ISA INTERNATIONALE INC
Form 10-Q
August 14, 2013

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2013

Commission File Number: 001-16423

ISA INTERNATIONALE INC.

(Name of small business registrant in its charter)

Delaware	41-1925647
(State of incorporation)	(I.R.S. Employer Identification No.)

2564 Rice Street, St. Paul, MN	55113
(Mailing address of principal executive offices)	(Zip Code)

(Issuer's telephone number) (651) 484-9850

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

Title of each class	Name of each exchange on which registered
Common Stock	OTC Bulletin Board

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (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 (Sec.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No []

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer [ ] Accelerated filer [ ]

Non-accelerated filer [X] Smaller Reporting Company [ ]

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

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

On August 14, 2013, there were 48,574,912 shares of the Registrant's common stock, par value $.0001 per share.

On August 14, 2013, there were also convertible notes payable in the amount of $89,306 that are due and payable on demand and convertible at the option of the related party at a rate of $.0725 per share for 1,231,807 shares.

ISA INTERNATIONALE INC.

FORM 10-Q

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PART I FINANCIAL INFORMATION

Item 1. Condensed Financial Statements

These condensed financial statements have been prepared by ISA Internationale Inc. (the Company) without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted in accordance with such SEC rules and regulations. In the opinion of management, the accompanying statements contain all adjustments necessary to present fairly the financial position of the Company as of June 30, 2013, and its results of operations, net liabilities, and cash flows for the nine month period ended June 30, 2013. The results for these interim periods are not necessarily indicative of the results for the entire year. The accompanying condensed financial statements should be read in conjunction with the financial statements and the notes thereto as a part of the Company's annual report on Form 10-K for the fiscal year ended September 30, 2012 which was filed on January 14, 2013.

ISA INTERNATIONALE INC.

CONDENSED STATEMENT OF ASSETS AND LIABILTIIES

	June 30, 2013 (Unaudited)	September 30, 2012
ASSETS		
Investments:		
Non-controlled, non-affiliated investments		
Investment in Newsbeat Stock	$ 32,000	$ 32,000
Investment in Reality Corp	13,000	--
Total Investments	45,000	32,000
Cash	110	5,232
Fixed assets, net	--	11,247
Accounts receivable	102,500	22,782
Total assets	**$ 147,610**	**$ 71,261**
LIABILITIES & NET LIABILITIES		
Obligations in excess of investment basis in controlled affiliate	$ 168,541	$ --
Accounts payable - trade and taxes	217,283	135,634

Payable to related party NewsBeat Social, Inc.	30,000	30,000
Notes payable other	--	3,741
Notes payable related party - current portion	--	97,480
Convertible notes payable - related party	89,306	83,949
Notes payable other - long term portion	--	5,293
	------------	---------
Total liabilities	**505,130**	**356,097**
	------------	---------
Net liabilities	**$ (357,520)**	**$ (284,836)**
	============	============

Net liabilities are comprised of:

Common stock, $.0001 par value, 300,000,000 shares authorized; 49,824,912 shares issued and 48,574,912 shares outstanding at June 30, 2013; 48,874,912 shares issued and 47,624,912 shares outstanding at September 30, 2012	4,983	4,888
Additional paid-in capital	10,363,675	10,325,770
Treasury stock; 1,250,000 shares	(537,500)	(537,500)
Losses and distributions in excess of earnings	(10,188,678)	(10,077,994)
	------------	-----------
Total net liabilities	(357,520)	(284,836)
	------------	---------
Total liabilities and stockholders' deficit	**$ 147,610**	**$ 71,261**

	============	===========
Net liability value per outstanding share of		
common stock	**$ (0.007)**	**$ (0.006)**
	============	===========

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

ISA INTERNATIONALE INC.

SCHEDULE OF INVESTMENTS

June 30, 2013

(Unaudited)

Equity Investments:

Company	Description of Business	Percent Ownership	Hisorical Cost Investment	Fair Value	Affiliation
Newsbeat, Inc.	Social Facebook	2%	$ 32,000 (1)	$ 32,000	No
Reality Corp.	Biomedical Company	10%	13,000 (2)	13,000	No
			---------	---------	
Total Investments			$ 45,000	$ 45,000	
			=========	=========	

(1) At June 30, 2013 there were 2,000,000 of Newsbeat shares held and reported on a fair value basis at the original purchase price of $0.001 with no change in Fair Market Value incurred. All common shares held have been recorded as a noncurrent securities asset. There has been a provision of $30,000 in projected future costs added to the carrying value of the investment based upon contractual commitments.

(2) At June 30, 2013 there were 10,000,000 of Re@lity shares held and reported on a fair value basis at the original purchase price of $0.0001 with no change in Fair Market Value incurred. All common shares held have been recorded as a noncurrent securities asset. The costs of $12,000 have been recorded as a development cost to the date of this report.

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

ISA INTERNATIONALE INC.

STATEMENTS OF CHANGES IN NET LIABILITIES

	Nine Months Ended June 30, 2013 (Unaudited)	Nine Months Ended June 30, 2012 (Unaudited)
OPERATIONS:		
Net loss from operations	$ (57,521)	$ (130,946)
Realized loss on investments	(53,166)	--
Net decrease in assets resulting from operations	(110,687)	(130,946)
SHAREHOLDER ACTIVITY:		
Issuance of Common Stock	38,000	122,836
NET DECREASE IN NET LIABILITIES	(72,687)	(8,109)
NET LIABILITIES:		
Beginning of period	(284,836)	(240,423)

End of period	(357,520)	(248,532)
Average net liabilities	$(321,178)	$(244,477)
	=========	=========

Ratios to average net liabilities:

Net operating expenses	(17.9) %	(53.6)%
Net investment (loss)	(16.6) %	- %
Per share ratio expenses	(0.10) %	- %
Per share ratio net investment(loss)	(0.10) %	- %

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

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ISA INTERNATIONALE INC.

