ISA INTERNATIONALE INC
Form 10-K/A
February 17, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K/A

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

For the Fiscal year ended September 30, 2011.

Commission File Number: 001-16423

ISA INTERNATIONALE INC.

(Exact name of Smaller Reporting Company as specified in its charter)

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

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

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

Securities registered pursuant to Section 12(b) of the Act: None.

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

Common Stock, $.0001 par value	OTC Bulletin Board
(Title of each class)	(Name of each exchange on which registered)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in 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 Sections 15(d) of the Act. Yes [] No [X]

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 if disclosure of delinquent filers in response to Item 405 of Regulation S-K is not contained herein, and no disclosure will 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/A or any amendment to this Form 10-K/A. []

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company (as defined in Rule 12b-2the Exchange Act (Check one):

Large accelerated filer []	Non-accelerated filer []
Accelerated filer []	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 non-voting common equity held by nonaffiliates of the Registrant on outstanding of each of the issuer's classes of common equity as of the latest practicable date.

The aggregate market value of the issuer's common stock held by non-affiliates of the registrant was approximately $159,061 as of February 14, 2012 based upon the average bid price of $.07 per share as reported on the OTC Bulletin Board Exchange.

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

As of February 17, 2012, the registrant had 23,999,612 shares of common stock issued and outstanding.

As of February 17, 2012 the registrant had 1,781,000 shares issued and outstanding of the issuer's cumulative and convertible Series A preferred stock, par value $.0001, convertible into common shares at the rate of 10 common shares for each preferred share for a total of 17,810,000 common shares or an exchange common price of $.10 per share. The preferred shares shall be convertible to common shares at any time upon the option of the holder, Doubletree Capital Partners, Inc., a related party. The preferred shares bear a dividend rate of 12% per annum, dividends payable quarterly or annually at the option of the Company, and cumulative in amount until such time as they are paid to the holder by the Company, except that from April 1, 2011 and forward, all dividend payments of preferred stock have been suspended by the Company.

Explanatory Note

This Amendment No. 1 on Form 10-K/A to our annual report for the period ended September 30, 2011 is being filed to correct errors in the previous submission in our annual report filed with the Securities and Exchange Commission on February 16, 2012. The previously filed annual report for the year ended September 30, 2011, was missing an audit letter from the prior accounting firm of De Joya Griffith & Company, LLC. In addition, the note pertaining to reclassifications of certain income and cash flow items has been updated to add greater clarification. Additionally, certifications required by Sections 302 and 906 of the Sarbanes Oxley Act of 2002, have been included.

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PART I

Item 1. BUSINESS

As used herein, the terms "ISAI" or "ISAT" (the trading symbol of the Company), and the "Company" refer to ISA Internationale Inc., a Delaware corporation, unless the context indicates otherwise.

Forward Looking Statements

The information herein contains certain forward looking statements within the meaning of 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 achievements 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 that the forward-looking statements included in this Form 10-K 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," "anticipate," "expect," "will," "believes," "intends," "estimates," "plans," or other comparable terminology.

Overview

ISA Internationale Inc. is a financial services company primarily engaged in the business of collecting distressed debt receivables for our own portfolios and also as a third party agency for our clients. Collection activities are conducted by our subsidiary ISA Acceptance Corporation (ISAC), a licensed and bonded collection agency in Minnesota and eight other states. The Company also uses third party agencies and attorneys to collect our portfolios.

Corporate History, Organization and Recapitalization

ISAI was incorporated in Delaware in 1989 under a former name, and was inactive operationally for some time prior to its May 1998 recapitalization through an acquisition of Shoptropolis, which was a wholly owned subsidiary of ISAI. ISAI acquired its home shopping network business through such purchases, after which the former shareholders of this subsidiary acquired 89% of the outstanding common stock of ISAI through a stock exchange. ISAI issued 11,772,600 shares of its common stock in exchange for all of the outstanding common stock of ShoptropolisTV.com, Inc. This transaction was effected as a reverse merger for financial statement and operational purposes, and accordingly, ISAI regards its inception as being the incorporation of ShoptropolisTV.com, Inc. on October 7, 1997.

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ISAI's strategy from December 2000 to 2005 was the restructuring of its financial affairs and forming an operating company. On August 18, 2004, ISAI created a subsidiary corporation that later changed its name to ISA Financial Services, Inc. (ISAF). ISAF is a holding parent company to ISA Acceptance Corporation (ISAC) formed on July 20, 2005 to serve as our operating company subsidiary.

In May 2005, the Company consummated its first purchase of performing, sub-performing and non-performing consumer receivables. These portfolios generally consist of one or more of the following types of consumer receivables:

- charged-off receivables -- accounts that have been written-off by the originators and may have been previously serviced by collection agencies;

- sub-performing receivables -- accounts where the debtor is currently making partial or irregular monthly payments, but the accounts may have been written-off by the originators; and are currently being serviced by collection agencies;

- performing receivables - accounts where the debtor is making regular payments or pays upon normal and customary procedures to collection agencies.

The Company outsources some of its collections to one or more carefully selected collection agencies and attorneys and actively monitors collection and servicing strategies accordingly. Due to various problems and characteristics of the distressed debt portfolios purchased by the Company, no conclusive statistics of collection by the Company can be realistically discerned to facilitate the development of reliable collection assumptions as to the amount of income that can ultimately result from these debt portfolios. Hence the Company does not utilize the "interest method" in accounting for its investment in finance receivables under FASB ASC 310. Accordingly, the Company recognizes income from the collection of its portfolios using the "cost recovery" method. Profit is recognized only after it has collected the full purchase price less impairment write-downs and sales of portfolios, for the portfolios purchased during the period from May 18, 2005 to present.

Our collection activities are summarized under Note 1a Nature of Business in the Notes to Consolidated Financial Statements. The Company began collecting receivables for third party clients in August 2009.

Industry Overview and Trends

The purchasing, servicing and collection of charged-off, sub-performing and performing consumer receivables is a rapidly expanding industry driven by:

- levels of consumer debt;
- charge-off and delinquency rates of the underlying receivables;
- utilization of third-party agency collection service providers; and
- increasing use of computer technology to improve productivity in the collection process.

