and that all defendants conspired to breach and aided and abetted Playboy's breach, of the previous product license agreement and interfered with the plaintiffs' established distributorship network. The plaintiffs seek compensatory and punitive damages, an injunction against termination of the previous product license and continuing interference, and other equitable and ancillary relief. Our complaint has survived an initial motion of the defendants to dismiss and is now proceeding. See Item 3. Legal Proceedings.

If the Playboy licensing dispute is not resolved satisfactorily to us through a negotiated settlement or the recently filed litigation, PlayBev would be required to terminate its beverage distribution activities, which are currently the principal source of our revenues. Such termination may require us to cease our activities and seek protection from creditors.

The Playboy energy drink and other products we are developing are part of a growing market segment of the beverage industry known as the "new age" or alternative beverage industry. This beverage category includes noncarbonated, ready-to-drink iced teas, lemonades, juice cocktails, single-serve juices and fruit beverages, ready-to-drink dairy and coffee drinks, energy drinks, sports drinks, single-serve still water (flavored, unflavored, and enhanced), sodas that are considered natural, sparkling juices, and flavored sparkling beverages.

The new age beverage industry is still expanding. According to *Beverage Digest*, a trade publication covering the nonalcoholic beverages industry, caffeinated energy drinks have become the fastest-growing sector of the $93 billion domestic beverage industry. We believe this industry is growing due to current attention to new brands, non-coffee drinkers, and people interested in health and fitness. By directing products to specific groups, such as extreme sports enthusiasts, energy drinks target consumer groups made up primarily of male teenagers and young people in their 20s.

Depending on the outcome of the PlayBev disputes with Playboy as discussed above, as we continue to market our Playboy energy drink and introduce other products, we will compete with other beverage companies not only for consumer acceptance but also for shelf space in retail outlets and for marketing focus by our distributors, all of which also distribute other beverage brands. Our energy drink products compete with all nonalcoholic beverages. Most of the competing products are marketed by companies with substantially greater financial resources than we have. We also compete with regional beverage producers and “private label” soft drink suppliers. We believe that our leading energy drink competitors are Red Bull and Monster.

Contract Marketing

CirTran Products pursues contract-manufacturing relationships in the domestic consumer products markets, including products in areas such as home/garden, kitchen, health/beauty, toys, licensed merchandise, and apparel for film, television, sports, and other entertainment properties. Licensed merchandise and apparel are defined as items that bear the image, likeness, or logo of a product or a person, such as a well-known celebrity, that are sold or advertised to the public. Licensed merchandise and apparel are sold and marketed in the entertainment and sports franchise industries. We have concentrated our product development efforts into three areas: home and kitchen appliances, beauty products, and licensed merchandise. We anticipate that these products will be introduced into the market either under one uniform brand name or under separate trademarked names owned by CirTran Products. We are presently preparing to launch various programs in which CirTran Media, discussed below, will operate as the marketer, campaign manager, and distributor in various product categories, including beauty products, entertainment products, software products, and fitness and consumer products. We anticipate increasing our role in this market as resources become available for allocation to this division.

The contract-manufacturing industry specializes in providing the program management, technical and administrative support, and manufacturing expertise required to take products from the early design and prototype stages through volume production and distribution. The goal is to provide the customer with a quality product, delivered on time and at the lowest cost. This full range of services gives the customer an opportunity to avoid large capital investments in plant, inventory, equipment, and staffing and to concentrate instead on innovation, design, and marketing. By using our contract-manufacturing services, customers have the ability to improve the return on their investment with greater flexibility in responding to market demands and exploiting new market opportunities.

In previous years, we found that customers increasingly required contract manufacturers to provide complete turn-key manufacturing and material handling services, rather than working on a consignment basis in which the customer supplies all materials and the contract manufacturer supplies only labor. Turn-key contracts involve design, manufacturing and engineering support, procurement of all materials, and sophisticated in-circuit and functional testing and distribution. The manufacturing partnership between customers and contract manufacturers involves an increased use of “just-in-time” inventory management techniques that minimize the customer’s investment in component inventories, personnel, and related facilities, thereby reducing their costs.

Based on the trends observed in the contract-manufacturing industry, one of our goals is to benefit from the increased market acceptance of, and reliance upon, the use of manufacturing specialists by many original equipment manufacturers, or OEMs, marketing firms, distributors, and national retailers. We believe the trend towards outsourcing manufacturing will continue. OEMs use manufacturing specialists for many reasons, including reducing the time it takes to bring new products to market, reducing the initial investment required, accessing leading manufacturing technology, gaining the ability to better focus resources in other value-added areas, and improving inventory management and purchasing power. An important element of our strategy is to establish partnerships with major and emerging OEM leaders in diverse segments across the electronics industry. Due to the costs inherent in supporting customer relationships, we focus our efforts on customers with which the opportunity exists to develop long-term business partnerships. Our goal is to provide our customers with total manufacturing solutions for both new and more mature products, as well as across product generations - an idea we call "Concept to Consumer."

During 2011, we closed our dedicated office in Bentonville, Arkansas, in an effort to reduce costs.

Through CirTran - Asia, we design, engineer, manufacture, and supply products in the international electronics, consumer products, and general merchandise industries for various marketers, distributors, and retailers selling overseas. This subsidiary provides manufacturing services to the direct-response and retail consumer markets. Our experience and expertise in manufacturing enables CirTran - Asia to enter a project at various phases: engineering and design; product development and prototyping; tooling; and high-volume manufacturing. This presence with Asian suppliers helps us maintain an international contract manufacturer status for multiple products in a wide variety of industries and has allowed us to target larger-scale contracts.

We intend to pursue manufacturing relationships beyond printed circuit board assemblies, cables, harnesses, and injection-molding systems by establishing complete “box-build” or “turn-key” relationships in the electronics, retail, and direct consumer markets.

We have developed markets for several fitness and exercise products, household and kitchen products and appliances, and health and beauty aids that are manufactured in China. Sales of these products comprised approximately 2% and 4% of revenues reported in 2012 and 2011, respectively. We anticipate that offshore contract manufacturing will play an increased role moving forward as resources will become available to us.

SALES AND MARKETING

Beverage Distribution

We continue to pursue beverage and ancillary product business development opportunities.

We intend to continue pursuing sales representative relationships as well as internal salaried sales executives. If PlayBev is able to resolve the licensing dispute with Playboy so that it can expand its beverage distribution activities, we anticipate that these expansion efforts, including perhaps the establishment of additional marketing offices in Los Angeles or elsewhere, will be to support the beverage division and to provide product marketing, production, media funding, and merchandising services to the direct-response and entertainment industries.

With the growth of the beverage distribution sales before the PlayBev licensing dispute arose in 2011, we were rapidly gaining new customers, both domestically and internationally. We consider sales and marketing as an integrated process involving direct salespersons and project managers, as well as senior executives. We use independent sales representatives in certain geographic areas and engage consulting groups to make strategic introductions to generate new business.

In 2012, 26% of our net sales were derived from new customers, whereas during 2011, 13.4% of our net sales were sourced from new customers. The increase in new customer sales was caused by opening new national and international beverage sales marketing territories.

We have beverage contracts that require minimum quantity purchase orders over periods terminating between 2013 and 2023. If the full minimum quantity orders are purchased under these current agreements, they would generate sizeable revenues to us. The majority of these international distribution contracts are based on minimum orders they are required to purchase during the term of the contract to maintain their rights to sell the Playboy energy drink. Revenue under these contracts is not recognized until ordered products have been shipped. There is no assurance, except for the upfront deposits, that the parties to these agreements will meet their obligations for the minimum quantity or any level of purchases required under their respective agreements.

Contract Manufacturing

In our contract manufacturing segment, we are working aggressively to market existing products through current sales channels. We also seek new paths to deliver products and services directly to end users, as well as motivate our distributors, partners, and other third-party sales mechanisms. We continue to simplify and improve the sales, order, and delivery process. We are also pursuing strategic relationships with retail distribution firms to engage with us in a reciprocal relationship whereby they would act as our retail distribution arm and we would act as their manufacturing arm, with both parties giving the other priority and first opportunity to work on the other’s products.

Our expansion into manufacturing in China has allowed us to increase our manufacturing capacity and output with minimal capital investment required. By using various subcontractors, we leverage our upfront payments for inventories and tooling to control costs and receive benefits from economics of scale in Asian manufacturing facilities. These expenses can be upwards of $100,000 per product. Typically, and depending on the contract, we will prepay some factories anywhere from 10% to 50% of the purchase orders for materials. In exchange for theses financial commitments, we receive dedicated manufacturing responsiveness and eliminate the costly expense associated with capitalizing completely proprietary facilities. In addition, we have expanded our manufacturing capabilities for our beverage division outside the United States to accommodate customers located in Europe. In 2010, we contracted with a manufacturer in Budapest, Hungary, and in early 2011, in India, to accommodate its distributor in those areas.

During a typical contract manufacturing sales process, a customer provides us with specifications for the product it wants, and we develop a bid price for manufacturing a minimum quantity that includes manufacture engineering, parts, labor, testing, and shipping. If the bid is accepted, the customer is required to purchase the minimum quantity, and additional product is sold through purchase orders issued under the original contract. Special engineering services are provided at either an hourly rate or at a fixed contract price for a specified task.

COMPETITION

Beverage Distribution

The beverage industry is highly competitive. Our energy drinks compete with others in the marketplace in terms of pricing, packaging, development of new products and flavors, and marketing campaigns. These products compete with a wide range of drinks produced by a relatively large number of manufacturers, most of which have substantially greater financial, marketing, and distribution resources than we have. In an effort to protect against dependence on a single source supplier, we have established multiple beverage manufacturing facilities in strategic locations.

We believe that factors affecting our ability to compete successfully in the beverage industry include taste and flavor of products, strong recognition of the Playboy brand and related branded product advertising, industry and consumer promotions, attractive and different packaging, and pricing. We also compete for distributors. Most of our distributors also sell products marketed by our competitors, and we will compete for the attention of these distributors to endeavor to sell our products ahead of those of our competitors, provide stable and reliable distribution, and secure adequate shelf space in retail outlets. These and other competitive pressures in the energy beverage category could cause our products to be unable to gain or to lose market share or we could experience price erosion, which could have a material adverse affect on our business and results.

We compete not only for consumer acceptance, but also for maximum marketing efforts by multi-brand licensed bottlers, brokers, and distributors, many of which have a principal affiliation with competing companies and brands. Our products compete with all liquid refreshments and with products of much larger and substantially better financed competitors, including the products of numerous nationally and internationally known producers such as Hansen's Energy, Diet Red, Monster Energy, Lost Energy, Joker Mad Energy, Ace Energy, Unbound Energy, Rumba energy juice, Red Bull, Rockstar, Full Throttle, No Fear, Amp, Adrenaline Rush, 180, Extreme Energy Shot, Red Devil, Rip It, NOS, Boo Koo, Vitaminenergy, and many other brands. We also compete with companies that are smaller or primarily local in operation. Our products also compete with private label brands such as those carried by grocery store chains, convenience store chains, and club stores.