CONDENSED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Nine Months Ended June 30, 2013	Nine Months Ended June 30, 2012
Consulting income:	$ 157,500	$ --	$ 157,500	$ --
Operating expenses:				
General and administrative	10,350	16,897	33,281	94,286
General and administrative - (related party)	160,250	8,250	176,250	24,500
Total operating expenses	170,600	25,147	209,531	118,786
Operating loss	(13,100)	(25,147)	(52,031)	(118,786)
Other Expenses				
Interest expense	--	(547)	--	(2,740)
Interest expense-related party	(2,367)	(1,168)	(5,490)	(7,746)
Gain on liability extinguishment	--	77,116	--	77,116

	(2,367)	75,401	(5,490)	66,630
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Net income (loss) from				
operations	(15,467)	50,254	(57,521)	(52,156)
Net Investments				
Net realized loss on investments	(17,216)	--	(53,166)	--
	---------	----------	---------	---------
Net income (loss) before				
discontinued operations	(32,683)	50,254	(110,687)	(52,156)
Discontinued operations				
loss from discontinued operations	--	(53,542)	--	(78,790)
	---------	----------	---------	----------
Net increase in net liabilities				
from operations	(32,683)	(3,288)	(110,684)	(130,946)
	==========	==========	==========	==========
Basic loss per share from				
Continuing operations	(0.0007)	(0.0020)	(0.0022)	(0.0021)
Discontinued operations	(0.0000)	(0.0022)	(0.0000)	(0.0032)
	==========	==========	==========	==========

Basic and diluted loss per share	$ (0.0007)	$ (0.0001)	$ (0.0022)	$ (0.0054)
	==========	==========	==========	==========
Weighted average common Shares outstanding: Basic and Diluted	49,495,242	24,539,751	49,275,645	24,355,472
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The accompanying notes are an integral part of these condensed financial statements.

ISA INTERNATIONALE INC.

CONDENSED STATEMENTS OF CASH FLOWS

(UNAUDITED)

	Nine Months Ended June 30, 2013	Nine Months Ended June 30, 2012
Cash flows from operating activities:		
Net increase in net liabilities from operations	$ (110,684)	$ (130,946)
Adjustments to reconcile net loss from operations to cash flow used in operating activities:		
Depreciation and amortization	-	4,027
Consulting fees, related party	22,000	20,000
Common shares issued for consulting fees, other	24,000	-
Realized loss on investments	53,166	-
Reduction of debt receivable purchase price due to gross collections received	-	8,044
Changes in operating assets and liabilities:		
Account receivables	(102,500)	579
Investment payable	2,000	
Accounts payable and accrued expenses	81,649	(25,333)
Increase in note payable related party	-	7,448
Note proceeds receivable on disposal of business operation	-	(14,500)

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Cash used in operating activities (32,369) (128,681)

Cash flows from investing activities:

Investment in Reality Corp (1,000) -

Purchase of Investment Stock in Newsbeat Inc. (2,000)

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Cash used by investing activities (1,000) (2,000)

Cash flows from financing activities:

Proceeds from notes payable related party

28,247 -

Payment for bank lines of credit - (18,360)

Proceeds from notes payable - auto loan (2,650)

Proceeds from contributed capital-related party - 98,758

Increase in interest accrued on notes payable

Related party - -

Proceeds from issuance of convertible debt

related party - 23,878

Accounts payable and accrued liabilities of discontinued

Segment assumed by purchaser related party

Net of assets sold - 16,145

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Cash provided by financing activities 28,247 117,771

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Decrease in cash	(5,122)	(12,910)
Cash at beginning of period	5,232	15,332
	----------	----------
Cash at end of period	$ 110	$ 2,422
	=========	========
Non-cash investing and financing transactions:		
Equity issued for cost of obtaining investments	46,000	-
Effect of de-consolidating subsidiary and reporting		
Related net assets and liabilities as a BDC	119,258	-
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Total non-cash transactions	$ 165,258	$ -
	==========	==========

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

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ISA INTERNATIONALE INC.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

(Unaudited)

Note 1) NATURE OF BUSINESS AND SIGNIFICANT EVENTS

1.a) NATURE OF BUSINESS

ISA Internationale, Inc (*"ISAT" or the Company*) was a financial services company specializing in debt collections for third party clients and our own portfolios of distressed debt receivables. The Company and its Board of Directors decided to become a Business Development Company on June 29, 2012, and determined that it will operate as a business development company effective October 1, 2012 and accordingly filed Form N54-A with the Securities and Exchange Commission. See note 6 for an explanation of the Company s future plans and direction following a revised and new business plan of operations.

1.b) PRESENTATION

On June 28, 2012, the Company filed Form N-54A with the United States Securities Exchange Commission to become a Business Development Company (BDC). As a result, it became a closed-end company (mutual fund) organized and operated for the purpose of making investments in securities described in Section 55 (a)(1) through (3) of the Investment Company Act of 1940; and that it will make available significant managerial assistance to American companies with respect to issuers of such securities to the extent required by the act. The Company commenced significant investment activities in fiscal 2013 and as such began reporting and accounting methodologies consistent with BDC requirements during the first quarter of fiscal 2013.