As a result of the difficulty experienced by the originating lending institutions in collecting these past due receivables and the desire to focus on their core businesses and to generate accelerated cash revenue from these receivables, originating institutions are increasingly electing to sell these portfolios through a network of brokers in the debt collection industry. ISAI uses these brokers to purchase debt receivable portfolios.

Credit Industry Trends

According to the U.S. Federal Reserve Board, the total outstanding consumer credit balance increased 103% in the 10 years from $1.222 trillion at August 1997 to $2.588 trillion at September 2008. Then, total consumer credit outstanding peaked in the fourth quarter of 2008 at $2.592 trillion. During 2010 total consumer credit outstanding decreased 1.7% and increased at an annual rate of 2.2% in the first quarter of 2011. In the second and third quarters of 2011 consumer credit increased 3.5% and 1.2% respectively. Consumer credit totals increased 3.4% in September and 3.7% October 2011 reversing a downward trend since 2009. During 2010, revolving credit decreased at an annual rate of 7.5% and non-revolving credit increased at an annual rate of 1.5%. The 2008 to 2010 recession has had a significant impact on the amount and quality of the revolving consumer and commercial debt outstanding directly affecting our industry. Not only has it reduced the supply of receivables to collect, it has also made those receivables more difficult to collect due to declining income levels of consumers and reduced profits for businesses.

Recent statistics from the Federal Reserve showed net charge-off rates for consumer loans for Banking Credit Card Lenders at 5.81% for the third quarter of 2011 compared to a rate of 8.39% for the third quarter of 2010 indicating a recent improvement in credit quality in the last quarter.

As a result of the difficulty in collecting these past due receivables and the desire of originating institutions to focus on their core businesses and to generate revenue from these receivables, originating institutions are increasingly electing to sell these portfolios. ISAT believes there is more opportunity to expand its business as the debt collection industry matures and grows but sees challenges ahead as a result of changing global economic factors.

The consumer credit industry is becoming more complex and technology oriented every year with new products being offered to consumers, lending institutions, and the debt collection industry. The number of Debit card transactions has now surpassed the number of credit card transactions. The total dollar value of transactions will continue to be dominated by credit cards because the average transaction size is more than double the average debit card transaction. Because of security concerns on the internet, alternative payment methods such as PayPal, Amazon, and Moneta offer consumers the option to make purchases without using credit cards. Walk-in bill payments have become more prevalent, growing at a rate of 2% to 3% a year, with companies such as CheckFreePay, Western Union, and Moneygram offering consumers convenient ways to pay bills and cash checks.

Our Company feels we have an opportunity to purchase more credit card debt at favorable rates as more consumers experience difficulty paying their credit card debt and banks and financial companies watch their charge-off and delinquency rates rise significantly.

Strategy

The Company's current business strategy is to acquire additional portfolios and develop in-house collections capabilities with its own collection staff and related call centers. The Company needs to secure additional suitable financing for purchases of portfolios. The Company received new financing from a related party in 2008 and the Company will continue developing strategies to acquire new financing including conversion of debt to equity.

Competition in the industry

The business of collecting distressed consumer receivables is highly competitive and we expect competition from new and existing companies will increase. The Company will be competing with other purchasers of consumer receivables, including third-party collection companies and other financial services companies. Many of our competitors are larger, more established and have substantially greater financial, technological, personnel and other resources than we have, including greater access to capital sources and markets.

Personnel

Mr. Bernard L. Brodkorb is the ISAI President, Chief Operating Officer, Chief Financial Officer, and Chairman of the Board. He also serves as a consultant to the Company and is a Certified Public Accountant. The Company currently has on its staff one full time collector as an employee. Also on the date of this report, the Company has one additional administrative part time employee and one part time accountant retained as an independent consultant. Additional contractors and staff persons are used on a part-time basis. Formerly all collection efforts were performed by outside third party agencies.

Item 1A RISK FACTORS

The following factors are important and should be considered carefully in connection with any evaluation of the Company's business, financial condition, results of operations and prospects. Additionally, the following factors could cause the Company's actual results to materially differ from those reflected in any forward-looking statements of the Company.

Business Ventures

In 2005 the Company completed a purchase of collection consumer debt receivables in exchange for 1,250,000 restricted common shares of the Company valued at $1,094,900 and became operational in the consumer debt collection business. Additionally the Company purchased debt receivables of $372,559 in 2008, $48,321 in 2010, and $12,699 in 2011. A portfolio valued at $23,057 was returned to the seller in 2010 and recorded as a sale. The Company intends to purchase additional portfolios of distressed consumer debt receivables in the future. The Company is executing its operational and marketing strategy to further develop this business venture. In 2009 ISAC successfully launched its third party collection operation and added ten employees.

The Company's prospects for its new business ventures must be considered in light of the many risks, expenses and difficulties encountered frequently by companies in the financial services industry.

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 operational and marketing strategies that it may develop in any new business venture. There would be no assurance the Company would be successful in addressing the many risks and difficulties it could encounter. 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 within the financial services industry. There can be no assurance ISAI can find and attract new capital for this new business venture and other new business ventures and if successful, in finding sufficient capital it can successfully grow and manage the business or new business venture into a profitable and successful operation.

Other Risk Factors

The Company may not be able to purchase consumer receivable portfolios at favorable prices or on sufficiently favorable terms or at all and our success depends upon the continued availability of consumer receivable portfolios that meet our purchasing criteria and our ability to identify and finance the purchases of such portfolios.

The availability of consumer receivable portfolios at favorable prices and on terms acceptable to us depends on a number of factors outside of our control, including:

- the continuation of the growth trend in the level of consumer debt which has been impacted in 2009-2010 by a recessionary economy;

- the continued volume of consumer receivable portfolios available for sale; and

- competitive factors affecting potential purchasers and sellers of consumer receivable portfolios.

We have seen at certain times the market for acquiring consumer receivable portfolios becoming more competitive, possibly diminishing our ability to acquire such receivables at attractive prices in the future.

The growth in US consumer debt which peaked in 2008 was affected by:

- a slowdown in economic activity and declining stock market values;

- reductions in consumer spending and increasing unemployment;

- changes in the underwriting criteria by loan originators; and declining real estate values in certain market areas.

- changes in laws and regulations governing consumer lending.

Any slowing of the consumer debt growth trend could result in a decrease in the availability of consumer receivable portfolios for purchase that could affect the purchase prices of such portfolios. Any increase in the prices we are required to pay for such portfolios in turn will reduce the profit, if any, we generate from such portfolios.