Contract Manufacturing

We believe that the primary basis of competition in our targeted markets is comprised of manufacturing technology, quality, responsiveness, the provision of value-added services, and price. To remain competitive, we must continue to provide technologically advanced manufacturing services, maintain quality levels, offer flexible delivery schedules, deliver finished products on a reliable basis, and compete favorably on the basis of price.

The electronic manufacturing services industry is large and diverse and is serviced by many companies, including several that have achieved significant market share. Because of our market's size and diversity, we do not typically compete for contracts with a discreet group of competitors. We compete with different companies depending on the type of service or geographic area. Certain of our competitors have greater manufacturing, financial, research and development, and marketing resources. We also face competition from current and prospective customers that evaluate our capabilities against the merits of manufacturing products internally.

REGULATION

We are subject to typical federal, state, and local regulations and laws governing the operations of manufacturing concerns, including environmental disposal, storage and discharge regulations and laws, employee safety laws and regulations, and labor practices laws and regulations. We are not required under current laws and regulations to obtain or maintain any specialized or agency-specific licenses, permits, or authorizations to conduct our manufacturing services. We believe we are in substantial compliance with all relevant regulations applicable to our business and operations. All international sales permits are the responsibility of the local distributors and they are required to obtain all local licenses and permits.

EMPLOYEES

As of April 15, 2013, we employed a total staff of three full-time employees in our Utah headquarters: two in administrative and clerical positions and one in project management. In addition, we engage six other professional consultants to provide contract services in the United States in accounting, information technology and quality control and 20 others to provide promotional services. We believe that our relationship with our employees is good.

OTHER BUSINESS SEGMENTS

Prior to 2012, we also conducted activities in the following business segments through subsidiaries that did not have material business activities during 2012:

Marketing and Media

CirTran Online can sell products via the Internet and provide services and support to Internet retailers.

CirTran Media can provide end-to-end services to the direct-response and entertainment industries.

Electronics Assembly

CirTran Corporation can provide low-volume electronics assembly activities, consisting primarily of placing and attaching electronic and mechanical components on printed circuit boards and flexible (i.e., bendable) cables.

Although we currently devote our primary managerial and technical resources and limited funding to our nonalcoholic beverage distribution business, we may reactivate one or more of these segments if we have management and financial resources available to do so, which may occur if our rights to distribute a Playboy-branded energy drink are terminated or if additional resources become available.

CORPORATE BACKGROUND AND HISTORY

In 1987, CirTran Corporation was incorporated in Nevada under the name Vermillion Ventures, Inc., for the purpose of acquiring other operating corporate entities. We were largely inactive until July 1, 2000, when our wholly owned subsidiary, CirTran Corporation (Utah) acquired substantially all of the assets and certain liabilities of Circuit Technology, Inc.

Our predecessor business in Circuit Technology, Inc., was commenced in 1993 by our president, Iehab Hawatmeh. In 2001, we effected a 15-for-1 forward-split of our shares and a stock distribution, which increased the number of our issued and outstanding shares of common stock. We also increased our authorized capital from 500,000,000 to 750,000,000 shares. In 2007, our shareholders approved a 1.2-for-1 share forward split and an amendment to our Articles of Incorporation that increased our authorized capital to 1,500,000,000 shares of common stock. In August 2011, we increased our authorized capitalization to 4,500,000,000 shares of common stock, par value $0.001.

AVAILABLE INFORMATION

Federal securities laws require us to file information with the Securities and Exchange Commission ("SEC") concerning our business and operations. Accordingly, we file annual, quarterly, and interim reports and other information with the SEC. You can inspect and copy this information at the public reference facility maintained by the SEC at Judiciary Plaza, 450 Fifth Street, N.W., Room 1024, and Washington, D.C. 20549. You can get additional information about the operation of the SEC's public reference facilities by calling the SEC at 1-800-SEC-0330. The SEC also maintains a web site (http://www.sec.gov) at which you can read or download our reports and other information.

Our Internet addresses are www.cirtran.com, www.playboyenergy.com and www.racore.com. Information on our websites is not incorporated by reference herein. We make available free of charge through our corporate website, www.cirtran.com, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC.

ITEM 1A. RISK FACTORS

In addition to the negative implications of all information and financial data included in or referred to directly in this periodic report, you should consider the following risk factors. This periodic report contains forward-looking statements and information concerning us, our plans, and other future events. Those statements should be read together with the discussion of risk factors set forth below, because those risk factors could cause actual results to differ materially from such forward-looking statements.

We may be deemed to be insolvent and may face liquidation.

We may be deemed to be insolvent. We are unable to meet all of our obligations as they accrue, and the aggregate amount of our liabilities may exceed the value of our assets. Creditors may have the right to initiate involuntary bankruptcy proceedings against us in which they would seek our liquidation. We cannot assure that we would be successful in avoiding liquidation by converting such liquidation proceedings to a Chapter 11 reorganization, which would permit us to develop and propose for creditor approval a reorganization plan that would enable us to proceed. Even if we were to be able to propose a reorganization plan, any such reorganization plan would likely require that we obtain new post-petition funding, which may be unavailable. Further, in the event of bankruptcy, our secured creditors that have encumbrances on all of our assets would likely execute and take all of our assets, which may leave nothing for other creditors or our shareholders.

The auditors' report for our most recent fiscal year, like previous years, contains an explanatory paragraph about our ability to continue as a going concern.

We had a net loss of $1.8 million during 2012 and an accumulated deficit of $48.5 million as of December 31, 2012. In addition, during 2012 we used cash of approximately $232,000 in our operations. We have borrowed funds in the form of short-term advances, notes, and convertible debentures with an aggregate outstanding principal and interest balance of $8.8 million as of December 31, 2012. We had a negative working capital balance of $26.5 million as of December 31, 2012. The report of our auditors on our consolidated financial statements for the years ended December 31, 2012 and 2011, contains an explanatory paragraph about our ability to continue as a going concern.

Our ability to continue energy drink distribution, our principal source of revenue, is subject to interruption or termination because of disputes respecting the status of the PlayBev license to market Playboy-licensed energy drinks.

Playboy has sought to terminate PlayBev's license to market Playboy-licensed energy drinks and has fought vigorously to obtain a judicial determination that the current license has been breached and is no longer in effect. We cannot assure that Playboy's current aggressive pursuit of such a judicial determination in our pending Illinois litigation will not continue. See Item 3. Legal Proceedings. If the Playboy licensing dispute is not resolved satisfactorily through a negotiated settlement or litigation in such proceeding, we would be required to terminate its beverage distribution activities, which are currently the source of our only revenue. Such termination may require us to cease our activities and seek protection from creditors.

All of our assets are encumbered to secure the payment of an aggregate of $5.7 million in indebtedness that requires substantial monthly payments, and our default could result in the loss of all of our assets.

We have encumbered all of our assets to secure the payment of approximately $3.9 million in indebtedness due YA Global Investments, L.P., or YA Global, which requires payments of $100,000 per month through the balance of 2013. We also have to meet certain financial and operating covenants in order to avoid default under our obligation to YA Global.

We have placed a second encumbrance on all of our assets, subject to the priority encumbrance of YA Global, to secure the payment of approximately $1.8 million in indebtedness due to Advanced Beauty Solutions, LLC, or ABS, which requires monthly payments of $7,500 through 2013, with the balance due in January 2016.

The obligations due these creditors would have to be paid in order to avoid default, notwithstanding the claims of our trade and other unsecured creditors or the results of our operations. Because of our limited revenues and access to alternative sources of capital, we cannot assure that we will be able to meet these monthly obligations timely. If we were to default in any payment, YA Global and ABS could exercise their remedies, including the execution on all of our assets, which would result in the termination of our activities. We cannot assure that either YA Global or ABS would consider or agree to any forbearance from aggressive collection efforts. The existence of these secured obligations will likely significantly impair our ability to obtain capital from external sources.

We are parties to numerous lawsuits that require significant management attention and funds for attorney's fees and subject us to risks of damages or other adverse judgments.

As noted in Item 3. Legal Proceedings, we are a party to numerous lawsuits, some of which remain active, requiring that we incur attorney's fees and other costs and devote management time and attention. Litigation respecting the status of the PlayBev license to market Playboy-licensed energy drinks places the validity of that license at issue and may result in termination of that license, which is the principal source of our revenue. Successful suits by creditors for the collection of debts may require that we pay judgment amounts, subject to the priority encumbrances in favor of secured creditors. We may incur significant costs to pursue litigation in which we are the plaintiff without any recovery or other favorable outcome. Any judgments we may obtain against third parties may not be collectible.

We will require substantial amounts of additional capital from external sources.

Whether or not the Playboy licensing dispute being litigated in the pending Illinois proceeding reaches a negotiated settlement or results in a favorable verdict, we will require substantial additional funds to implement our marketing plan and pursue expansion of our beverage distribution business segment. The extent of our future capital requirements will depend on many factors, including the financial requirements under a Playboy licensing arrangement; marketing plans; the growth of contract manufacturing; establishment of strategic alliances, joint ventures, or other collaborative arrangements; and other factors not within our control. We anticipate that we will seek required funds from external sources. However, our precarious financial condition, limited revenues, substantial secured indebtedness, continuing lawsuits, and uncertainties respecting the status of the PlayBev license to market Playboy-licensed energy drinks will make it difficult for us to obtain such capital.

We may seek required funds through the sale of equity or other securities. Our ability to complete an offering on acceptable terms will depend on many factors, including the condition of the securities markets generally and for companies such as us at the time of such offering; the business, financial condition, and prospects at the time of the proposed offering; our ability to identify and reach a satisfactory arrangement with prospective underwriters; and various other factors, many of which are outside our control. There can be no assurance that we will be able to complete an offering on terms favorable to us or at all. The issuance of additional equity securities may dilute the interest of our existing shareholders or may subordinate their rights to the superior rights of new investors.

We may also seek additional capital through strategic alliances, joint ventures, or other collaborative arrangements. Any such relationships may dilute our interest in any specific project and decrease the amount of revenue that we may receive from such project. There can be no assurance that we will be able to negotiate any strategic investment or obtain required additional funds on acceptable terms, if at all. In addition, our cash requirements may vary materially from those now planned because of the results of future research and development; results of product testing; potential relationships with our strategic or collaborative partners; changes in the focus and direction of our research and development programs; competition and technological advances; issues related to patent or other protection for proprietary technologies; and other factors.

If adequate funds are not available, we may be required to delay, reduce the scope of, or eliminate our planned marketing efforts; to obtain funds through arrangements with strategic or collaborative partners that may require us to relinquish rights to certain of our technologies, product candidates, or products that we would otherwise seek to develop or commercialize ourselves; or to license our rights to such products on terms that are less favorable to us than might otherwise be available.

Any substantial increase in sales will require skilled management of growth.

If we have the opportunity to expand our operations, our success will depend on our ability to manage continued growth, including integration of our executive officers, directors, and consultants into an effective management and technical team; to formulate strategic alliances, joint ventures, or other collaborative arrangements with third parties; to commercialize and market our proposed products and services; and to monitor and manage these relationships on a long-term basis. If our management is unable to integrate these resources and manage growth effectively, the quality of our products and services, our ability to retain key personnel, and the results of our operations would be materially and adversely affected.

We cannot predict the impact on our activities of the current economic crises.