In Fiscal 2013, the Company has began reporting as a BDC and the attached financial statements for the three and nine month periods ended June 30, 2013 have been formatted in conformity with those of other BDC financial statements, including the BDC supplemental schedules, as required for comparative purposes. Although the nature of the Company's operations and its reported financial position, results of operations, and its cash flows are dissimilar for the periods prior to and subsequent to its becoming an investment company, its financial position for the three and nine month periods ended June 30, 2013 and its operating results, cash flows and changes in net assets for the three and nine month periods ended June 30, 2013 are presented in the accompanying financial statements pursuant to Article 6 of Regulation S−X. The results of September 30, 2012 and the three and nine month periods ended June 30, 2012 are representative of the company as an operational company, prior to becoming an investment entity. In addition, the accompanying footnotes, although different in nature as to the required disclosures and information reported therein, is also presented as they relate to each of the above referenced periods.

In the opinion of management, the condensed financial statements include all normal recurring adjustments necessary for fair presentation.

1.c) USE OF ESTIMATES

The preparation of the financial statements is in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, such as the fair value of investment income and loss, at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

1.d)RECENT ACCOUNTING PRONOUNCEMENTS

The Company s management has evaluated all recently issued accounting pronouncements through the filing date of these condensed financial statements and has determined that these pronouncements will have no material impact on the condensed financial statements of ISA Internationale, Inc.

1.e) FINANCIAL INSTRUMENTS

The Company has categorized it financial assets and liabilities based upon the Fair Value Measurement and Disclosures (ASC 820). This standard defines fair value, provides guidance for measuring fair value and requires certain disclosures.

This standard does not require any new fair value measurement, but discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost).

Fair value is defined as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value of liabilities should include consideration of non-performance risk including our own credit risk.

In addition to defining fair value, the disclosure requirements around fair value establishes a fair value hierarchy for valuation inputs which is expanded. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels which are determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are described as:

Level 1:

Quoted Market prices in Active Markets

Inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.

Level 2:

Significant Observable Inputs

Inputs are based upon significant observable inputs other than quoted prices included in Level 1, such as quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3:

Significant Unobservable Inputs

Inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The carrying value of the Company's non-investment financial assets and liabilities which consist of cash, accounts payable and accrued liabilities, and notes payable approximate their fair value due to the short maturity of such instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, exchange or credit risks arising from these financial instruments.

1.f) FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value measurements of our financial instrument assets are presented in the following table:

Fair Value Measurements as of June 30, 2013:

	Level 1	Level 2	Level 3	Total
Assets				
Investment NewsBeat Social, Inc.	$ -	$ -	$32,000	$ 32,000
Investment Re@lity Corp	-	-	13,000	13,000
Total Assets	-	-	$45,000	$ 45,000

Rollforward of level 3 financial instruments:

Financial Instruments as of September 30, 2012	$32,000
Investments in equity of Re@lity Corp	13,000
Total as of June 30, 2013	$45,000

The fair value of the Company's investments as of June 30, 2013 approximate cost due to the short time period from the time of purchase and the lack of any market related transactions since our purchase. These companies are currently in the development stage.

On October 1, 2012 the Company began reporting as a business development company (BDC). As such, we no longer consolidate our wholly owned subsidiary, ISAF, in accordance with Article 6.03 of Regulation S-X. Instead we show our 100% investment at the approximate fair market value. Because obligations exceed the fair value of the investment in ISAF we record this as a liability of the Company.

Note 2) LIQUIDITY AND GOING CONCERN MATTERS

The Company has incurred losses since its inception and, as a result, has an accumulated deficit of $10,188,678 at June 30, 2013. The Company incurred a net increase in net liabilities resulting from operating activities of $110,684 for the nine month period ended June 30, 2013 compared to a net increase in net liabilities resulting from operating activities of $130,946 for the same period last year.

The Company received loans and cash advances totaling $28,249 from a related party during the nine month period ended June 30, 2013. These loans and cash advances have been recorded as a convertible note payable to the related party and not treated as additional contributed capital to the Company s paid in capital as had been done through June 30, 2013 in the amount of $89,306.

As of June 30, 2013, the Company also had obligations due on investments made to ISA Financial Services, Inc. an unconsolidated related party affiliate in the amount of $168,541. These obligations will require payment by the Company in the near future as the BDC activities further commence.

The Company's ability to continue as a going concern depends upon successfully restructuring its debt, obtaining sufficient financing to maintain adequate liquidity and provide for capital expansion until such time as operations produce positive cash flow. The Company had been in reorganization and was attempting to establish itself in the debt collection business within the financial services industry.

On July, 1, 2012, the Company changed its business plan and terminated being a debt collection Company, sold its existing debt collection business that had been operated within a wholly owned subsidiary and has formulated plans to begin operations as a Business Development Corporation, effective October 1, 2012. However, there can be no assurance these new actions will be successful.

The accompanying financial statements have been prepared on a going concern basis, which assumes continuity of operations and realization of assets and liabilities in the ordinary course of business. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the company cannot continue in existence.

Note 3) STOCKHOLDER S EQUITY:

Common Stock

During the nine month period ended June 30, 2013, 900,000 shares of the Company s common stock were issued to a consultant who has been instrumental in assisting in the negotiations and purchase of the Company s purchase of its interest in Re@lity Corp as well as an additional 50,000 shares of common stock for additional services rendered as a consultant to the Company on behalf of its Business Development activities. The Company issued 600,000 common stock shares during the nine month period ending June 30, 2013.

As a result of these new issues of common shares, there are 48,574,912 in common stock shares outstanding at June 30, 2013.