Because of the nature of our business, our quarterly operating results may fluctuate, which may adversely affect the market price of our common stock. Our results may fluctuate as a result of any of the following:

- the timing and amount of collections on our consumer receivable portfolios;

- our inability to identify and acquire additional consumer receivable portfolios at a reasonable cost;

  a decline in the estimated value of our consumer receivable portfolios;

- increases in operating expenses associated with the growth of our operations or legal expenses;

- and general economic market conditions.

We may not be able to recover sufficient amounts on our consumer receivable portfolios to recover the costs associated with the purchase of those portfolios and to fund our operations.

In order to operate profitably over the long term, which we have not yet been able to do since our inception, we must continually purchase and collect on a sufficient volume of receivables to generate revenue that exceeds our costs.

Our ability to recover on our portfolios and produce sufficient returns can be negatively impacted by the quality of the purchased receivables. In the normal course of our portfolio acquisitions, some receivables may be included in the portfolios that fail to conform to certain terms of the purchase agreements and we may seek to return these receivables to the seller for payment or replacement receivables. However, we cannot guarantee that any of such sellers will be able to meet their payment obligations to us. Accounts that we are unable to return to sellers may yield no return. If cash flows from operations are less than anticipated as a result of our inability to collect sufficient amounts on our receivables, our ability to satisfy our debt obligations, purchase new portfolios and our future growth and profitability may be materially adversely affected.

We are subject to intense competition for the purchase of consumer receivable portfolios and, as a result of this competition, if we are unable to purchase receivable portfolios, our profits, if any, will be limited.

We will be competing with other purchasers of consumer receivable portfolios, third-party collection agencies and other financial services companies managing consumer receivable portfolios. We compete on the basis of reputation, industry experience and performance. Some of our competitors have greater capital, personnel and other resources than we have. The possible entry of new competitors, including competitors that historically have focused on the acquisition of different asset types, and the expected increase in competition from current market participants may reduce our access to consumer receivable portfolios. Aggressive pricing by our competitors could raise the price of consumer receivable portfolios above levels that we are willing to pay, which could reduce the number of consumer receivable portfolios suitable for us to purchase or if purchased by us, reduce the profits, if any, generated by such portfolios. If we are unable to purchase receivable portfolios at favorable prices our revenues and earnings could be materially reduced.

Failure of our third party recovery partners to adequately perform collection services could materially reduce our revenues and our profitability, if any.

While we have greatly expanded the number of states we are licensed to do collections in, we are still dependent upon outside collection agencies to service our consumer receivables in states we are not licensed. Any failure by our third party recovery partners to adequately perform collection services for us or remit such collections to us could materially reduce our revenues and our profitability. In addition, our revenues and profitability could be materially adversely affected if we are not able to secure replacement recovery partners and redirect payments from the debtors to our new recovery partner promptly in the event our agreements with our third-party recovery partners are terminated, our third-party recovery partners fail to adequately perform their obligations or if our relationships with such recovery partners adversely change.

During times of economic recession, the amount of defaulted consumer receivables generally increases, which contributes to an increase in the amount of personal bankruptcy filings. Under certain bankruptcy filings, a debtor's assets are sold to repay credit originators, but since the defaulted consumer receivables we purchase are generally unsecured we often would not be able to collect on those receivables. We cannot assure you that our collection experience would not decline with an increase in bankruptcy filings or during periods of recessionary economic activity.

If our actual collection experience with respect to a defaulted consumer receivables portfolio is significantly lower than we projected when we purchased the portfolio, our earnings could be negatively affected. We may not be able to continue our operations if we are unable to generate funding from third party financing sources.

If we are unable to access external sources of financing, we may not be able to fund and grow our operations. The failure to obtain financing and capital as needed would limit our ability to purchase consumer receivable portfolios and achieve our growth plans.

We will possibly use estimates for recognizing revenue on a portion of our consumer receivable portfolio investments and our earnings would be reduced if actual results are less than estimated.

The loss of any of our executive officers may adversely affect our operations and our ability to successfully acquire receivable portfolios.

Our Chairman and President, and additional consultants are responsible for making substantially all management decisions, including determining which portfolios to purchase, the purchase price and other material terms of such portfolio acquisitions. These decisions are instrumental to the success of our business. The loss of these services by these individuals could disrupt our operations and adversely affect our ability to successfully acquire receivable portfolios until such time as replacement expertise can be found and utilized in the Company management process.

Federal, state and municipal laws, rules, regulations and ordinances may limit our ability to recover and enforce our rights with respect to the receivables acquired by us. These laws include, but are not limited to, the following federal statutes and regulations promulgated thereunder and comparable statutes in states where consumers reside and/or where creditors are located:

- the Fair Debt Collection Practices Act;
- the Federal Trade Commission Act;
- the Truth-In-Lending Act;
- the Fair Credit Billing Act;
- the Equal Credit Opportunity Act; and
- the Fair Credit Reporting Act.

Additional laws may be enacted that could impose additional restrictions on the servicing and collection of receivables. Such new laws may adversely affect the ability to collect the receivables.

Because the receivables were originated and serviced pursuant to a variety of federal and/or state laws by a variety of entities and involved consumers in almost all 50 states, there can be no assurance that all original servicing entities have at all times been in substantial compliance with applicable law. Additionally, there can be no assurance that we or our recovery partners have been or will continue to be at all times in substantial compliance with applicable law. The failure to comply with applicable law could materially adversely affect our ability to collect our receivables and could subject us to increased costs and fines and penalties. In addition, our third-party recovery partners may be subject to these and other laws and their failure to comply with such laws could also materially adversely affect our revenues and earnings.

Certain originators and recovery partners in the consumer credit industry have been subject to class actions and other litigation. Claims include failure to comply with applicable laws and regulations and improper or deceptive origination and servicing practices. If we become a party to such class action suits or other litigation, our results of operations and financial condition could be materially adversely affected.

If a significant portion of our shares available for resale are sold in the public market, the market value of our common stock could be adversely affected.

Sales of a substantial number of shares of our common stock in the public market could cause a decrease in the market price of our common stock. We had 23,999,612 shares of common stock issued and outstanding as of the date of this Form 10-K report.

If a significant portion of the outstanding shares of ISAI were sold in the public market, the market value of our common stock could be adversely affected.