The current economic crises have adversely affected and will likely continue to adversely affect our ability to expand or generate new sales. We may be unable to expand sales in a constricted or further constricting economy.

We are authorized to issue substantial additional shares of stock, which would dilute the ownership of our stockholders.

We have authorized 4,500,000,000 shares of common stock, of which about 3.1 billion shares of common stock are issued and outstanding as of the date of April 15, 2013. Our board of directors has the authority, without action or vote of the shareholders, to issue all or part of the authorized but unissued shares. Any such issuance will dilute the percentage ownership of shareholders and may further dilute the book value of the shares of common stock.

Penny stock regulations will impose certain restrictions on resales of our securities, which may cause an investor to lose some or all of its investment.

The SEC has adopted regulations that generally define a “penny stock” to be any equity security that has a market price (as defined) of less than $5.00 per share that is not traded on a national securities exchange or that has an exercise price of less than $5.00 per share, subject to certain exceptions. As a result, our common stock is subject to rules that impose additional sales practice requirements on broker-dealers that sell such securities to persons other than established customers and accredited investors (generally those with assets in excess of $1,000,000 or annual income exceeding $200,000, or $300,000 together with their spouse). For transactions covered by these rules, the broker-dealer must make a special suitability determination for the purchase of such securities and have received the purchaser’s written consent to the transaction prior to the purchase. Further, if the price of the stock is below $5.00 per share and the issuer does not have $2.0 million or more net tangible assets or is not listed on a registered national securities exchange, sales of such stock in the secondary trading market are subject to certain additional rules promulgated by the SEC. These rules generally require, among other things, that brokers engaged in secondary trading of penny stocks provide customers with written disclosure documents, monthly statements of the market value of penny stocks, disclosure of the bid and asked prices, and disclosure of the compensation to the broker-dealer and the salesperson working for the broker-dealer in connection with the transaction. These rules and regulations may affect the ability of broker-dealers to sell our common stock, thereby effectively limiting the liquidity of our common stock. These rules may also adversely affect the ability of persons that acquire our common stock to resell their securities in any trading market that may exist at the time of such intended sale.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

On July 1, 2011, we entered into a month-to-month sub-lease agreement for our existing 40,000 square-foot headquarters and manufacturing facility, located at 4125 South 6000 West in West Valley City, Utah. Monthly payments are $5,000. The Premises include 10,000 square feet of office space to support administration, sales, and engineering staff and 30,000 square feet of manufacturing space, which includes a secured inventory area, shipping and receiving areas, and manufacturing and assembly space.

We believe that the facilities and equipment described above are generally in good condition, are well maintained, and are suitable and adequate for our current and projected operating needs.

ITEM 3. LEGAL PROCEEDINGS

We are a party to the following material legal proceedings.

Advanced Beauty Solutions, LLC v. CirTran Corporation, Case No. 1:08-ap-01363-GM.

In connection with our prior litigation with Advanced Beauty Solutions, or ABS, it claimed nonperformance by us and filed an adversary proceeding in its bankruptcy case proceeding in the United States Bankruptcy Court, Central District of California, San Fernando Valley Division. On March 17, 2009, the Bankruptcy Court entered judgment in favor of ABS and against us in the amount of $1,811,667, plus interest. On September 11, 2009, the Bankruptcy Court denied our motion to set aside the judgment.

On September 8, 2010, we executed an Assignment of Copyrights, thereby assigning our Copyright Registration No. TX-6-064-955, Copyright Registration No. TX-6-064-956, and Copyright to the True Ceramic Pro - Live Ops (TCPS) infomercial and related master tapes (collectively the “Copyrights”) to ABS, without reservation or exclusion, making ABS the owner of the Copyrights.

On February 23, 2011, we filed a Motion to Declare Judgment Fully Satisfied or Alternatively to Recoup Mutual Debts, requesting that the court determine that our assignment of the Copyrights resulted in full satisfaction of the ABS judgment. On March 3, 2011, ABS brought a Motion for Order to Show Cause re Civil Contempt alleging that we had failed to make payments on ABS’s judgment in violation of the court’s orders. At the hearing on April 6, 2011, the court denied our motion to declare the judgment fully satisfied and granted ABS’s motion, but did not hold us in civil contempt. The court also set a hearing on the ABS motion for the order to show cause for July 8, 2011, regarding our compliance with collection orders, which the parties stipulated should be postponed until August 3, 2011. The parties attended mediation on July 11, 2011, but no formal settlement resulted. At the hearing in August, the court found that a basis existed to hold us in contempt and set an evidentiary hearing for October 6, 2011, to determine whether to issue a contempt citation. We appealed the denial of the motion to declare judgment satisfied.

On March 22, 2012, we entered into a formal forbearance agreement with ABS, dated as of March 1, 2012 (the “ABS Forbearance Agreement”), whereby ABS agreed to take no further judgment enforcement actions in consideration of the payment of $25,000 upon execution of the definitive ABS Forbearance Agreement and satisfaction of applicable conditions precedent. The ABS Forbearance Agreement calls for us to pay $7,500 per month for 46 consecutive months (except for a payment of $15,000 in December 2012), commencing in March 2012, with the unpaid balance, as finally determined as provided below, due and payable in January 2016. No interest on the principal would accrue unless the note is in default, in which case, it would bear interest at 10% per annum from the date of the ABS Forbearance Agreement. In addition, we stipulated to an additional judgment for attorney’s fees incurred in negotiating the ABS Forbearance Agreement and entering into the related definitive agreements and in related post-judgment collection efforts. The obligation to pay $1,835,000 under the ABS Forbearance Agreement would be secured by an encumbrance on all of our assets, subject to the prior lien and encumbrance in favor of YA Global.

The principal amount of $1,835,000 due under the ABS Forbearance Agreement would be reduced by the greater of the amount of credit granted in the bankruptcy proceedings for the value of the intellectual property we previously conveyed to ABS and the amount received by ABS from the sale of such intellectual property to a third party during the term of the ABS Forbearance Agreement, plus the amount of any distribution to which we are entitled as a creditor of ABS, *provided, however,* that in no event would the amount due under the ABS Forbearance Agreement be reduced below $90,000, which is the amount payable during the first 12 months under the ABS Forbearance Agreement. ABS entered into a subordination agreement subordinating the obligation under the ABS Forbearance Agreement in favor of the obligations and first-priority security interest of YA Global. We conveyed to ABS the trademarks and intellectual property previously conveyed by ABS to us.

Our appeal of the approximately $1.8 million judgment that had been remanded in the ABS bankruptcy proceedings to conclusively determine the amount of credit due us for the conveyance of the intellectual property has been dismissed. All litigation and disputes between ABS and its affiliates, on the one hand, and us and our affiliates, on the other hand, has been dismissed, including the pending order to show cause regarding contempt against us, our subsidiaries, and Iehab Hawatmeh.

We have assigned to ABS our creditor claim against the estate of ABS, to the extent of the balance due under the ABS Forbearance Agreement. Any distribution from the ABS estate in excess of the adjusted amounts due under the ABS Forbearance Agreement will be paid to us.

YA Global Investments, LP v. CirTran Corporation, Third Judicial District Court of Salt Lake County, State of Utah, case no. 100911400.

On June 25, 2010, YA Global filed a lawsuit against us asserting claims for breach of contract, breaches of the uniform commercial code, and replevin. YA Global seeks a judgment in the amount of $4,193,380, plus interest and attorneys fees, as well as a writ of replevin to compel us to turn over equipment and other property that YA Global claims was pledged as collateral to secure obligations owing to YA Global. We do not dispute that we are indebted to YA Global in the amount of $3,161,355, plus interest, but we deny that we are in breach of our payment obligations because YA Global agreed to restructure the payment schedule and we relied on this agreement.

On January 24, 2011, we entered into a forbearance agreement with YA Global, including a confession of judgment in its favor. On February 23, 2011, the court entered judgment based on the confession of judgment against us in the principal amount of $3,161,355, plus interest of $825,858.

On July 22, 2011, YA Global filed a motion in the ABS lawsuit (discussed above) seeking an order clarifying its position with respect to ABS and staying enforcement of that court's order that we pay approximately $35,000 in legal fees to ABS. In its motion, YA Global notified us that it intended to conduct a secured party's public auction of all of our assets. YA Global also informed us that we had defaulted under our January 2011 Forbearance Agreement and declared that all of our obligations to YA Global were immediately due and owing. Further, YA Global stated that it intended to commence action to collect on our obligations and instructed us to assemble the assets.

At a hearing held on August 3, 2011, in the ABS reorganization proceeding referred to above on YA Global's motion to stay enforcement, YA Global noted that the date of the proposed secured party's public auction was August 30, 2011. At the same time, YA Global notified us that the proposed sale of assets would be held on August 30, 2011.

At the hearing in the ABS matter, the Bankruptcy Court denied YA Global’s motion to stay the payment of attorneys’ fees by us. Subsequently, the parties to the January 2011 settlement with YA Global entered into an agreement whereby YA Global agreed to cancel the proposed asset sale without waiver.

On September 30, 2011, YA Global directed us to assemble the collateral in order to enable it to take possession on or before October 6, 2011. Following negotiations with YA Global, we confirmed our indebtedness to YA Global and arranged for it to take possession of collateral on October 17, 2011, on which date, all accounts receivable, collections, and other proceeds and products of the collateral would be held in trust by us for YA Global and immediately forwarded to it. Before we were required to surrender possession of the collateral, we initiated negotiations to obtain YA Global’s forbearance from collection.

On March 22, 2012, we entered into a formal forbearance agreement with YA Global, dated as of March 1, 2012 (the "2012 YA Forbearance Agreement") in which we ratified our previous obligations under the debentures and agreed to pay the debentures, $25,000 at signing the 2012 YA Forbearance Agreement, $25,000 per month in March through June 2012, $50,000 per month in July through September 2012, $75,000 in the months of October and November 2012, $100,000 per month in the months of December 2012 through May 2013, $125,000 per month in the months of June through December 2013, and the balance in December 2014 (the "Termination Date"). In addition to the above minimum payments to YA Global, we are required to pay monthly excess cash flow, to the extent cumulatively available, consisting of consolidated earnings before interest, taxes, depreciation and amortization, less cash deposits for product orders received but not yet shipped, actual cash taxes paid, actual cash principal and interest paid, and reasonable out-of-pocket cash paid together with reasonable cash reserves in an amount not to exceed 5% of total net sales, provided that such excess cash flow payments shall not to exceed $50,000 in March 2012 and $25,000 per month in April 2012 and thereafter, until the balance is paid. As of December 31, 2012, the balance due YA Global was $3,161,355 in principal plus $856,546 in accrued interest.

We continue to have the right, subject to the consent of YA Global, to pay all or any portion of the payments listed above in common stock, with the conversion price to be used to determine the number of shares being equal to the lowest closing bid price of our common stock during the 20 trading days prior to the payment date. The amount applied as a payment on the note and accrued interest will be adjusted to the value of the actual proceeds from the sale of the stock.

YA Global agreed to forbear from enforcing its rights and remedies as a result of the existing defaults and/or converting the debentures into shares of our common stock, until the earlier of our default under the 2012 YA Forbearance Agreement or the Termination Date.