In the fourth quarter of 2007, the Company re-acquired 1,250,000 previously issued common stock shares from the U.S. Bankruptcy Court in accordance with a settlement agreement with the court. The re-acquired shares were valued at $.43 cents per share based upon then current average market prices prevailing during the fourth quarter of 2007. It is the intention of the Company in the near future or before September 30, 2013, to cancel these restricted shares and remove them from being issued common shares.

Note 4) DISCONTINUED OPERATIONS

During the recent quarters of operations beginning with the fiscal year ended September 30, 2009, the Company had experienced a history of losses from operations. Due to the Company's financial condition and inability to continue ongoing operations with current cash flows, along with debt obligations, towards the beginning of fiscal 2012, on October 1, 2011, the Company's Board of Directors and management determined that it would be in the best interest of the Company's stockholders to sell all of the operating assets and liabilities associated with the Company s wholly-owned subsidiary that was in the debt collection business on June 28, 2012.

On June 28, 2012, the Board of Directors approved the sale of all the assets and liabilities of a wholly owned subsidiary operating completely within the debt collection business to related parties that had been directing and operating all of the efforts of the Company to establish itself within that industry. The related parties have a Company that has been in the debt liquidation business and through an agreement the parties have decided to sell the assets and related inherent liabilities to that entity 100% owned by the related parties under a Stock Purchase Agreement dated June 29, 2012. Accordingly, on June 29, 2012 we completed the sale of substantially all of the subsidiary assets and liabilities of the subsidiary ISA Acceptance Corporation to Doubletree Liquidation Corporation (DLC), a Minnesota corporation formed in 2005 by the related parties, for consideration valued at approximately $22,782, which consisted of the following:

The transaction as herein described.

(i) 7,065,300 of the seller Company s, ISA Internationale, Inc. common stock shares which were to be delivered to the Purchaser at Closing.

(ii) An unsecured promissory note in the aggregate principal amount of $22,782 due to the seller within 3 years. The promissory note bears interest at the rate of 6%, with principal and interest due upon the disposition of the liquidation of the various assets sold on June 29, 2012. Additional proceeds are due as follows in a separate provision in the purchase agreement as of June 30, 2012. The Purchaser DLC also has the obligation to pay to the seller ISAF, additional certain specific excess proceeds received by DLC on the sale of the first 3,000,000 shares of ISA Internationale, Inc. in excess of $.25 per share of stock sold and further after all of the trade debts that are owed by ISAC as of June 29, 2012 are paid in full. This provision is not a part of the promissory note obligation on the payment of the $14,500 plus interest due thereon until paid in full, but is a part of the Purchase Agreement signed by ISAF to Doubletree Liquidation Corporation.

On June 30, 2013, the note receivable of $22,782 and the equipment and fixtures net asset value of $11,247, both assets of ISAF, an unconsolidated affiliate of the Company, have been presented as a reduction of the Obligations in excess of investment basis in controlled affiliate, in the total amount of $199,758, resulting in the presented Current Liability at June 30, 2013 in the net amount of $168,541.

As of June 30, 2013, no further operations in the debt collection business are being conducted by the Company. No further losses in this activity are anticipated by the Company.

NOTE 5) CONVERTIBLE or SECURED NOTES PAYABLE - RELATED PARTY

The principal parties of Doubletree Capital Partners, Inc. (DCP) have lending arrangements with ISAT, as promulgated by and between DCP and the past board of directors and officers of the company who had subsequently resigned their positions throughout the years 2000 and 2001. The financial company is owned by two individuals, one of which is ISAT's current President, CEO and Chairman of the Board of Directors. The two principals advance funds as deemed necessary from other entities they control and the balance is listed as a Loan Payable to Related Parties. If surplus funds are available the Loan is reduced.

During the quarter ended June 30, 2013, provided the financing necessary to maintain operations by advancing loans and advances to the Company. These monies included cash advances, net of repayments of $28,249. None of these advances were repaid except a consulting fee was added to the amount in the amount of $12,500 and a note payable at June 30, 2013 to DCP was in the amount of $89,306. The remaining amount of advances net of repayments in the amount of $98,758 have been recorded as contributed capital as of June 30, 2013. These loans outstanding of $89,306 bear interest at the rate of 12% per annum and are also convertible at the option of the holder into 1,231,807 common shares of the Company at the conversion price of $.0725 per common share.

Note 6) - BUSINESS DEVELOPMENT CORPORATION

As of June 30, 2012, the Company filed Form N-54A with the United States Securities Exchange Commission to become a Business Development Company. As a result, it will soon become a closed-end company (mutual fund) organized and operated for the purpose of making investments in securities described in Section 55 (a)(1) through (3) of the Investment Company Act of 1940; and that it will make available significant managerial assistance to American companies with respect to issuers of such securities to the extent required by the act.

1)

The Company has commenced the development of new management consulting services to assist American client companies in complying with the reporting requirements to the government and in communicating with shareholders, customers and the public and the accessing of needed growth capital. The Company will be receiving shares from its various new clients for financial consulting work completed in the succeeding quarters.

2)

In June, 2012, the Company entered into its first agreement with NewsBeat Social, Inc, an Oregon corporation, organized to provide social news content via the internet, such as Facebook, Inc. A commitment to purchase $2,000,000 shares of common stock shares of NewsBeat Social, Inc. was consummated on June 29, 2012. The total purchase price was approximately $32,000 and is not considered significant.