History of Losses and Anticipated Further Losses

ISAI has generated limited revenue to date and has an accumulated deficit as of September 30, 2011 of $11,060,829. The Company expects losses to continue until its operations generate revenues at appropriate margins to recover our costs and achieve profitability. There can be no assurance the Company will ever have its future operations prove commercially successful or will establish any means of generating revenues at appropriate margins to achieve profitability.

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 capital in order to support the Company's anticipated day-to-day operations and settle the debt incurred by ISAI during its past operations until it establishes a means of generating revenues at appropriate margins to achieve profitability.

The debt collection business the Company recently entered into is being analyzed and appropriate business strategy models are being developed. The Company still needs to secure additional financing and is investigating new financing strategies.

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 debts incurred by ISAI. The financial company is owned by two individuals, one of which is ISAI's current President, CEO and Chairman of the Board of Directors.

The financial company (DCP) has produced its best efforts to help the Company resolve, consolidate, and reorganize the Company's present debt structure and contractual liabilities. Additional financing from DCP 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. There can be no assurance additional financing from DCP will be available when needed by the Company, or that such capital will be available 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 losses and its need for significant additional capital, the reports of the Company's consolidated financial statements for the year ended September 30, 2011 include an explanatory paragraph concerning the Company's ability to continue as a going concern.

Reliance on Key Personnel

The Company's future success will be dependent upon the ability to attract and retain executive officer(s) 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 ISAI'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.

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One principal shareholder, Doubletree Capital Partners, Inc., a related party corporation owned 50% by the Company's President and 50% by an affiliated stockholder, beneficially owns approximately 90.58% of ISAI's outstanding common stock as of September 30, 2011 and accordingly has complete control of the business and 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 ISAI.

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 under the symbol 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, new eligibility standards and rules for broker dealers who make a market in shares listed on the OTC Election 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 number of broker-dealers willing to act as market makers in such securities is 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.

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Item 2. PROPERTIES

The principal executive office of the Company is located at 2564 Rice St., St. Paul, MN 55113. The President of ISAI, rents office space to the Company for a monthly charge of $1,250 from October 1, 2011 and forward.

Item 3. LEGAL PROCEEDINGS

During the year ended September 30, 2011, the Company was not sued in or a plaintiff in any new legal matters except in the ordinary course of its operational business to collect purchased debt receivables. As of September 30, 2011, there are two lawsuits currently pending regarding proposed violations of collection procedures. The Company does not believe their exposure in these two proceedings will have a material and adverse effect on the financial stability of the Company.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

During the fiscal year ended September 30, 2011, there were no submissions of any matters to a vote of the Company's security holders.

PART II

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

Market Information for Common Stock

The Company's Common Stock traded publicly on the NASDAQ Over-The-Counter Electronic Bulletin Board (OTCBB) under the symbol "ISAI" since May 11, 1998 to January 21, 2004. From January 22, 2004 to present it has traded under the symbol **"ISAT"**. Information provided regarding periods prior to January 2001 is not an indication an active market existed for the Company's common stock during such periods. Further, there can be no assurance the current market for the Company's common stock will be sustained or grow in the future.

The following Table sets forth the high and low bid closing prices for the Company's Common Stock as reported by the OTC Bulletin Board during this period of time. These bid quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

YEAR	QUARTER	HIGH BID	LOW BID
2010	October 1 to December 31, 2009	$0.10	$0.05
2010	January 1 to March 31, 2010	$0.07	$0.05
2010	April 1 to June 30, 2010	$0.07	$0.05
2010	July 1 to September 30, 2010	$0.25	$0.05
2011	October 1 to December 31, 2010	$0.25	$0.05
2011	January 1 to March 31, 2011	$0.05	$0.05
2011	April 1 to June 30, 2011	$0.20	$0.05
2011	July 1 to September 30, 2011	$0.09	$0.08

Holders

As of February 14, 2012, there were 23,999,612 shares of common stock issued and outstanding held by approximately 4 beneficial owners and approximately 338 registered holders of record of the Company's common stock.

Dividends

The Company has not declared or paid any cash dividends on its common stock since its inception and does not anticipate declaring or paying any such dividends on its common stock in the foreseeable future. To date, the Company has incurred losses and presently expects to retain its future earnings to finance development and expansion of its business. The declaration of dividends is within the discretion of the Board of Directors of the Company. There are no current restrictions limiting the Company's ability to pay dividends if the Company becomes profitable.

The Company has not purchased any equity securities for the period ending September 30, 2011. It currently holds 1,250,000 shares as treasury stock.

There are no securities authorized for issuance under equity compensation plans or options to purchase securities in effect.

The Company declared dividends on its preferred stock for the fiscal year ended September 30, 2011 in the amount of $94,066. Since September 30, 2007 ISAT has declared dividends on its preferred stock totaling $357,831.

Recent Sales History of Unregistered Securities

The following information includes a history of all securities sold by the

Company from October 2008 to present and use of proceeds:

B.1 On August 31, 2009, ISA Acceptance Corporation issued 22,400 shares of Series A 12% Preferred Stock, par value $25.00 to the Newman Foundation in exchange for loans and accrued interest due to the creditor from the subsidiary.

B.2 On September 30, 2009, the Company issued 306,000 shares of Series A 12% Cumulative Convertible Preferred Stock, par value $0.0001 to Doubletree Capital Partners, Inc. for an equivalent value of loans, consulting fees and related expenses paid. Prior to September 30, 2009, ISAT issued 610,000 shares of Cumulative Convertible Preferred Stock to DCP for loans, fees and related expenses.

B.3 The Board, effective as of September 30, 2009, repriced the 12% Cumulative Convertible Preferred Stock outstanding to an effective conversion rate of 10 common shares for each preferred share or a common conversion price of $.10 per share.

B.4 On December 31, 2009, the Company authorized the issuance of 175,000 shares of Series A 12% Cumulative Convertible Preferred Stock, par value $0.0001 to Doubletree Capital Partners, Inc. for an equivalent value of loans, consulting fees and related expenses paid totaling $175,000.

B.5 On March 31, 2010, the Company authorized the issuance of 160,000 shares of Series A 12% Cumulative Convertible Preferred Stock, par value $0.0001 to Doubletree Capital Partners, Inc. for an equivalent value of loans, consulting fees and related expenses paid totaling $160,000.