2013 Ratification Agreement

On February 22, 2013, we entered into a Ratification Agreement with YA Global. Under this Ratification Agreement, we ratified the obligations under three existing Convertible Debentures dated May 26, 2005, December 30, 2005, and August 23, 2006, and agreed to amend, restate, and consolidate the obligations evidenced thereby into a Consolidated Debenture.

The Ratification Agreement also provides for a new payment schedule under the Consolidated Debenture that replaces the payment schedule that had been agreed to in a March 1, 2012, Forbearance Agreement among the parties. Under the Ratification Agreement payment schedule, we are required to make monthly payments, to be applied first to accrued interest and then to principal, in the amount of $100,000 per month, commencing in April 2013. The amount of our required monthly cash payment shall be reduced in an amount equal to the amount credited to the lender against the obligation as a result of the lender's exercise of the right to convert the outstanding balance due under the debentures into common stock, as provided in the original convertible debentures as well as in the Consolidated

Debenture. Any amount credited against the debenture obligation in excess of $100,000 per month shall be credited against the amounts due in the next succeeding month.

In re Play Beverages, LLC**,** United States Bankruptcy Court for the District of Utah, Case No. 11-26046, and related matters.

On April 26, 2011, three alleged creditors, LIB-MP Beverage, LLC, George Denney, and Warner K. Depuy, filed an involuntary Chapter 7 petition against Play Beverages, LLC, a consolidated entity of our subsidiary ("PlayBev"), seeking its liquidation. Thereafter, management decided that reorganizing PlayBev as a debtor-in-possession under Chapter 11, of Title 11, of the United States Bankruptcy Code, was in the best interests of PlayBev and its creditors and equity holders. Accordingly, on August 12, 2011, PlayBev consented to the entry of an order for relief in the pending involuntary bankruptcy case and immediately exercised its right under Section 706(a) of the Bankruptcy Code to convert the case to a voluntary Chapter 11 reorganization case. That same day, the court entered an Order for Relief under Chapter 11 based on PlayBev's elections, and PlayBev became a debtor-in-possession and thereafter worked to resolve the claims of creditors and to resolve disputes about its nonalcoholic beverage distribution license with Playboy.

Playboy initially sought to terminate its product license agreement with PlayBev, but thereafter stipulated to suspend further proceedings pending the exploration of settlement. PlayBev reached a settlement with Playboy that would have provided for a new license, conditioned on bankruptcy court approval of PlayBev's reorganization plan, PlayBev's payment of $2.0 million to Playboy, and other provisions, but PlayBev was unable to obtain the funding needed to pay Playboy the initial amount or otherwise implement the reorganization plan, so the plan was abandoned and the settlement agreement and the new Playboy license did not become effective.

On December 6, 2012, the bankruptcy court dismissed PlayBev's bankruptcy case based on the evidence, PlayBev's stipulation, and the U.S. Trustee's recommendation. The order followed a two-day evidentiary hearing on a motion of the unsecured creditors, led by the three alleged creditors that had filed the initial involuntary Chapter 7 petition against PlayBev in April 2011, to again have the case converted to a liquidation. CirTran participated in the hearing and requested that the case be dismissed. All other pending motions and proceedings were similarly dismissed, and the automatic stay is no longer in effect. PlayBev is precluded from refiling for bankruptcy court protection for 180 days after the dismissal.

In its findings accompanying the dismissal order, the court observed that a principal of one of the petitioning creditors had signed the exclusive manufacturing, marketing, and distribution agreement that established the business relationship between CirTran Beverage Corp. and PlayBev for the distribution of the Playboy-branded energy drink that resulted in PlayBev's large obligation due CirTran Beverage Corp. The court further noted that there was no evidence that our chief executive officer, Iehab Hawatmeh, had engaged in any self-dealing where a liquidation trustee might be helpful in recovering assets for the benefit of the bankruptcy estate or that the creditors would be treated unfairly outside of bankruptcy as the petitioning creditors claimed.

We intend to continue to manufacture, market, and distribute the Playboy-branded, nonalcoholic energy drink under the Playboy license, which we and PlayBev assert still remains in effect that and the manufacturing, marketing, and distribution agreement between CirTran Beverage Corp. and PlayBev continues in effect.

Play Beverages, LLC, and CirTran Beverage Corp. v. Playboy Enterprises, Inc., et al., Cook County, Illinois, Case No. 2012L012181.

In October 2012, our wholly owned subsidiary, CirTran Beverage Corp., and PlayBev joined in filing a lawsuit alleging that Playboy breached, and that all defendants conspired to breach and aided and abetted Playboy's breach, of the previous product license agreement and interfered with the plaintiffs' established distributorship network. The plaintiffs seek compensatory and punitive damages, an injunction against termination of the previous product license and continuing interference, and other equitable and ancillary relief. Our complaint has survived an initial motion of the defendants to dismiss and is now proceeding.

18

Play Beverages, LLC, After Bev Group, LLC, CirTran Beverage Corporation, CirTran Corporation, Iehab Hawatmeh, and Fadi Nora v. Warner K Depuy, et al., Third District Court, Salt Lake City, Utah, case no. 100907700.

The plaintiffs allege tortuous interference with contractual relations, breaches of fiduciary duty, and fraud and negligent misrepresentations and seek a declaratory judgment determining the rights of the parties, damages to be determined at trial, costs, and attorney's fees. A default certificate was filed by the plaintiffs for the failure of the defendants to respond and then withdrawn, and there have been no further proceedings. In April 2013, we entered into a Settlement Agreement and Mutual Release with the plaintiffs in the Utah action. Under the recent settlement and release agreement, the parties exchanged mutual general releases without the payment by any party of any amounts to any other. Accordingly, the plaintiffs were relieved of about $1.4 million in amounts due LIB-MP without any payment.

General Distributors, Inc. v. Iehab Hawatmeh and CirTran Beverage Corp. d/b/a Play Beverages LLC d/b/a Playboy Beverages, in the Circuit Court of the State of Oregon, for the County of Clackamas, Case No. CV 10110087.

On November 8, 2010, General Distributors, Inc., filed a complaint asserting claims for breach of contract, liability under the Uniform Commercial Code, quasi contract - unjust enrichment, goods sold and delivered, account stated, and attorneys' fees and seeking judgment in the amount of $49,999, plus interest and attorneys fees. We and the other defendants have answered the complaint and denied liability. Because of the effect of the automatic stay in connection with the *In Re Play Beverages, LLC* bankruptcy matter (discussed above), the litigation in this matter was stayed until dismissal of the PlayBev bankruptcy in December 2012. There has been no subsequent action in this matter. We do not consider it necessary to accrue a liability for the potential liability.

Playtime Distributing of Oklahoma LLC v. CirTran Corporation, CirTran Beverage Corporation, and Play Beverages LLC, in the District Court of Oklahoma County, State of Oklahoma, Case No. CJ-2010-1058.

On December 30, 2010, Playtime Distributing of Oklahoma LLC filed suit asserting claims for breach of a distribution agreement, bad faith breach of a distribution agreement, rescission of the distribution agreement, accounting, breach of an independent sales agreement, bad faith breach of an independent sales agreement, and punitive damages and seeking judgment in an unspecified amount in excess of $75,000, plus interest and attorneys fees. We and the other defendants have answered and denied liability. Because of the effect of the automatic stay in connection with the *In Re Play Beverages, LLC* bankruptcy matter (discussed above), the litigation in this matter was stayed during those proceedings. There has been no further action since the dismissal of the PlayBev bankruptcy and the lifting of the automatic stay in December 2012. We do not consider it necessary to accrue a liability for the potential liability.

Various Creditor Claims

USS Cal Builders, Inc. v. CirTran Beverage Corp., Iehab Hawatmeh, and Fadi Nora, in the Superior Court of the State of California, County of Orange, Case No. 00425093. On November 16, 2010, USS Cal Builders, Inc., filed a complaint asserting various claims and seeking damages of at least $100,000, plus interest, costs, and attorneys' fees. A default judgment for $133,897 was entered against defendants on the amended complaint in late 2011.

RDS Touring and Promotions, Inc. v. CirTran Beverage Corp., CirTran Corp., and CirTran Media Corp., in the Superior Court of the State of California, County of Los Angeles, Case No. BC454112. On January 31, 2011, RDS Touring and Promotions, Inc., filed a complaint asserting claims for breach of settlement agreement, fraud in the inducement, and fraud and deceit (false promise). Following a motion filed by us, plaintiffs amended their complaint including only the contract claim. We have answered the amended complaint. Our California counsel withdrew from representing us and a default judgment was taken, which the plaintiffs are now seeking to collect in Utah.

American Express Travel Related Services Company, Inc. v. CirTran Corporation d/b/a Diverse Media Group and Iehab Hawatmeh, in the Third District Court, State of Utah, Salt Lake County. In this action, American Express asserts a claim for $108,029 in principal and $24,269 in interest due on a credit card account. We have answered denying liability and intend to defend the claims and discovery is now proceeding. These amounts have been accrued in full as a liability.

Ayad Jaber, Ramzy Fakhoury, Haya Enterprises, LLC v. CirTran Beverage Corporation, Play Beverages LLC, Iehab Hawatmeh, and Fadi Nora, in the Superior Court of the State of California, County of Orange, Case No. 0443807. On January 24, 2011, plaintiffs filed a complaint asserting claims based on alleged breaches of various written and oral promises and seeking damages of $700,000 in principal from us, plus $1,219,520 in principal from all defendants, $200,000 from Fadi Nora, and other unspecified amounts. On April 20, 2011, the court entered default judgments against Fadi Nora, Play Beverages, LLC, and us. The default judgments were set aside pursuant to a stipulation and the court granted defendants leave to file an answer, cross complaint, and a motion to recuse opposing counsel. Plaintiffs opposed the cross complaint. In August 2012, we entered into a settlement agreement and release in this matter in which we agreed that PlayBev would issue to the plaintiffs $2.1 in equity in PlayBev at the same price at which equity is issued in the reorganization of PlayBev under the PlayBev bankruptcy proceeding, which was then still pending. The status of this settlement agreement in view of the subsequent dismissal of the PlayBev bankruptcy proceeding has not been determined.

Globe Express Services, v. CirTran Beverage Corp., Third District Court, Salt Lake County, Case No. 110914239. In June 2011, we were sued by plaintiff, which seeks approximately $58,000 for services rendered. We did not file a responsive pleading and after December 31, 2011, settled this matter for $15,000, payable in monthly installments of $5,000. The full $15,000 was paid when due.

Alix Technologies v. CirTran d/b/a CirTran Beverage Corp, Third District Court, West Jordan, Case No. 110407015. Plaintiff filed suit in May 2011 claiming that CirTran Beverage had failed to pay for goods, services, or merchandise provided by plaintiff. A default judgment for $5,712 was entered, which has been satisfied.