In December 2012, the Company entered into its second agreement with RE@LITY Corp, Inc, a Delaware Corporation. RE@LITY focuses on eClinical validation services using its proprietary automation platform, ClinTest. To further its business plans and raise needed capital, RE@LITY is seeking to sell its common shares in a private placement and to accelerate the registration of its shares for public trading through an S-1 registration filing with the SEC (Registration). It is the intention of the parties that ISAT shall either directly, or through its investors facilitated by ISAT, acquire equity interests in RE@LITY and ISAT will then distribute a pre-agreed portion of its equity interests to its shareholders as a dividend.

On February 6, 2013, ISAT received 10,000,000 non registered common shares in RE@LITY Corp for the agreed purchase price of $13,000. As of the date of this report, ISAT considers the transaction completed and will proceed to assist RE@LITY Corp. to achieve its intended business plan objective.

On April 29, 2013, the Company entered into a financing and conditional registration agreement with Homebound Energy, LLC, a corporation under the state laws of Texas focused on oil and natural gas exploration. Homebound is seeking to raise funds through debt, equity, or a combination of the above in the amount of approximately $25,000,000 with further financing transactions to follow. The agreement states that Homebound shall remit on the date hereof, a $20,000 non-refundable amount payable in cash to the Company, and $20,000 non-refundable payments to be made every 30 days for the remaining 120 days. If during the term of the engagement Homebound consummates a financing transaction with the assistance of the Company, Homebound will compensate the Company in the amount of 5% of the consideration received.

On June 3, 2013, the company entered into a financing and conditional registration agreement with Diesel TEK, Inc., a corporation under the state laws of Nevada focused on providing advanced technologies for improving air quality and efficiencies of diesel engines. Diesel TEK is seeking to raise funds through debt, equity, or a combination of the above in the amount of approximately $5,000,000 with further financing transactions to follow. The original agreement states that Diesel TEK shall remit on the date hereof, a $15,000 non-refundable amount payable in cash to ISAT, and $35,000 non-refundable payment to be made within 30 days after the date hereof.

Note 7) RELATED PARTY TRANSACTIONS

(7.a) NOTES PAYABLE - RELATED PARTY

All of the notes payable for related parties presented on the balance sheet as current liabilities for a total amount of $168,541 and are included in the Obligations in excess of investment basis in controlled affiliate.

(7.b) CONVERTIBLE NOTES PAYABLE - RELATED PARTY

During the quarter ended June 30, 2013, the Company received $28,249 in cash loans and advances from a related party. These advances and loans and a $9,500 management fee payable to Doubletree Capital Partners, Inc., recorded as notes payable related party and are included in the loan payable of $89,306 are secured by a blanket collateral pledge of all of the Company s assets and bear interest at the rate of 12% per annum commencing June 30, 2012 and forward until paid in full. The convertible notes payable are due and payable on demand and convertible at the option of the related party into 931,986 common shares at the rate of $.0725 per share as of June 30, 2013.

Note 8) SUBSEQUENT EVENTS

On July 3, 2013 the agreement between the Company and Diesel TEK, Inc. was amended to state that that Diesel TEK shall remit a $15,000 non-refundable amount payable in cash to ISAT on the date hereof, $12,500 payable within 30 days, $15,000 payable within 60 days, and an additional $15,000 payable within 90 days. If during the term of the engagement Diesel TEK consummates a financing transaction with the assistance of ISAT, or during the 2 years following the termination of the engagement, Diesel TEK will compensate ISAT in the amount of 10% of the consideration received.

On July 26, 2013, ISA Internationale (ISAT), entered into a Financing and Conditional Registration Agreement with Cancer Screening Centers, a corporation under the state laws of Delaware focused on establishing cancer screening centers that offer genomic sequencing, medical testing, as well as coronary artery MRI in the New York and New Jersey area. Cancer Screening Centers is seeking to raise funds through debt, equity, or a combination of the above (Financing Transaction) in the amount of approximately $7,000,000 with further Financing Transactions to follow. The Agreement states that The Company shall remit on the date hereof, a $15,000 non-refundable amount payable in cash to ISAT, and $15,000 non-refundable payment to be made every 30 hereafter for the next 90 days. If during the term of the engagement The Company consummates a Financing Transaction with the assistance of ISAT, or during the 2 years following the termination of the engagement, The Company will compensate ISAT in the amount of 7% of the consideration received.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Forward Looking Statements

The information herein contains certain "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. Investors are cautioned that all forward looking statements involve risks and uncertainties, including, without limitation, the ability of the Company to continue its present business strategy which will require it to obtain significant additional working capital, changes in costs of doing business, identifying and establishing a means of generating revenues at appropriate margins to achieve profitability, changes in governmental regulations and labor and employee benefits and costs, and general economic and market conditions. Such risks and uncertainties may cause the Company's actual results, levels of activity, performance or achievement to be materially different from those future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements.

Although the Company believes that the assumptions and expectations reflected in these forward looking statements are reasonable, any of the assumptions and expectations could prove inaccurate or not be achieved, and accordingly there can be no assurance the forward looking statements included in this Form 10-Q will prove to be accurate. In view of the significant uncertainties inherent in these forward-looking statements, their inclusion herein should not be regarded as any representation by the Company or any other person that the objectives, plans, and projected business results of the Company will be achieved. Generally, such forward looking statements can be identified by terminology such as "may," "could," "anticipate," "expect," "will," "believes," "intends," "estimates," "plans," or other comparable terminology.

Company History and Overview

On June 29, 2012, the Company began the process of becoming a Business Development Company as it filed Form N54-A with the Securities and Exchange Commission. Further, The Company sold its in-house debt collection business to a related company owned by the Company s President and another investor who is also an investor shareholder in the Company s Management Company.