B.6 On June 30, 2010, the Company authorized the issuance of 163,000 shares of Series A 12% Cumulative Convertible Preferred Stock, par value $0.0001 to Doubletree Capital Partners, Inc. for an equivalent value of loans, consulting fees and related expenses paid totaling $163,000.

B.7 On September 30, 2010, the Company authorized the issuance of 75,000 shares of Series A 12% Cumulative Convertible Preferred Stock, par value $0.0001 to Doubletree Capital Partners, Inc. for an equivalent value of loans, consulting fees and related expenses paid totaling $75,000. The 573,000 shares were formally issued as of September 30, 2011.

B.8 On December 31, 2010, the Company issued 168,000 shares of Series A 12% Cumulative Convertible Preferred Stock, par value $0.0001 to Doubletree Capital Partners, Inc. for an equivalent value of loans, consulting fees and related expenses paid totaling $168,000.

B.9 On March 31, 2011, the Company issued 124,000 shares of Series A 12% Cumulative Convertible Preferred Stock, par value $0.0001 to Doubletree Capital Partners, Inc. for an equivalent value of loans, consulting fees and related expenses paid totaling $124,000.

As a result of the above issuances of common and preferred stock, the total outstanding common shares of the parent Company as of September 30, 2011 totals 23,999,612 common shares, $.0001 par value, and 1,781,000 shares outstanding of 12% Cumulative Convertible Preferred Stock, $.0001 par value.

The 1,781,000 preferred shares would convert into 17,810,000 common shares at the average rate of 10 common shares for each preferred share outstanding or a equivalent common price of $.10 per share. No stock repurchase transactions have occurred during the reporting period.

As of April, 1, 2011, the Company decided to suspend the payment of the cumulative 12% Class A Preferred Stock dividends until further notice to Doubletree Capital Partners, Inc., for loans, advances, consulting fees and related expenses. As a result, Doubletree Capital Partners has contributed capital to the Company during the six months from April 1, 2011 to September 30, 2011 in the amount of $114,208.

Item 6. Selected Financial Data

The following tables summarize our consolidated financial data as of and for the last four fiscal years ended September 30, 2011 derived from our audited consolidated financial statements. The selected financial data presented should be read in conjunction with our consolidated financial statements, related notes, and other financial information included elsewhere in this and prior year reports.

<table>

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	Year Ended September 30,			
	2011	**2010**	**2009**	**2008**
Operations Statement Data:				
Finance income	$ 2,464	52,322	0	0
Collection fee income	135,491	163,689	4,746	0
Service and Other income	72,039	44,513	6	0
	-------	-----	---	-----
Total Revenue	**209,994**	**260,524**	**4,752**	**0**
Costs and Expenses:				
Collection costs	289,560	455,174	146,846	36,539
General & administrative	278,596	274,803	355,633	333,060
General & administrative -related party	55,600	105,600		
Impairment charge	135,000			
Interest expense	13,526	9,029	3,799	20,401
Interest expense-related party	6,699	8,364	79,183	16,039

Indemnification expiration	75,611			
	-------	-------	-------	-------
Total expenses	**854,592**	**852,970**	**585,461**	**406,079**
Income before income taxes	**(644,598)**	**(592,446)**	**(580,079)**	**(406,079)**
Provisions for income taxes	0	0	0	0
Net loss	**(644,598)**	**(592,446)**	**(580,079)**	**(406.079)**
Basic net loss per share	**(0.027)**	**(0.025)**	**(0.02)**	**(0.017)**
Dividends to Preferred Shareholders	**94,066**	**140,183**	**73,200**	**50,382**
Other Financial Data:				
Principal collections on portfolios	**72,672**	**114,050**	**173,548**	**106,154**
Return on average assets (1)	**(2.65)**	**(1.60)**	**(1.29)**	**(1.04)**
Return on average shareholders'equity	**(8.5)**	**(3.50)**	**(4.43)**	**(3.02)**
Dividends declared per share	**0**	**0**	**0**	**0**
Balance Sheet data:				
Total assets	**116,251**	**370,094**	**371,055**	**526,936**
Total liabilities	**356,674**	**281,060**	**126,148**	**509,828**
Total shareholders' equity	**297,077**	**626,534**	**782,407**	**554,608**
Less: Treasury Stock	**(537,500)**	**(537,500)**	**(537,500)**	**537,500**
Shareholders' equity	**(240,423)**	**89,034**	**244,907**	**17,108**

</table>

(1) The return on average assets is computed by dividing net income by average total assets for the fiscal year. The return on average stockholders' equity is computed by dividing net income by the average stockholders' equity for the fiscal year. Both ratios have been computed using beginning and year end balances.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Certain statements contained in this Annual Report, including statements regarding our anticipated business development our intentions and current expectations with respect to future operations and other statements contained herein regarding matters that are not historical facts are to be considered "forward-looking" statements. Because such statements include risks and uncertainties, actual results may differ materially from those expressed in this report or in future oral or written statements made by the Company or with our approval. All forward-looking statements speak only as of the date on which they are made.

This section of this report discusses our results of operations, liquidity and financial condition, and factors that could impact our future results. The reader of this report should read them in conjunction with our audited financial statements and accompanying notes included in this report. Our plan of operation contains forward-looking statements involving risks, uncertainties and assumptions. Actual results my vary significantly from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those presented under Item 1A Risk Factors or elsewhere in this report.

Results of Operations for the Twelve Months ended September 30, 2011.

Sales and Gross Profit

The table below summarizes the changes to our operating income reported in our financial reports.

	FY 2011	FY 2010
		REVISED
	09/30/2011	09/30/2010
Income on Company owned portfolios	$ 2,464	52,322
Third party collection fees	135,491	163,689
Service fees and other income	72,039	44,513
	-------	-------
Total Operating Income	209,994	260,523

For the year ended September 30, 2011 the Company experienced significant reductions in revenue over the prior period. Finance income, which consists of revenue in excess of the cost of portfolios purchased, was down $49,858 for the year ended September 30, 2011 from $52,322 for the previous fiscal year end. In accordance with the use of the "cost recovery method" for revenue recognition, collections on Company owned portfolios in prior years had not exceeded cost and therefore no revenue was previously recorded for Finance income.