Other Matters

United Medical Devices, LLC, v. PlaySafe, LLC, Iehab Hawatmeh, and Fadi Nora, Superior Court of the State of California, in and for the County of Los Angeles, West District, Case No. SC113081 ("UMD #1"), and _PlaySafe, LLC and Play Beverages, LLC, v. United Medical Devices, LLC, United Licensing Group, Jimmy Esebag, Patrick Bertranou, and Does 1 through 50, inclusive_, Superior Court of the State of California, in and for the County of Los Angeles, West District, Case No. SC113149 ("UMD #2"). In May 2011, Plaintiffs PlaySafe, LLC ("PlaySafe") and Play Beverages, LLC ("PlayBev"), brought suit against United Medical Devices ("UMD"), United Licensing Group ("ULG"), Jimmy Esebag, and Patrick Bertranou in Utah, alleging breach of contract, breach of the covenant of good faith and fair dealing, tortious interference with contract, fraud, and negligent misrepresentation, and seeking damages and punitive damages. That case was dismissed for lack of personal jurisdiction over defendants. Subsequently, in June 2011, UMD sued PlaySafe, Iehab Hawatmeh, and Fadi Nora, alleging breach of contract, fraudulent misrepresentation, promissory fraud, and fraudulent concealment. Also in June 2011, PlaySafe and PlayBev sued UMD, ULG, Esebag, and Bertranou alleging breach of contract, breach of the covenant of good faith and fair dealing, tortious interference with contract, tortious interference with prospective business relationship, fraud/deceit, negligent misrepresentation, and misappropriation of trade secrets. In UMD #1, defendants PlaySafe, and Messrs. Hawatmeh and Nora filed demurrers on all claims except the breach of contract claims. In UMD #2, plaintiffs PlaySafe and PlayBev filed a motion seeking a temporary restraining order requiring defendants to provide products and to cease contacting plaintiffs' distributor contacts, but it was not granted. UMD #2 has been consolidated into UMD #1 for further proceedings. We are pursuing this litigation, now in trial, vigorously.

Redi FZE v. CirTran Beverage Corp, in the Third District Court, Salt Lake County, State of Utah, Civil No. 110915101. In a complaint filed in June 2011, Redi asserted claims for breach of contract, fraud, and negligent misrepresentations. CirTran Beverage Corp. filed a counterclaim against Redi FZE and its principal, Paul Levin, for breach of contract, breach of the covenant of good faith and fair dealing, and a third-party claim for tortious interference against Paul Levin. On November 21, 2011, the court granted an injunction against Redi FZE, enjoining it from manufacturing, marketing, or distributing any nonalcoholic beverages identified by the trademarked Playboy, PlayBev, and Play Beverages names or the Playboy rabbit head design in the United Kingdom, France, or the Netherlands through June 13, 2013. During 2012, counsel for Redi FZE withdrew and no new counsel appeared. On November 21, 2011, we obtained a $1.2 million default judgment against Redi FZE. We were able to serve Paul Levin in early 2013, but his responsive pleading is not yet due.

In addition to the foregoing, we are parties to ordinary routine litigation incidental to our business that, individually and in the aggregate, is not material.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is traded in the over-the-counter market. The following table sets forth for the respective periods indicated the prices of the common stock in the over-the-counter market, as reported and summarized by the OTC Bulletin Board. Such prices are based on inter-dealer bid and asked prices, without markup, markdown, commissions, or adjustments and may not represent actual transactions.

	Low	**High**
2013:		
Second Quarter (through April 16, 2013)..	$0.0013	$0.0017
First Quarter..	0.0014	0.0018
2012:		
Fourth Quarter..	0.0007	0.0009
Third Quarter...	0.0006	0.0008
Second Quarter...	0.0007	0.0008
First Quarter..	0.0009	0.0010
2011:		
Fourth Quarter..	0.0006	0.0020
Third Quarter...	0.0011	0.0029
Second Quarter...	0.0022	0.0059
First Quarter..	0.0015	0.0063

As of April 16, 2013, we had approximately 3,000 shareholders.

We have not declared any dividends on our common stock since our inception, and do not intend to declare any such dividends in the foreseeable future. Our ability to pay dividends is subject to limitations imposed by Nevada law. Under Nevada law, dividends may be paid to the extent the corporation's assets exceed its liabilities and it is able to pay its debts as they become due in the usual course of business.

Penny Stock Rules

Our shares of common stock are subject to the "penny stock" rules of the Securities Exchange Act of 1934 and various rules under this Act. In general terms, "penny stock" is defined as any equity security that has a market price less than $5.00 per share, subject to certain exceptions. The rules provide that any equity security is considered to be a penny stock unless that security is registered and traded on a national securities exchange meeting specified criteria set by the SEC, authorized for quotation from the NASDAQ stock market, issued by a registered investment company, and excluded from the definition on the basis of price (at least $5.00 per share), or based on the issuer's net tangible assets or revenues. In the last case, the issuer's net tangible assets must exceed $3,000,000 if in continuous operation for at least three years, $5,000,000 if in operation for less than three years, or the issuer's average revenues for each of the past three years must exceed $6,000,000.

Trading in shares of penny stock is subject to additional sales practice requirements for broker-dealers that sell penny stocks to persons other than established customers and accredited investors. Accredited investors, in general, include individuals with assets in excess of $1,000,000 or annual income exceeding $200,000 (or $300,000 together with their spouse), and certain institutional investors. For transactions covered by these rules, broker-dealers must make a special suitability determination for the purchase of the security and must have received the purchaser's written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, the rules require the delivery, prior to the first transaction, of a risk disclosure document relating to the penny stock. A broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative and current quotations for the security. Finally, monthly statements must be sent disclosing recent price information for the penny stocks. These rules may restrict the ability of broker-dealers to trade or maintain a market in our common stock, to the extent it is penny stock, and may affect the ability of shareholders to sell their shares.

ITEM 6. SELECTED FINANCIAL DATA

Not required.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

We manufacture, market, and distribute internationally an energy drink under a license, now in dispute, with Playboy Enterprises, Inc., or Playboy, though our subsidiary, CirTran Beverage Corporation. CirTran Beverage manufactures, markets, and distributes Playboy-branded energy drinks in accordance with an agreement we entered into with Play Beverages, LLC, or PlayBev, a consolidated variable interest entity, which holds the Playboy license. Playboy asserts that the license is no longer valid and that PlayBev is no longer authorized to market the Playboy-branded energy drink, which is now being litigated. See Item 3. Legal Proceedings.

During 2012, our activities continued to be significantly restrained by the necessity to devote priority to efforts to obtaining the forbearance of our principal secured and judgment creditors, seeking to resolve disputes respecting the PlayBev license to market Playboy-licensed energy drinks, defending the numerous lawsuits to which we are a party, and obtaining additional capital. Disputes respecting the status of the PlayBev license to market Playboy-licensed energy drinks impaired our ability to establish new distributors, damaged our relationships with existing distributors, and depressed revenues, significantly. On December 6, 2012, the bankruptcy proceeding of PlayBev was dismissed, freeing PlayBev and, in turn, us to pursue our beverage distribution business without court supervision. However, the validity of the license from Playboy under which we conduct these activities remains in dispute. See Item 3. Legal Proceedings.

In the United States, we provide a mix of high- and medium-volume turnkey manufacturing services and products using various high-tech applications for leading electronics OEMs (original equipment manufacturers) in the communications, networking, peripherals, gaming, law enforcement, consumer products, telecommunications, automotive, medical, and semiconductor industries. Our services include pre-manufacturing, manufacturing, and post-manufacturing services. Our goal is to offer customers the significant competitive advantages that can be obtained from manufacture outsourcing. We are engaged in the following business segments.

Beverage Distribution (98% and 96% of total revenue during 2012 and 2011, respectively)

CirTran Beverage manufactures, markets, and distributes Playboy-licensed energy drinks in accordance with an agreement we entered into with PlayBev, our consolidated variable interest entity that holds the Playboy license.

Contract Manufacturing (2% and 4% of total revenue during 2012 and 2011, respectively)

CirTran Products pursues contract-manufacturing relationships in the U.S. consumer products markets, including licensed merchandise sold in the sports and entertainment markets.

CirTran - Asia manufactures and distributes electronics, consumer products, and general merchandise to companies selling in international markets. For the year ended December 31, 2011, we recognized approximately $77,000 of royalty revenue.

We had only nominal revenues of $1,432 from electronics assembly in 2012. Prior to 2012, we also conducted activities in the marketing and media operating segment, which may be reactivated. See "Other Business Segments."

RESULTS OF OPERATIONS

Comparison of Years Ended December 31, 2012 and 2011

Sales and Cost of Sales

Net sales for the year ended December 31, 2012, totaled $4,260,417, as compared to $3,064,438 for the year ended December 31, 2011. The increase is primarily attributable to our ability to manage the disruption we experienced in 2011 with the unexpected bankruptcy proceedings initiated against PlayBev, the continuing uncertainty created by Playboy in relation to the interference with our beverage distributors, and defending against numerous lawsuits. Disputes respecting the status of the PlayBev license to market Playboy-licensed energy drinks resulted in lower revenues in 2011 that we struggled to improve in 2012. Net sales in the contract manufacturing segment fell $39,156 in the year ended December 31, 2012, as compared to the same period in 2011. Beverage distribution revenue increased to $4,177,624 for the year ended December 31, 2012, as compared to $2,943,921 for the year ended December 31, 2011. The increase was driven by new product sales and royalty revenues, as well as recognition of deferred revenue. During the year ended December 31, 2012 and 2011, the Company recognized approximately $2,296,000 and $0 in revenue from prepayments under contracts that were in default and/or were terminated due to non-performance.

Cost of sales, as a percentage of sales, decreased to 9% for the year ended December 31, 2012, as compared to 36% for the prior year ended December 31, 2011. Consequently, the gross profit margin increased to 77% from -6%, respectively, for the same period. The increase in gross profit margin is attributable to an increase in revenues from royalty agreements which have an overall lower cost, a large portion of which is revenue from prepayments under contracts that were in default and/or were terminated due to non-performance. These revenues had no significant associated cost of sales.

The following chart presents comparisons of sales, cost of sales, royalty expense, and gross profit or loss margin generated by our four operating segments, i.e., beverage distribution, contract manufacturing, marketing and media, and electronics assembly during 2012 and 2011:

Segment	**Year**	**Sales**	**Cost of Sales**	**Royalty Expense**	**Gross Loss / Margin**
Beverage Distribution	2012	4,177,624	375,757	614,721	3,187,146
	2011	2,943,921	677,204	2,142,765	123,952
Contract Manufacturing	2012	81,361	-	-	81,361
	2011	120,517	441,314	-	(320,797)
Electronics Assembly	2012	$ 1,432	$ -	$ -	$ 1,432
	2011	-	-	-	-

Selling, General and Administrative Expenses

During the year ended December 31, 2012, selling, general, and administrative expenses decreased by 42% as compared to the year ended December 31, 2011. The decrease of $2,639,639 in selling, general, and administrative expenses was driven primarily by a decrease in bad debt expense of $1,396,885, a decrease in depreciation and amortization of $103,163, a decrease in administrative salaries of $148,816, tax and interest of $157,045, a decrease in promotional and travel expense of approximately $309,000, and varied other expenses related to promotional and development activities.

Noncash Compensation Expense

Noncash compensation expense, resulting from the obligation to grant options to employees and outside consultants to purchase common stock, decreased to $39,080 during the year ended December 31, 2012, compared to $132,063 during the year ended December 31, 2011. No stock options were granted to employees during the year ended December 31, 2012 or 2011. The decrease in noncash compensation expense relates to the vesting of previously granted options and the measurement of stock options required to be granted per their employment contracts.