With the Company s filing of Form N-54A with the United States Securities Exchange Commission to become a Business Development Company, it became a closed-end company (mutual fund) organized and operated for the purpose of making investments in securities described in Section 55 (a)(1) through (3) of the Investment Company Act of 1940; and that it will make available significant managerial assistance to American companies with respect to issuers of such securities to the extent required by the act.

The Company has commenced the development of new management consulting services to assist American client companies in complying with the reporting requirements to the government and in communicating with shareholders, customers and the public and the accessing of needed growth capital. The Company will be receiving shares from its various new client for financial consulting work completed in the succeeding quarters going forward.

As a result, the Company considers itself to be operational as a Business Development Company as of October 1, 2012 and forward. After successful completion of its reorganization efforts and the set up of operations as a Business Development Company, ISAT plans to pursue strategic alternatives that may include the purchase of a business or acquisition by another entity, as well as the associated activities required of a Company involved in activities as a Business Development Corporation.

Results of Operations for the nine months ended June 30, 2013 and 2012.

Operating Expenses

Operating expenses include general and administrative expenses. Other expenses include interest expenses related to short term financing notes, convertible debenture notes and convertible notes payable. General and administrative expenses were $209,531 for the nine months ended June 30, 2013 compared to $118,786 for nine months ended June 30, 2012. The increase is primarily due to consulting fees incurred to consummate the financing and conditional registration agreement with Homebound Energy, LLC and Diesel TEK, Inc.

Interest expense for the nine months ended June 30, 2013 totaled $5,490 compared to $10,486 for the nine month period ended June 30, 2012.

Results of Operations for the three months ended June 30, 2013 and 2012.

Operating Expenses

Operating expenses include general and administrative expenses. Other expenses include interest expenses related to short term financing notes, convertible debenture notes and convertible notes payable. General and administrative expenses were $170,600 for the three months ended June 30, 2013 compared to $25,147 for three months ended June 30, 2012. The increase is primarily due to consulting fees incurred to consummate the financing and conditional registration agreement with Homebound Energy, LLC and Diesel TEK, Inc.

Interest expense for the three months ended June 30, 2013 totaled $2,367 compared to $1,715 for the nine month period ended June 30, 2012.

Liquidity and Capital Resources

As of June 30, 2013, the Company had total assets of $147,610 consisting of $110 in cash, $102,500 in accounts receivable, $32,000 in a stock investment for NewsBeat Social, Inc., and $13,000 invested in Re@lty Corp.

The Company also had $505,130 in liabilities consisting of $168,541 in obligations in excess of investment basis in controlled affiliate, $217,283 in accounts payable and accrued expenses, $89,306 in 12% convertible notes payable secured related party, and a stock investment payable of $30,000. Total liabilities as of June 30, 2013 were $505,130 compared to $356,097 at September 30, 2012.

Certain assets and liabilities related to ISA Financial are no longer consolidated with the Company as of October 1, 2012. Instead, they are presented net as the approximate fair value of the Company s 100% interest in ISA Financial as of June 30, 2013. The net assets represented obligations in excess of our investment basis of $168,541.

As of September 30, 2012, the Company had total assets of $71,261 consisting of $5,232 in cash, $11,247 in office equipment, furniture, and vehicles net of depreciation, $32,000 stock investment, and $22,782 receivable from a related party. It had $350,803 in current liabilities consisting of $135,634 in accounts payable and accrued expenses, $30,000 for an investment payable to a related party, $3,741 in notes payable other-current portion, $97,480 in notes payable to a related party current portion, and $83,949 convertible notes payable to a related party. Total liabilities as of September 30, 2012 were $356,097 and included notes payable long term of $5,293.

The Company's current capital resources are not sufficient to support its development and operations. Additional capital will be necessary to support future growth of the Company as well as general and administrative and interest expenditures. The Company will continue its complete reorganization of financial affairs and obligations as well as support its expanded operational in-house collection agency activities and future debt receivable purchases.

The Company is currently seeking additional sources of debt or equity financing to replace the financing agreement consummated in November 2000 with Doubletree Capital Partners, Inc. Until the reorganization process is fully completed and sources of capital needs are determined and defined, the Company cannot provide assurances as to its future viability or its ability to prevent the possibility of a bankruptcy filing petition either voluntary or involuntary by creditors of the Company.

As a result of the Company's history of operating losses and its need for significant additional capital, the reports of the Company's independent registered public accounting firm on the Company's Form 10-K submission for the year ended September 30, 2012, should be read including explanatory paragraphs concerning the Company's ability to continue as a going concern.

Income Tax Benefit

The Company has an income tax benefit from net operating losses, which is available to offset any future operating profits. This benefit has not been recorded in the accompanying financial statements because of the uncertainty of future profits. The ability to utilize the net operating losses may be limited due to ownership changes.

Impact of Inflation

The Company believes that inflation has not had any material effect on its development or operations since its inception in 1997. Furthermore, the Company has no way of knowing if inflation will have any material effect for the foreseeable future. The Company forecasts a more challenging economic environment for its operations in 2013 due to a recessionary economy that is slowly recovering but still has relatively high unemployment in the work force making it difficult for millions to meet their credit obligations.