Third party collection fees, which are fees received for collections of third party debt, were down $28,198 for the year ended September 30, 2011 from $163,689 for the previous fiscal year end. This fiscal year represented the second full year of operations for our internal third party collections which began in August, 2009. The period ending September 30, 2009 for third party collection fees only represented the first two months of start up operations revenue.

Service fees and other income, which consists for service and transaction fees collected for each transaction, was up $27,526 for the year ended September 30, 2011 from $44,513 for the previous fiscal year end. This is income generated by our internal collections operations charging fees directly to the debtor for services provided like credit card and ACH charges.

Operating Collection Costs

Our direct collection costs decreased to $289,560 in FY 2011 from $455,174 in FY 2010. Due to market infertility and the Company s unsuccessful attempts to raise the appropriate capital necessary to acquire additional portfolio inventory, staffing levels were significantly decreased to accommodate workload. This decrease has resulted in a significant reduction in direct labor and supervision costs for FY 2011. A more detailed comparison of our direct costs is as follows:

	FY 2011	FY 2010
Third party collection fees, court costs,		
And Settlement costs	11,272	13,357
Collection services, Telephone, mailing,		
Summons and complaints, and verification	80,186	98,142
Direct labor costs and supervision	179,743	325,833
Merchant Bank credit card and ACH fees	18,359	17,842
	-------	-------
Total Direct Cost of Collections	289,560	455,174

An impairment write down charge expense against the carrying value of the collections portfolio inventory was recorded in the fiscal year ending September 30, 2011 in the amount of $135,000 based upon an analysis made by management. All portfolios of distressed debt have been reviewed and management believes the carrying value at September 30, 2011 is reasonable and fair in its presented valuation.

Direct labor costs of $179,743 attributed to approximately 62% of the total collection costs. This $179,743 was a 44.8% decrease from the fiscal year end 2010 of $325,833.

General and Administrative Expenses

General and administrative expenses were $334,196, for the twelve months ended September 30, 2011, a decrease of 12.0% from the prior year of $380,403. These expenses for the fiscal year were principally for office occupancy, telephone charges and office expenses ($60,399), management consulting fees ($40,000), legal ($50,266), and accounting ($83,487). Interest expenses increased to $20,224 in the twelve months ended September 30, 2011 from $17,393 for the twelve months ended September 30, 2010.

The President's and management company (DCP) consulting fees for the year ended September 30, 2011 were a non-cash expense of $25,000 and the President did not draw any cash salary expense. Another Management consultant received $15,000 in fees in fiscal year ended September 30, 2011

Other Income and Expenses

Interest expense for the year ended September 30, 2011 was $20,224 compared to $17,393 for the year ended September 30, 2010, a increase of $2,831. For the year ended September 30, 2011 $10,525 was expensed for interest on Bank line of credit loans and other notes payable, $6,699 was accrued for interest on loans payable to related parties, $3,000 was accrued for interest on defaulted convertible debentures.

For the year ended September 30, 2010, $3,008 in interest expense was accrued for defaulted convertible debentures, and $6,699 from related-party convertible notes and $7,686 was expensed for interest on Bank line of credit loans and other notes payable.

The Company discontinued recording interest expense due on previously non-converted and defaulted convertible debt obligations of the Company in the fourth quarter ended September 30, 2009 but continued recording interest expense on one defaulted debenture. The Company was not successful in converting this debt to equity shareholdings for two remaining debenture holders. The liability for these Debenture notes has been removed from our books as of September 30, 2010 and assumed by the indemnification agreement with Doubletree Liquidation Corporation. The Company does not have the cash liquidity to redeem these notes and the statute of limitation on these debts has been exceeded.

Loans to a related party were reduced by issuance of 292,000 shares of Preferred Stock during the fiscal year ended September 30, 2011 compared to 573,000 shares during fiscal year ended September 30, 2010 This had the effect of reducing our interest costs but increased our dividend expense for the fiscal years ended September 30, 2011 and 2010. The loans payable to a related party have an accrued annual rate of 12% and the Preferred Stock has an accrued dividend payable quarterly at an annual rate of 12% of issuance value.

Effective, April 1, 2011, all 12% Preferred stock dividends payable in accordance with all previously issued Preferred shares (1,781,000) has been suspended by the Company and accordingly, $109,862 in 12% dividends expense for the six months ended September 30, 2011 has not been paid by the Company and is not included in our reported Net Loss for the year ended September 30, 2011. Dividend expenses declared and paid through March 31, 2011 in the amount of $94,066 is included in our net loss attributable to common shareholders. The table below summarizes our interest and dividend expense for the last two years.

	Fiscal year ended September 30,	
	2011	2010
Interest expense	$20,224	$17,393
Preferred Stock Dividend expense	$94,066	$140,183

Summary Comments on Income and Expenses

A net operating loss of $644,598 was recorded for the fiscal year ended September 30, 2011. The net operating loss for the fiscal year ended September 30, 2010 was $592,446.

The Company does not anticipate higher operating expenses in future periods for our collection company. The direct costs of third party collections will continue to decrease. At the present time, no additional expenses are being incurred for office, telephone, consulting and legal and professional expenses relating to additional debt portfolio acquisitions and business operations in the in-house debt collection.

Liquidity and Capital Resources

For the fiscal year ended September 30, 2011, the Company raised $283,123 from demand notes payable from a related investor compared to $350,812 from demand notes payable from a related investor for the fiscal year ended September 30, 2010. The demand loans bear interest at the rate of 12% per annum and are collateralized by all the assets of the Company. These secured demand notes accrued interest in the amount of $6,699 during the fiscal year ended September 30, 2011. During the fiscal year ended September 30, 2011, these notes, the interest accrued, and stock dividends in the amount of $94,066 were redeemed by the Company by issuing 292,000 shares in 12% Cumulative and Convertible Series A Preferred Stock, par value $.0001, valued at $1.00 per share to the financing company.

The Company received gross collections from its distressed debt portfolios of $72,698 for the fiscal year ended September 30, 2011 of which $70,209 was applied to reduce portfolio inventory and $2,464 was recorded as Finance Income revenue. The Company will need additional sources of financing to sustain current level of operations and purchase additional portfolio inventory. The Company believes the higher quality of our new portfolio purchases plus the establishment of our in-house collection agency will improve our net collections next year.