Other Income and Expense

Interest expense for the year ended December 31, 2012, was $1,141,171, as compared to $966,419 for the year ended December 31, 2011, an increase of 18%. The interest expense recorded in the consolidated statements of operations combines both accretion expense and interest expense. The increase in interest expense was driven by an increase in accrued royalty liabilities and other accrued liabilities on which balances interest is due.

We recorded a loss of $534,373 due to the valuation of our derivative liability on the convertible debenture for the year ended December 31, 2012, as compared to a gain of $1,176,339 recorded for the year ending December 31, 2011. The unfavorable swing in the derivative valuation is primarily the result of factors relating to the differing debt levels of the underlying convertible securities, together with the varying market values of our common stock.

We recorded a gain on the settlement of debt of $154,850 for the year ended December 31, 2012. This gain on settlement related to settlement and conversion of short-term advances payable for common stock and current maturities of long-term debt for current liabilities to non-controlling interest holders.

As a result of these factors, our overall net loss decreased to $1,787,643 for the year ended December 31, 2012, as compared to a net loss of $7,043,410 for the year ended December 31, 2011, of which $1,539,619 and $746,147 was attributable to our non-controlling equity interest in PlayBev, during the years ended December 31, 2012 and 2011, respectively.

LIQUIDITY AND CAPITAL RESOURCES

We have had a history of losses from operations, as our expenses have been greater than our revenues. Our accumulated deficit was $48,514,796 at December 31, 2012, and $48,267,171 at December 31, 2011. Net loss before non-controlling interest for the year ended December 31, 2012, was $1,787,643, as compared to $7,043,410 for the year ended December 31, 2011. Our current liabilities exceeded our current assets by $26,458,490 as of December 31, 2012, and by $25,540,389 as of December 31, 2011. For the year ended December 31, 2012, we experienced positive cash flows from operating activities of $231,565, compared to negative cash flows of $320,115 for the prior year.

Cash

The amount of cash provided by operating activities during the year ended December 31, 2012, increased by $551,680, as compared to the year ended December 31, 2011, driven primarily by the decrease of inventories and an increase in accounts payable and accrued expenses.

Accounts Receivable

Trade accounts receivable, net of allowance for doubtful accounts, increased to $162,468 during the year ended December 31, 2012. The allowance for doubtful accounts decreased by $191,063 during the year ended December 31, 2012. We continue to monitor individual customer accounts and are working to improve collections on trade accounts receivable.

Accounts Payable, Accrued Liabilities, and Short-Term Debt

During the year ended December 31, 2012, accounts payable, accrued liabilities, advances payable, interest payable and short-term debt increased by $3,172,972 to a combined balance of $18,758,249 as of December 31, 2012. The increase includes an increase of $905,802 in accrued liabilities, $711,318 decrease in short-term debt, and $852,384 increase in accounts payable. The increase in accounts payable activity is a result of continued PlayBev-related services performed during the year for beverage development, distribution, marketing, and legal services. At December 31, 2012, we owed $3,088,945 to various investors from whom we had borrowed funds in the form of either unsecured or short-term advances.

Convertible Debentures

2011 YA Forbearance Agreement

As of December 31, 2010, we had outstanding convertible debentures issued during previous periods to YA Global with an aggregate outstanding balance of $3,161,355, including accrued interest of $856,546, that were then in default. In January 2011, we and YA Global entered into a forbearance agreement and related agreements (the "2011 YA Forbearance Agreement").

In the 2011 YA Forbearance Agreement, we ratified our previous obligations under the debentures; provided the guaranty of our president, Iehab Hawatmeh, secured by one-half of his interest in PlayBev; provided a confession of judgment in litigation by YA Global against Katana, to whom we had transferred certain collateral pledged to YA Global, and issued a new warrant to purchase to purchase 25,000,000 shares of our common stock at an exercise price of $0.02 per share, expiring December 2015. Additionally, we agreed to pay the debentures, $225,000 at signing the 2011 YA Forbearance Agreement ($75,000 to be applied to transaction costs), $75,000 per month for February through April 2011, $200,000 per month for May through December 2011, and the balance on December 31, 2011 (the "Termination Date").

We had the right, subject to the consent of YA Global, to pay all or any portion of the payments listed above in common stock, with the conversion price to be used to determine the number of shares being equal to 85% of the lowest closing bid price of our common stock during the 10 trading days prior to the payment date. The amount applied as a payment on the note and accrued interest will be adjusted to the value of the actual proceeds from the sale of the stock.

YA Global agreed to forbear from enforcing its rights and remedies as a result of the existing defaults and/or converting the debentures into shares of our common stock, until the earlier of our default under the 2011 YA Agreement or the Termination Date.

The summaries of the terms and conditions of the 2011 YA Forbearance Agreement and the other agreements do not purport to be complete and are qualified in their entirety by reference to the full text of the agreements, which are incorporated in this report.

Default and 2012 YA Forbearance Agreement

We made our required payments through March 1, 2011, as required under the 2011 YA Forbearance Agreement, but thereafter did not make additional payments. Following such defaults, YA Global initiated steps to proceed to execute on, take possession of, and sell at auction all of our assets, which had been encumbered to secure our obligations under the debentures. We negotiated extensions of such execution efforts while we also sought to negotiate another formal forbearance agreement with YA Global.

On March 22, 2012, we entered into a formal forbearance agreement with YA Global, dated as of March 1, 2012 (the "2012 YA Forbearance Agreement") in which we ratified our previous obligations under the debentures and agreed to pay the debentures, $25,000 at signing the 2012 YA Forbearance Agreement, $25,000 per month in March through

June 2012, $50,000 per month in July through September 2012, $75,000 in the months of October and November 2012, $100,000 per month in the months of December 2012 through May 2013, $125,000 per month in the months of June through December 2013, and the balance in December 2014 (the “Termination Date”). In addition to the above minimum payments to YA Global, we are required to pay monthly excess cash flow, to the extent cumulatively available, consisting of consolidated earnings before interest, taxes, depreciation and amortization, less cash deposits for product orders received but not yet shipped, actual cash taxes paid, actual cash principal and interest paid, and reasonable out-of-pocket cash paid together with reasonable cash reserves in an amount not to exceed 5% of total net sales, provided that such excess cash flow payments shall not to exceed $50,000 in March 2012 and $25,00 per month in April 2012 and thereafter, until the balance is paid.

We continue to have the right, subject to the consent of YA Global, to pay all or any portion of the payments listed above in common stock, with the conversion price to be used to determine the number of shares being equal to the lowest closing bid price of our common stock during the 20 trading days prior to the payment date. The amount applied as a payment on the note and accrued interest will be adjusted to the value of the actual proceeds from the sale of the stock.

YA Global agreed to forbear from enforcing its rights and remedies as a result of the existing defaults and/or converting the debentures into shares of our common stock, until the earlier of our default under the 2012 YA Forbearance Agreement or the Termination Date.

2013 Ratification Agreement

On February 22, 2013, we entered into a Ratification Agreement with YA Global. Under this Ratification Agreement, we ratified the obligations under three existing Convertible Debentures dated May 26, 2005, December 30, 2005, and August 23, 2006, and agreed to amend, restate, and consolidate the obligations evidenced thereby into a Consolidated Debenture.

The Ratification Agreement also provides for a new payment schedule under the Consolidated Debenture that replaces the payment schedule that had been agreed to in a March 1, 2012, Forbearance Agreement among the parties. Under the Ratification Agreement payment schedule, we are required to make monthly payments, to be applied first to accrued interest and then to principal, in the amount of $100,000 per month, commencing in April 2013. The amount of our required monthly cash payment shall be reduced in an amount equal to the amount credited to the lender against the obligation as a result of the lender’s exercise of the right to convert the outstanding balance due under the debentures into common stock, as provided in the original convertible debentures as well as in the Consolidated Debenture. Any amount credited against the debenture obligation in excess of $100,000 per month shall be credited against the amounts due in the next succeeding month.

ABS Obligations

In connection with our prior litigation with ABS in its Chapter 11 reorganization proceeding in California, ABS obtained judgments in March and May 2011 against us aggregating approximately $1,850,000, plus interest, enjoined us from making certain distributions from our subsidiaries, and assigned such subsidiary distributions to ABS. YA Global contested such injunction and assignment on the ground that such distributions had previously been encumbered to secure payment of the debentures due YA Global. In March 2011, ABS sought to hold us in contempt of the bankruptcy court’s order for making subsidiary distributions to us of over $150,000. YA Global asserted its priority lien in all of such distributions and proceeded with steps to execute on all of our assets encumbered in favor of YA Global, as noted above.

In conjunction with negotiating the 2012 YA Forbearance Agreement with YA Global, we also resolved our disputes with ABS pursuant to a forbearance agreement (the “ABS Forbearance Agreement”). On March 22, 2012, we entered into a formal forbearance agreement with ABS, dated as of March 1, 2012 (the "ABS Forbearance Agreement"), whereby ABS agreed to take no further judgment enforcement actions in consideration of the payment of $25,000 upon execution of the definitive ABS Forbearance Agreement and satisfaction of applicable conditions precedent. The ABS Forbearance Agreement calls for us to pay $7,500 per month for 46 consecutive months (except for a payment of $15,000 in December 2012), commencing in March 2012, with the unpaid balance, as finally determined as provided below, due and payable in January 2016. No interest on the principal would accrue unless the note is in default, in which case, it would bear interest at 10% per annum from the date of the ABS Forbearance Agreement. In addition, we stipulated to an additional judgment for attorney's fees incurred in negotiating the ABS Forbearance Agreement and entering into the related definitive agreements and in related post-judgment collection efforts. The obligation to pay $1,835,000 under the ABS Forbearance Agreement would be secured by an encumbrance on all of our assets, subject to the prior lien and encumbrance in favor of YA Global.

The principal amount of $1,835,000 due under the ABS Forbearance Agreement would be reduced by the greater of the amount of credit granted in the bankruptcy proceedings for the value of the intellectual property we previously conveyed to ABS and the amount received by ABS from the sale of such intellectual property to a third party during the term of the ABS Forbearance Agreement, plus the amount of any distribution to which we are entitled as a creditor of ABS, *provided, however,* that in no event would the amount due under the ABS Forbearance Agreement be reduced below $90,000, which is the amount payable during the first 12 months under the ABS Forbearance Agreement. ABS entered into a subordination agreement subordinating the obligation under the ABS Forbearance Agreement in favor of the obligations and first-priority security interest of YA Global. We conveyed to ABS the trademarks and intellectual property previously conveyed by ABS to us.

Our appeal of the approximately $1.8 million judgment that had been remanded in the ABS bankruptcy proceedings to conclusively determine the amount of credit due us for the conveyance of the intellectual property has been dismissed. All litigation and disputes between ABS and its affiliates, on the one hand, and us and our affiliates, on the other hand, has been dismissed, including the pending order to show cause regarding contempt against us, our subsidiaries, and Iehab Hawatmeh.

We have assigned to ABS our creditor claim against the estate of ABS, to the extent of the balance due under the ABS Forbearance Agreement. Any distribution from the ABS estate in excess of the adjusted amounts due under the ABS Forbearance Agreement will be paid to us.