Prior Business Ventures

With respect to the business strategy of developing and launching a multimedia home shopping network, ISAT had only a very limited operating history on which to base an evaluation of its business and prospects. The Board of Directors decided in December 2000 to sell the Shoptropolis subsidiary and cease development of the home shopping network. All efforts of the Company at the present time have been directed to a complete reorganization of all of its affairs. Therefore, the Company's prospects for new business ventures must be considered in light of the many risks, expenses and difficulties encountered frequently by companies in reorganization. Such major risks include, but are not limited to, an evolving business model and the overall effective management of future growth. To address the many startup risks and difficulties the Company has encountered, it must in the future have the ability to successfully execute any of its strategies that it may develop in any new business venture investments.

There would be no assurance the Company would be successful in addressing the many risks and difficulties it could encounter and the failure to do so would continue to have a material adverse effect on the Company's business, prospects, financial condition and results of any operations it pursues or tries to develop, pending successful reorganization of its financial affairs. There can be no assurance that ISAT can find and attract new capital for any new business venture investments and if successful in finding sufficient capital, that it can successfully grow and manage the business or new business venture into a profitable and successful operation. No assurance can be given on any of these developments. The Company will continue to complete its financial reorganization, and attempt to operate as a business development company.

History of Losses and Anticipated Further Losses

The Company has generated only limited revenues to date and has an accumulated deficit as of June 30, 2013 of $10,188,678. Further, the Company expects to continue to incur investment losses until it generates investment income. There can be no assurance the Company will ever generate investment income or that it will achieve profitability or that its future investment activity will prove commercially successful.

Need for Additional Financing

The Company's current capital resources are not sufficient to support the Company's anticipated day-to-day operations. As such, the Company must obtain significant additional new capital to support the Company's anticipated day-to-day operations and fully settle the debt incurred by ISAT during its past operations until it establishes a means of generating revenues at appropriate margins to achieve profitability. The Company currently has an agreement with Doubletree Capital Partners, Inc. (hereinafter referred to as the financial company or DCP) to loan the Company, at the financial company's sole discretion, funds to meet its day-to-day operational expense and settle certain debt incurred by ISAT. The financial company is owned by two individuals, one of which is ISAT's current President, CEO and Chairman of the Board of Directors.

The Company will continue to use its best efforts to help the Company resolve, consolidate, and reorganize the Company's present debt structure and contractual liabilities. There is no assurance the financial company will provide the Company any additional capital. Additional financing is contemplated by the Company, but such financing is not guaranteed and is contingent upon pending successful settlement of the Company's problems with various creditors. There is no assurance the Company will be able to obtain additional capital and the necessary additional financing will be available when needed by the Company on terms acceptable to the Company. If the Company is unable to obtain financing sufficient to meet its operating and development needs, the Company will be unable to develop and implement a new business strategy or continue its operations. As a result of the Company's history of operating and investment losses and need for significant additional capital, the Form 10-K reports of the Company and notes to consolidated financial statements for the fiscal year ended September 30, 2012, includes an explanatory paragraph concerning the Company's ability to continue as a going concern. Additionally, Footnote 2 of our financial statement of this form 10Q discusses current liquidity and going concern matters.

Reliance on Key Personnel

The Company's future success will be dependent upon the ability to attract and retain executive officers, board members, and certain other key persons. The inability to attract such individuals or the loss of services of one or more of such persons would have a material adverse effect on ISAT's ability to implement its current plans or continue its operations. There can be no assurance the Company will be able to attract and retain qualified personnel as needed for its business.

Control By Existing Management

Three principal shareholders, Doubletree Capital Partners, Inc. (DCP), Doubletree Liquidation Corporation and Bernard L. Brodkorb, beneficially own approximately 93.71%, respectively of the Company's outstanding common stock at June 30, 2013. DCP's and Mr. Brodkorb's beneficial ownership includes common stock that can be converted from preferred stock owned by the one principal shareholder as well as similar conversion of convertible loans and related interest due. Brodkorb is a 50% owner of DCP and his beneficial shares represented 100% of DCP's interest. DCP and Brodkorb accordingly have complete control of the business and future development, including the ability to manage all operations, establish all corporate policies, appoint future executive officers, determine management salaries and other compensation, and elect all members of the Board of Directors of ISAT.

Effects of Trading in the Over-the-Counter Market

The Company's common stock is traded in the over-the-counter market on the OTC Electronic Bulletin Board and its stock symbol is ISAT. Consequently, the liquidity of the Company's common stock may be impaired, not only in the number of shares that may be bought and sold, but also through delays in the timing of transactions, and coverage by security analysts and the news media may also be reduced. As a result, prices for shares of the Company's common stock may be lower than might otherwise prevail if the Company's common stock were traded on a national securities exchange or listed on the NASDAQ Stock Market. Further, the recent adoption of new eligibility standards and rules for broker dealers who make a market in shares listed on the OTC Electronic Bulletin Board may limit the number of brokers willing to make a market in the Company's common stock.

Limited Market for Securities

There is a limited trading market for the Company's common stock, which is not listed on any national stock exchange or the NASDAQ stock market. The Company's securities are subject to the "penny stock rules" adopted pursuant to Section 15(g) of the Securities Exchange Act of 1934, which applies to non-NASDAQ companies whose common stock trades at less than $5 per share or has tangible net worth of less than $2,000,000. These "penny stock rules" require, among other things, that brokers who sell covered "penny stock" to persons other than "established customers" complete certain documentation, make suitability inquiries of investors and provide investors with certain information concerning trading in the security, including a risk disclosure document and quote information under certain circumstances.

Many brokers have decided not to trade "penny stock" because of the requirements of the "penny stock rules" and, as a result, the numbers of broker-dealers willing to act as market makers in such securities are limited. There can be no assurance that an established trading market will develop, the current market will be maintained or a liquid market for the Company's common stock will be available in the future.