As of September 30, 2011, the Company had current assets of $15,912 consisting of $15,332 in cash and $580 in trade receivables due from its third party collector. At the same time, the Company had $347,546 in current liabilities consisting of $163,101 in accounts payable, $87,011 in notes payable, related party, current portion, $18,360 in credit lines payable, and $3,462 in other notes payable current portion. The company also had $50,000 in convertible debentures payable and accrued interest of $25,611 on the debentures. The Company had a working capital deficit of $331,634 as of September 30, 2011 compared to $167,251 as of September 30, 2010. In 2010 the Company reclassified a $5,000 deposit with a vendor from Current Assets to Other Assets reducing our working capital defined as Current Assets less Current Liabilities.

The Company's current capital resources are not sufficient to support its development and operations. New capital and loans will be necessary to support the ongoing operation of the Company's general and administrative expenses and interest expenses currently being incurred. The Company cannot continue its existence without full and complete reorganization effort of all of its financial affairs and obligations. The Company is currently utilizing the cash collections being received from the gross collections on its purchased debt collection portfolios, however, the cash collections being generated are not yet sufficient to support its future development of the financial services business strategy being developed as well as the overhead costs associated with the month to month operations of a public company.

The Company is seeking additional sources of debt or equity financing other than additional convertible notes payable issued by a related party. Until new financing needs are solidified, the Company cannot provide assurances as to its future viability or its ability to prevent the possibility of filing a bankruptcy petition, either voluntary or involuntary, by any creditor 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 auditors' on the Company's financial statements for the twelve months ended September 30, 2011 and 2010 include explanatory notes 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, if any, which is available to offset any future operating profits. None of this benefit was recorded in the accompanying financial statements as of September 30, 2011. Federal tax laws impose significant restrictions on the utilization of net operating loss carry-forwards in the event of a change in ownership of the Company which constitutes an "ownership change", as defined by the Internal Revenue Code, Section 382. The Company's net operating loss carry-forward will be subject to the above limitations.

Cash Flows and Expenditures

During the year ended September 30, 2011, the Company recorded $72,672 in gross collections on it's portfolios of which it reduced its inventory by $70,208 and recorded $2,464 in Finance Income revenue. It also received $135,491 in third party collection fees and $72,039 in Service Income and Other fees. Direct collections costs and related verification costs were $289,560. General and Administrative expenses decreased 12.1% or $46,207 due to less cost resulting from lower levels of staffing and support services through outside vendors and decreases in expense to related party.

During the year ended September 30, 2010, the Company recorded $123,620 in gross collections on Company owned portfolios, reducing its portfolio inventory. $163,689 in Third Party Collection Fees and $44,512 in Service income were recorded. Direct collections costs and related verification costs were $455,174. General and Administrative expenses were $380,403.

The Company currently utilizes outside collection agencies for the collection of the distressed debt receivables for accounts located in states requiring licensing where we are not currently licensed to operate and utilizes attorneys on a contingency basis to collect accounts requiring legal action.

The Company s Accounts Payable, wages and tax liabilities decreased for the year ended September 30, 2011 as compared to the prior fiscal year, by $5,219, or 3.1%.

Long-Term Notes Payable, used primarily to finance the purchase of debt portfolios, decreased by $58,138 for the fiscal year ended September 30, 2011. The current portion of these notes increased by $63,783 and the Company's bank credit lines payable decreased by $87 for the same period.

Portfolio Data

The following table shows the Company's portfolio buying activity during the two years ended September 30, 2011 and 2010, including the purchase price, impairment write downs, actual cash collections and estimated future cash collections value.

	Year ended 9/30/2011	Year ended 9/30/2010
Beginning of Year Carrying Value:	$ 268,389	314,423
Purchase Price Actual Cost (1):	$ 12,699	48,321
Sales of Portfolios	0	(23,057)
Impairment Write downs (3)	(135,000)	0
Collections Reduction to Portfolio Value	(70,208)	(71,298)
End of Year Carrying Value:	75,880	268,389
Principal payments applied to inventory	70,208	71,298
Finance Income on Portfolios	2,464	52,322
Gross Collections on portfolios (2)	72,672	123,620
Estimated Future Collection Values (4):	$82,299	$369,109

(1) Purchase price refers to the cost paid to a seller to acquire defaulted receivables, plus certain capitalized expenses, less the purchase price refunded by the seller due to the return of non-compliant accounts (also defined as buybacks). Capitalized expenses that may be added to the value of a purchased portfolio include such items as debtor verifications, letter campaigns, and legal fees associated with acquisition. To date, no costs in addition to the purchase price have been capitalized. Non-compliant refers to the contractual representations and warranties between the seller and the buyer. These representations and warranties from the sellers generally cover account holders' death or bankruptcy and accounts settled or disputed prior to sale. The seller has the option to replace or repurchase these

accounts.

Our company does not capitalize expenses as referred in the above paragraph.

(2) Actual cash collections, net of third party recovery costs.

(3) The Company uses the lower of cost or market in determining impairment of the portfolio values. In addition, the Company will take an impairment charge in the carrying value of its portfolios if the actual recoveries fall short of expected recoveries or the Company determines that portions of the portfolio carrying value require a write down in value due to worthlessness of portions of the portfolio. A portion of a portfolio may become worthless if it is determined that further collection efforts are prohibited by statute for such occurrences as bankruptcy or death making future collections and potential resale value on that portion valueless. For the year ended September 30, 2011, the Company did record an impairment write down of $135,000.

(4) Total estimated future collection values (EFCV) refers to management's estimate of the amount potentially remaining to be collected, including cash sales of portfolios over the next five years. These values are determined by multiplying the ending inventory value for each portfolio by a factor determined through average collection success throughout the history of each portfolio. This factor is an estimate that will change based on the type of debt being collected, current market conditions and the age of each portfolio.

Critical Accounting Policies

The Company utilizes the cost recovery method under guidance provided by FASB ASC 310 to determine income recognized on finance receivables. The Company determined we cannot reasonably estimate the timing of the cash flows from our portfolio receivables collections to effectively utilize the interest method of revenue recognition under FASB ASC 310. Under the cost recovery method of revenue recognition, the Company does not recognize revenue until our original investment cost in the portfolio has been recovered by gross collections less sales, write-offs and impairments. Once the portfolio is fully amortized we report gross collections received on principal as revenue. We will continue to obtain and use appropriate input data including monthly collection data and liquidation rates to evaluate our performance and project future cash flows from our portfolios of receivables.