Liquidity and Financing Arrangements

We have a history of substantial losses from operations as well as using, rather than providing, cash in operations. We had an accumulated deficit of $48,514,796, along with a total stockholders' deficit of $16,538,470, at December 31, 2012. During 2012, we have provided, rather than used, cash in our operations of $231,565, compared to cash used in operations of $320,115 in the prior year. During 2012, we have used, rather than provided, cash used in financing activities of $397,462, compared to cash provided in financing activities of $489,128 in the prior year. During the year ended December 31, 2012, our monthly operating costs and interest expense averaged approximately $399,000 per month.

As a result of the recent execution of the 2013 Ratification Agreement with YA Global and the ABS Forbearance Agreement, we have fixed payments due on these secured obligations in 2013 aggregating $107,500 per month, less the amount YA Global converts to common stock. We are dependent on ongoing revenue from the distribution of Playboy-licensed energy drinks, and ongoing dispute respecting the status of the PlayBev license to market Playboy-licensed energy drinks makes it uncertain whether we will be able to continue those activities. We cannot assure that our efforts to resolve those disputes will enable us to continue our energy drink distribution segment or that, if resolved, the terms would be favorable to us. In any event, we will likely need to fund increased energy drink distribution activities from external sources, either directly or through PlayBev, and we cannot assure that we will be able to obtain such funding. If we are able to facilitate obtaining new funding for PlayBev, such funding would likely not be available to us to meet our general company needs.

In conjunction with our efforts to improve our results of operations, we are also actively seeking infusions of capital from investors and sources to repay our existing convertible debentures and other secured indebtedness. In our current financial condition, it is unlikely that we will be able to obtain additional debt financing. Even if we did acquire additional debt, we would be required to devote additional cash flow to servicing the debt and securing the debt with assets. Accordingly, we are looking to obtain equity financing to meet our anticipated capital needs. There can be no assurance that we will be successful in obtaining such capital. If we issue additional shares for debt and/or equity, this will dilute the value of our common stock and existing shareholders' positions.

There can be no assurance that we will be successful in obtaining more debt and/or equity financing in the future or that our results of operations will materially improve in either the short or the long term. If we fail to obtain such financing and improve our results of operations, we will be unable to meet our obligations as they become due, which would raise substantial doubt about our ability to continue as a going concern.

CRITICAL ACCOUNTING ESTIMATES

Revenue Recognition - Revenue is recognized when products are shipped. Title passes to the customer or independent sales representative at the time of shipment. Returns for defective items are repaired and sent back to the customer. Historically, expenses associated with returns have not been significant and have been recognized as incurred.

Royalty income is included as part of sales. We recognize royalty revenue as it is earned. The customer distribution agreements generally specify minimum royalty fees due to us during the contract period. We recognize royalty income on a straight-line basis over the term of the distribution agreement when based on management's analysis of sales history, the customer is not expected to meet the minimum required sales projections for the contract period.

Revenue on refundable customer deposits is applied to customer sales in accordance with the distribution agreement, unless the customer is in default with the terms of the distribution agreement and the deposit is forfeited. We recognize revenue on refundable deposits in the event the customer defaults on the terms of the distribution contract.

Shipping and handling fees are included as part of net sales. The related freight costs and supplies directly associated with shipping products to customers are included as a component of cost of goods sold.

We signed an Assignment and Exclusive Services Agreement with Global Marketing Alliance, LLC, or GMA, a related party, whereby revenues and all associated performance obligations under GMA’s web-hosting and training contracts were assigned to us. Accordingly, this revenue is recognized in our financial statements when it is collected, along with our CirTran Online revenue.

We sold our Salt Lake City, Utah, building in a sale/leaseback transaction and reported the gain on the sale as deferred revenue to be recognized over the term of lease pursuant to Financial Accounting Standards Board Accounting Standards Codification, or ASC, 840-10, Accounting for Leases. The lease agreement was terminated during 2011 and the remainder of the deferred revenue was recognized upon this termination event.

We have entered into a Manufacturing, Marketing and Distribution Agreement with PlayBev, a consolidated entity, whereby we are the vendor of record in providing initial development, promotional, marketing, and distribution services. Amounts billed to PlayBev in connection with the development and marketing of its new energy drink have eliminated in consolidation.

Financial Instruments with Derivative Features - We do not hold or issue derivative instruments for trading purposes. However, we have financial instruments that are considered derivatives or contain embedded features subject to derivative accounting. Embedded derivatives are valued separately from the host instrument and are recognized as derivative liabilities in our balance sheet. We measure these instruments at their estimated fair value and recognize changes in their estimated fair value in results of operations during the period of change. We have estimated the fair value of these embedded derivatives using the Multi-nomial Lattis model. The fair value of the derivative instruments is measured each quarter, with the change recorded in earnings.

Registration Payment Arrangements - On January 1, 2007, we adopted ASC 815-40, Accounting for Registration Payment Arrangements. Under ASC 815-40 and ASC 450-10, Accounting for Contingencies, a registration payment arrangement is an arrangement whereby: (a) we have agreed to file a registration statement for certain securities with the SEC and have the registration statement declared effective within a certain time period; (b) we will endeavor to keep a registration statement effective for a specified period; and (c) transfer of consideration is required if we fail to meet those requirements. When we issue an instrument coupled with these registration payment requirements, we estimate the amount of consideration likely to be paid under the agreement, and offset such amount against the proceeds of the instrument issued. The estimate is then reevaluated at the end of each reporting period and any changes recognized as a registration penalty in the results of operations. As further described in Note [9] to the consolidated financial statements, we have instruments that contain registration payment arrangements. The effect of implementing this has not had a material effect on the financial statements because we consider probability of payment under the terms of the agreements to be remote.

Stock-Based Compensation - Effective January 1, 2006, we adopted the provisions of ASC 718-10, Accounting for Stock Issued to Employees, for our stock-based compensation plans. Under ASC 718-10, all stock-based compensation is measured at the grant date, based on the fair value of the option or award, and is recognized as an expense in earnings over the requisite service period, which is typically through the date the options vest.

We use the Black-Scholes model for calculating the fair value pro forma disclosures under ASC 718-10, and will continue to use this model, which is an acceptable valuation approach under ASC 718-10.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our financial statements appear at the end of this report, beginning with the Index to Financial Statements on page F-1.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

As reported in our Current Report on Form 8-K, on September 18, 2012 the Company dismissed Hansen, Barnett & Maxwell, P.C., as our independent registered public accounting firm and on the same date engaged Sadler Gibbs and Associates, LLC Certified Public Accountants, as our independent registered public accounting firm.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit to the SEC under the Exchange Act, is recorded, processed, summarized, and reported within the time periods specified by the SEC's rules and forms, and that information is accumulated and communicated to our management, including our principal executive and principal financial officer (whom we refer to in this periodic report as our Certifying Officer), as appropriate to allow timely decisions regarding required disclosure. Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our management evaluated, with the participation of our Certifying Officer, the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of December 31, 2012, pursuant to Rule 13a-15(b) under the Exchange Act. Based upon that evaluation, our Certifying Officer concluded that, as of December 31, 2012, our disclosure controls and procedures were not effective to provide reasonable assurance as of December 31, 2012, because of certain deficiencies involving internal controls constituted material weaknesses, as discussed below. The material weaknesses identified did not result in the restatement of any previously reported financial statements or any other related financial disclosure, and management does not believe that the material weaknesses had any effect on the accuracy of our financial statements for the current reporting period.

Limitations on Effectiveness of Controls

A system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the system will meet its objectives. The design of a control system is based, in part, upon the benefits of the control system relative to its costs. Control systems can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. In addition, over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. In addition, the design of any control system is based in part upon assumptions about the likelihood of future events.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control of over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. We have assessed the effectiveness of those internal controls as of December 31, 2011, using the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") Internal Control - Integrated Framework as a basis for our assessment.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies and procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. 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.

A material weakness in internal controls is a deficiency in internal control, or combination of control deficiencies, that adversely affects our ability to initiate, authorize, record, process, or report external financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a material misstatement of our annual or interim financial statements that is more than inconsequential will not be prevented or detected.

Based on our evaluation of internal control over financial reporting, our management concluded that our internal control over financial reporting was not effective as of December 31, 2012.

As of December 31, 2012, management identified the following material weaknesses:

- ***Control Environment*** - We did not maintain an effective control environment for internal control over financial reporting. Specifically, we concluded that we did not have appropriate controls in the following areas.

- ***Segregation of Duties*** - As a result of limited resources and staff, we did not maintain proper segregation of incompatible duties. The effect of the lack of segregation of duties potentially affects multiple processes and procedures.

- ***Entity Level Controls*** - We failed to maintain certain entity-level controls as defined by the framework issued by COSO. Specifically, our lack of staff does not allow us to effectively maintain a sufficient number of adequately trained personnel necessary to anticipate and identify risks critical to financial reporting. There is a risk that a material misstatement of the financial statements could be caused, or at least not be detected in a timely manner, due to lack of adequate staff with such expertise.

- ***Access to Cash*** - Our president has debit cards for most of our bank accounts and the ability to transfer from his personal bank account and our bank accounts.

These weaknesses are continuing. Management and the board of directors are aware of these weaknesses that result because of limited resources and staff. Management has begun the process of formally documenting our key processes as a starting point for improved internal control over financial reporting. Efforts to fully implement the processes we have designed have been put on hold due to limited resources, but we anticipate a renewed focus on this effort in the near future. Due to our limited financial and managerial resources, we cannot assure when we will be able to implement effective internal controls over financial reporting.