Liquidity and Going Concern Matters

The Company has incurred losses since its inception and, as a result, has an accumulated deficit of $10,188,678 at June 30, 2013. The net loss for the nine month period ended June 30, 2013 was $110,687.

The Company currently owes $168,541 in obligations in excess of investment basis, $217,283 in accounts payable and accrued expenses, $89,306 in 12% convertible notes payable secured related party, $30,000 in a stock investment payable for total liabilities of $505,130 at June 30, 2013.

The Company's ability to continue as a going concern depends upon successfully restructuring its debt, obtaining sufficient financing to maintain adequate liquidity and provide for capital expansion until such time as operations produce positive cash flow.

The accompanying financial statements have been prepared on a going concern basis, which assumes continuity of operations and realization of assets and liabilities in the ordinary course of business. The financial statements do not include any adjustments that might result if the Company was forced to discontinue its operations. The Company's current plans are to complete its reorganization efforts and expand its business development company activities. There can be no assurance these actions will be successful.

ITEM 3. QUANTITATIVE AND QUALITIATIVE DISCLOSURES ABOUT MARKET RISK

Our business activities contain high elements of risk. The Company considers a principal type of market risk to be a valuation risk. All assets are valued at fair value as determined in good faith by or under the direction of the Board of Directors (which is based, in part, on quoted market prices of similar investments).

Market prices of common equity securities in general, are subject to fluctuations that could cause the amount to be realized upon sale to differ significantly from the current reported value. The fluctuations may result from perceived changes in the underlying economic characteristics of the Company's portfolio companies, the relative prices of alternative investments, general market conditions and supply and demand imbalances for a particular security.

Neither the Company's investments nor an investment in the Company is intended to constitute a balanced investment program. The Company will be subject to exposure in the public-market pricing and the risks inherent therein.

ITEM 4. CONTROLS AND PROCEDURES

4(a) Evaluation of Controls and Procedures

The management of ISA International Inc., under the direction, supervision, and participation of, our Chief Executive Officer and Chief Financial Officer and effected by management and other personnel, has conducted an evaluation as of the end of the period covered by this report, of the effectiveness of the design and operation of disclosure controls and procedures (as defined as defined in Rules 240.13a-15(e) and 240.15d-15(e) of the Securities Exchange Act of 1934).

Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of June 30, 2013, the Company's disclosure controls and procedures were not effective.

4(b) Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during our most recently completed fiscal quarter, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. We reported on form 10-K as of September 30, 2012 that our internal control over financial reporting was not effective due to a material weakness in its internal control over financial reporting.

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Part II. OTHER INFORMATION

ITEM 1. Legal Proceedings

During the quarter ended June 30, 2013, the Company was not a party to any lawsuit and legal proceeding. The Company considers small lawsuits regarding collection matters to be part of the normal course of business.

The Company has reviewed pending litigation and determined that none would have a material impact on the financial condition of the Company and the results reported. The Company has strict policies and procedures in place designed to prevent any unlawful or unethical collection practices by its employees.

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

None during the quarter ended June 30, 2013.

ITEM 3. Defaults Upon Senior Securities

The defaults previously present on the Convertible Debentures as of June 30, 2012 continue as of June 30, 2013. These defaults arose because the Company has missed payment of quarterly interest payments since June 2000. The remaining defaults consist of short-term convertible debt principal amounting to $50,000. The accrued interest liability due on these notes combined amounting to $27,116 as of June 30, 2012 is no longer recorded as a current liability by the Company at June 30, 2013. (See note 7 in the notes to financial statements).

ITEM 4. Mine Safety Disclosures

None during the quarter ended June 30, 2013.

ITEM 5. Other Information

None during the quarter ended June 30, 2013.

ITEM 6. Exhibits and Reports on Form 8-K.

(a) Exhibits:

EX-31.1 Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Rule 13(a) 14(a) of the Securities Exchange Act, as amended.

EX-32.1 Certification of the 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.

Exhibit: Purchase Agreement between ISA Internationale, Inc. and Homebound Energy LLC, dated April 29, 2013.

Exhibit: Purchase Agreement between ISA Internationale, Inc. and Diesel TEK, Inc., dated June 3, 2013.

(b) Form 8-K reports filed during quarter:

Section 1 Business and Operations

Item 1.01 Entry into Material Definitive Agreements:

On June 3, 2013, ISA Internationale (ISAT), a Business Development Company focused on recruiting, mentoring, coaching, and enhancing investment opportunities for oil, gas, and technology based companies in the process of going public, entered into a Financing and Conditional Registration Agreement (The Agreement) with Diesel TEK, Inc. (The Company), a corporation under the state laws of Nevada focused on providing advanced technologies for improving air quality and efficiencies of diesel engines.

The Company is seeking to raise funds through debt, equity, or a combination of the above (Financing Transaction) in the amount of approximately $5,000,000 with further Financing Transactions to follow.

The Agreement states that The Company shall remit on the date hereof, a $15,000 non-refundable amount payable in cash to ISAT, and $35,000 non-refundable payment to be made within 30 days after the date hereof. If during the term of the engagement The Company consummates a Financing Transaction with the assistance of ISAT, or during the 2 years following the termination of the engagement, The Company will compensate ISAT in the amount of 10% of the consideration received.

SIGNATURES

Pursuant to the requirements of the Securities and 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, thereunto duly authorized.

ISA INTERNATIONALE INC.

/s/ Bernard L. Brodkorb

By: Bernard L. Brodkorb

President, Chief Executive Officer, and Chief Financial Officer

Date: August 14, 2013