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

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information from our definitive proxy statement for our 2013 annual meeting of stockholders under the captions “Corporate Governance,” “Proposal 1. Election of Directors,” and “Section 16(a) Beneficial Ownership Reporting Compliance” is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information from our definitive proxy statement for our 2013 annual meeting of stockholders under the caption “Executive Compensation” is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information from our definitive proxy statement for our 2013 annual meeting of stockholders under the captions “Principal Stockholders” and “Equity Compensation Plans” is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information from our definitive proxy statement for our 2013 annual meeting of stockholders under the captions “Certain Relationships and Related-Party Transactions” and “Director Independence” is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information from our definitive proxy statement for our 2012 annual meeting of stockholders under the caption “Relationship with Independent Auditors” is incorporated herein by reference.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Exhibit Number	Title of Document	Location
Item 3.	**Articles of Incorporation and Bylaws**	
3.1	Articles of Incorporation	Incorporated by reference from our Current Report on Form 8-K filed July 17, 2000.
3.2	Amended and Restated Bylaws	Incorporated by reference from our Current Report on Form 8-K filed August 18, 2011.
3.3	Articles of Amendment to Articles of Incorporation	Incorporated by reference from our Current Report on Form 8-K filed August 18, 2011.
Item 10.	**Material Contracts**	
10.1	Securities Purchase Agreement between CirTran Corporation and Highgate House Funds, Ltd., dated as of May 26, 2005	Incorporated by reference from our Current Report on Form 8-K filed June 3, 2005.
10.2	Form of 5% Convertible Debenture, due December 31, 2007, issued by CirTran Corporation	Incorporated by reference from our Current Report on Form 8-K filed June 3, 2005.
10.3	Investor Registration Rights Agreement between CirTran Corporation and Highgate House Funds, Ltd., dated as of May 26, 2005	Incorporated by reference from our Current Report on Form 8-K filed June 3, 2005.
10.4		

	Security Agreement between CirTran Corporation and Highgate House Funds, Ltd., dated as of May 26, 2005	Incorporated by reference from our Current Report on Form 8-K filed June 3, 2005.
10.5	Escrow Agreement between CirTran Corporation, Highgate House Funds, Ltd., and David Gonzalez dated as of May 26, 2005	Incorporated by reference from our Current Report on Form 8-K filed June 3, 2005.
10.6	Amendment No. 1 to Investor Registration Rights Agreement, between CirTran Corporation and Highgate House Funds, Ltd., dated as of June 15, 2006	Incorporated by reference from our Registration Statement on Form SB-2/A (No. 333-128549) filed June 21, 2006.
10.7	Amendment No. 1 to Investor Registration Rights Agreement, between CirTran Corporation and Cornell Capital Partners, LP, dated as of June 15, 2006	Incorporated by reference from our Registration Statement on Form SB-2/A (No. 333-128549) filed June 21, 2006.
10.8	Securities Purchase Agreement between CirTran Corporation and ANAHOP, Inc., dated as of May 24, 2006	Incorporated by reference from our Current Report on Form 8-K filed May 30, 2006.
10.9	Warrant for 10,000,000 shares of CirTran Common Stock, exercisable at $0.15, issued to Albert Hagar	Incorporated by reference from our Current Report on Form 8-K filed May 30, 2006.
10.10	Warrant for 5,000,000 shares of CirTran Common Stock, exercisable at $0.15, issued to Fadi Nora	Incorporated by reference from our Current Report on Form 8-K filed May 30, 2006.
10.11	Warrant for 5,000,000 shares of CirTran Common Stock, exercisable at $0.25, issued to Fadi Nora	Incorporated by reference from our Current Report on Form 8-K filed May 30, 2006.
10.12	Warrant for 10,000,000 shares of CirTran Common Stock, exercisable at $0.50, issued to Albert Hagar	Incorporated by reference from our Current Report on Form 8-K filed May 30, 2006.
10.13	Asset Purchase Agreement, dated as of June 6, 2006, by and between Advanced Beauty Solutions, LLC, and CirTran Corporation	Incorporated by reference from our Current Report on Form 8-K filed June 13, 2006.

10.14	Securities Purchase Agreement between CirTran Corporation and ANAHOP, Inc., dated as of June 30, 2006	Incorporated by reference from our Current Report on Form 8-K filed July 6, 2006.
10.15	Warrant for 20,000,000 shares of CirTran Common Stock, exercisable at $0.15, issued to Albert Hagar	Incorporated by reference from our Current Report on Form 8-K filed July 6, 2006.
10.16	Warrant for 10,000,000 shares of CirTran Common Stock, exercisable at $0.15, issued to Fadi Nora	Incorporated by reference from our Current Report on Form 8-K filed July 6, 2006.
10.17	Warrant for 10,000,000 shares of CirTran Common Stock, exercisable at $0.25, issued to Fadi Nora	Incorporated by reference from our Current Report on Form 8-K filed July 6, 2006.
10.18	Warrant for 23,000,000 shares of CirTran Common Stock, exercisable at $0.50, issued to Albert Hagar	Incorporated by reference from our Current Report on Form 8-K filed July 6, 2006.
10.19	Lockdown Agreement by and between CirTran Corporation and Cornell Capital Partners, LP, dated as of July 20, 2006	Incorporated by reference from our Registration Statement on Form SB-2/A (File No. 333-128549) filed July 27, 2006.
10.20	Lockdown Agreement by and among CirTran Corporation and ANAHOP, Inc., Albert Hagar, and Fadi Nora, dated as of July 20, 2006	Incorporated by reference from our Registration Statement on Form SB-2/A (File No. 333-128549) filed July 27, 2006.
10.21	Amendment No. 2 to Investor Registration Rights Agreement, between CirTran Corporation and Highgate House Funds, Ltd., dated as of August 10, 2006	Incorporated by reference from our Registration Statement on Form SB-2/A (File No. 333-128549) filed August 10, 2006.
10.22	Amendment No. 2 to Investor Registration Rights Agreement, between CirTran Corporation and Cornell Capital Partners, LP, dated as of August 10, 2006	Incorporated by reference from our Registration Statement on Form SB-2/A (File No. 333-128549) filed August 10, 2006.
10.23	Amended Lock Down Agreement by and among the Company and ANAHOP, Inc., Albert Hagar, and Fadi Nora, dated as of November 15, 2006	Incorporated by reference from our Quarterly Report on Form 10-QSB for the quarter ended September 30, 2006, filed November 20, 2006.

10.24	Amended Lock Down Agreement by and between the Company and Cornell Capital Partners, L.P., dated as of October 30, 2006	Incorporated by reference from our Quarterly Report on Form 10-QSB for the quarter ended September 30, 2006, filed November 20, 2006.
10.25	Amendment to Debenture and Registration Rights Agreement between the Company and Cornell Capital Partners, L.P., dated as of October 30, 2006	Incorporated by reference from our Quarterly Report on Form 10-QSB for the quarter ended September 30, 2006, filed November 20, 2006.
10.26	Amendment Number 2 to Amended and Restated Investor Registration Rights Agreement, between CirTran Corporation and Cornell Capital Partners, LP, dated January 12, 2007	Incorporated by reference from our Current Report on Form 8-K filed January 19, 2007.
10.27	Amendment Number 4 to Investor Registration Rights Agreement, between CirTran Corporation and Cornell Capital Partners, LP, dated January 12, 2007	Incorporated by reference from our Current Report on Form 8-K filed January 19, 2007.
10.28	Amendment to Employment Agreement for Iehab Hawatmeh, dated January 1, 2007	Incorporated by reference from our Annual Report on Form 10-K for the year ended December 31, 2006, filed April 17, 2007.
10.29	Assignment and Exclusive Services Agreement with Global Marketing Alliance, LLC, dated April 16, 2007	Incorporated by reference from our Current Report on Form 8-K filed April 20, 2007.
10.30	Triple Net Lease between CirTran Corporation and Don L. Buehner, dated as of May 4, 2007	Incorporated by reference from our Current Report on Form 8-K filed May 10, 2007.
10.31	Commercial Real Estate Purchase Contract between Don L. Buehner and PFE Properties, L.L.C., dated as of May 4, 2007	Incorporated by reference from our Current Report on Form 8-K filed May 10, 2007.
10.32	Exclusive Manufacturing, Marketing, and Distribution Agreement, dated as of May 25, 2007	Incorporated by reference from our Current Report on Form 8-K filed June 1, 2007.
10.33	Amendment Number 3 to Amended and Restated Investor Registration Rights Agreement, between CirTran Corporation and YA Global Investments, L.P.	Incorporated by reference from our Current Report on Form 8-K filed February 12, 2008.

10.34	Amendment Number 6 to Investor Registration Rights Agreement, between CirTran Corporation and YA Global Investments, L.P.	Incorporated by reference from our Current Report on Form 8-K filed February 12, 2008.
10.35	Agreement between and among CirTran Corporation, YA Global Investments, L.P., and Highgate House Funds, LTD	Incorporated by reference from our Current Report on Form 8-K filed February 12, 2008.
10.36	Promissory Note	Incorporated by reference from our Current Report on Form 8-K filed March 5, 2008.
10.37	Form of Warrant	Incorporated by reference from our Current Report on Form 8-K filed March 5, 2008.
10.38	Subscription Agreement between the Company and Haya Enterprises, LLC	Incorporated by reference from our Current Report on Form 8-K filed March 5, 2008.
10.39	Amended and Restated Forbearance Agreement, with exhibits, including form of Warrant	Incorporated by reference from our Current Report on Form 8-K filed January 28, 2011.
10.40	Forbearance Agreement, including exhibits, with YA Global Investments, L.P. dated as of March 1 2012, and entered into on March 22, 2012	Incorporated by reference from our Current Report on Form 8-K filed March 27, 2012.
10.41	Forbearance Agreement, including exhibits, with Advanced Beauty Solutions, LLC, dated as of March 1, 2012, and entered into on March 22, 2012	Incorporated by reference from our Current Report on Form 8-K filed March 27, 2012.
10.42	Employment Agreement with Iehab Hawatmeh dated August 1, 2009	Incorporated by reference from our Annual Report on Form 10-K/A (Amendment No. 1) filed April 30, 2012.
10.43	Asset Purchase Agreement dated August 20, 2012, among CirTran Beverage Corp., Play Beverages, LLC, and PB Energy Corporation (exhibits attached as Exhibits 10.44 and 10.45)	Incorporated by reference from our Current Report on Form 8-K filed September 10, 2012.
10.44	Revenue Sharing Agreement dated August 20, 2012, between CirTran Beverage Corp., and PB Energy Corporation—Exhibit A to Asset Purchase Agreement, Exhibit 10.43	Incorporated by reference from our Current Report on Form 8-K filed September 10, 2012.
10.45	Form of Satisfaction and Release between CirTran Beverage Corp. and certain	Incorporated by reference from our Current Report on Form 8-K filed September 10, 2012.

	creditors—Exhibit B to Asset Purchase Agreement, Exhibit 10.43	
10.46	Settlement Agreement dated August 20, 2012, among Play Beverages, LLC, CirTran Beverage Corp., and CirTran Corporation	Incorporated by reference from our Current Report on Form 8-K filed September 10, 2012.
10.47	Ratification Agreement with YA Global Investments, L.P., dated February 22, 2013	Incorporated by reference from our Current Report on Form 8-K filed March 27, 2013.
10.48	Amended, Restated, and Consolidated Secured Convertible Debenture payable to YA Global Investments, L.P., with an original issuance date as of December 31, 2007	Incorporated by reference from our Current Report on Form 8-K filed March 27, 2013.
10.49	CirTran Corporation 2012 Incentive Plan	Incorporated by reference from our Registration Statement on Form S-8 filed June 1, 2012.
Item 21.	**Subsidiaries of the Registrant**	
21.01	Schedule of subsidiaries	Incorporated by reference from our Annual Report on Form 10-K for the year ended December 31, 2010, filed April 11, 2011.
Item 31.	**Rule 13a-14(a)/15d-14(a) Certifications**	
31.01	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Rule 13a-14	This filing.
Item 32.	**Section 1350 Certifications**	
32.01	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	This filing.
Item 101.	**Interactive Data**	
101	Interactive Data files	This filing.

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* The number preceding the decimal indicates the applicable SEC reference number in Item 601, and the number following the decimal indicating the sequence of the particular document. Omitted numbers in the sequence refer to documents previously filed with the SEC as exhibits to previous filings, but no longer required.

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.

CirTran Corporation

Date: April 16, 2013 By:

Iehab J. Hawatmeh
President
Principal Executive Officer

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

April 16, 2013	Iehab J. Hawatmeh, President, Chief Executive Officer, Director, and Principal Financial and Accounting Officer
April 16, 2013	Fadi Nora, Director
April 16, 2013	Kathryn Hollinger, Director