Going Concern Consideration

The Company and its financial partner are no longer attempting to reach agreements to convert the remaining $200,000 in defaulted debenture notes and $192,801 in related accrued interest as of September 30, 2010 to common shares. These debentures and related accrued interest are classified as current liabilities and are offset by a corresponding receivable under the indemnification agreement between Doubletree Liquidation Corporation (DLC) and the company whereby DLC agreed to assume these and other certain liabilities of ISAI. The company's position is it is no longer directly liable for these notes except as a guarantor having sold the debt instruments to DLC through the indemnification agreement. One remaining officer, Bernard L. Brodkorb, is currently managing the Company. Our registered independent auditors have issued an opinion on our financial statements which includes a statement describing our going concern status.

Item 7A QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

A smaller reporting company is not required to provide the information required by this item.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The following consolidated financial statements of ISA Internationale Inc. and its wholly owned subsidiaries, the notes thereto and Independent Auditors' Reports thereon required by this item are included herein indicated by the following index:

Item 8A Management's Responsibility Statement

The management of ISA Internationale Inc. is responsible for the integrity, objectivity, and accuracy of the financial statements of the Company, The financial statements are prepared by the Company in accordance with accounting principles generally accepted in the United States of America, and using management's best estimates and judgments where appropriate. The Financial information presented throughout this Annual Report on Form 10-K is consistent with that in the financial statements.

The management of ISA Internationale Inc. is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the direction, supervision, and participation of, our Chief Executive Officer and Chief Financial Officer and effected by management and other personnel, management conducted an evaluation as of the end of the period covered by this report, of the effectiveness of internal control over financial reporting based on the framework in Internal-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO-Framework).

Index to Audited Financial Statements Page

SEALE AND BEERS, CPAs

PCAOB & CPAB REGISTERED AUDITORS

www.sealebeers.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of

ISA Internationale, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheet of ISA Internationale, Inc. as of September 30, 2011, and the related consolidated statements of operations, stockholders equity and cash flows for the year then ended September 30, 2011. ISA Internaionale s management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ISA Internationale, Inc. as of September 30, 2011, and the related consolidated statements of operations, stockholders equity and cash flows for the year then ended September 30, 2011, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has negative working capital at September 30, 2011, has incurred recurring losses and recurring negative cash flows from operating activities, and has an accumulated deficit which raises substantial doubt about its ability to continue as a going concern. Management s plans concerning these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Seale and Beers, CPAs

Seale and Beers, CPAs

Las Vegas, Nevada

February 16, 2012

Except for Note 11, as to which the date is February 17, 2012.

50 S. Jones Blvd. Suite 202 Las Vegas, NV 89107 Phone: (888)727-8251 Fax: (888)782-2351

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors

ISA Internationale Inc. and subsidiaries

St. Paul, Minnesota

We have audited the accompanying consolidated balance sheet of ISA Internationale Inc. and subsidiaries as of September 30, 2010, and the related consolidated statement of operations, stockholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of ISA Internationale Inc. and subsidiaries as of September 30, 2010 and the results of its consolidated operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in note 2 to the consolidated financial statements, the Company has suffered recurring losses. These matters raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As discussed in Note 12, the financial statements of ISA International, Inc. as of September 30, 2010, and for the year then ended have been restated to correct a misstatement.

/s/ De Joya Griffith & Company, LLC

Henderson, NV

January 13, 2011, except for Note 11, as to which is dated September 28, 2011

<table>

<caption> **ISA INTERNATIONALE INC. and SUBSIDIARIES**

CONSOLIDATED BALANCE SHEETS

<c> <c> <c>

	(Audited) Sept 30, 2011	(Audited) Sept 30, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,841	$ 10,449
Restricted cash	13,491	31,063
Trade receivables	580	532
Prepaid expenses	0	4,500
Total current assets	15,912	46,544
Fixed assets, at cost less accumulated depreciation of $44,597 and $13,891, respectively	24,460	50,161
Other assets:		
Finance contract receivables, net of collections	75,879	268,389
Deposits Long Term	-	5,000
Total assets	$ 116,251	$ 370,094

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable trade, wages and taxes	$ 163,101	$ 168,320
Credit lines payable	18,360	18,447
Notes payable other	3,462	3,379
Notes payable - Related Party	87,011	23,311
Convertible notes payable - related party	-	338
Convertible debentures payable defaulted	50,000	--
Accrued interest payable-debentures defaulted	25,611	--
	-----------	----------
Total current liabilities	347,546	213,795
Long-Term Liabilities		
Notes payable Related Party	0	, 54,676
Notes payable Other-Long term portion	9,127	12,589
	---------	----------
Total Liabilities	**356,674**	**281,060**
	--------	**----------**
Stockholders' Equity:		
Preferred 12% cumulative convertible stock,		
par value $.0001; 30,000,000 shares authorized,		
1,781,000 shares issued and outstanding at September		
30, 2011 and 1,489,000 shares issued and outstanding		
at September 30, 2010	178	149
Preferred stock of ISA Acceptance Corporation		
par value $25 per share, 12% dividend rate paid quarterly,		

50,000 shares authorized, 22,400 issued and		
outstanding at September 30, 2011 and 2010	560,000	560,000
Common stock, par value $.0001; 300,000,000 shares		
authorized; 23,999,612 shares issued and outstanding at		
September 30, 2011 and at September 30, 2010	2,400	2,400
Additional paid-in capital	10,795,328	10,386,150
Treasury stock 1,250,000 shares	(537,500)	(537,500)
Accumulated deficit	(11,060,829)	(10,322,165)
	-----------	-----------
Total stockholders' equity	(240,423)	89,034
	-----------	-----------
Total liabilities and stockholders' equity	$ 116,251	$ 370,094
	===========	===========

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

ISA INTERNATIONALE INC. and SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	(Audited) Twelve Months Ended September 30, 2011	(Audited) Twelve Months Ended September 30, 2010
Operating revenues		
Finance income	$ 2,464	$ 52,322
Third party fee income	135,491	163,689
Service income and other	72,039	44,513
Total Operating Revenue	209,994	260,524
Operating expenses:		
Portfolio collection costs	289,560	455,174
General and administrative	278,596	274,803
General and administrative-related party	55,600	105,600
Impairment charge on debt portfolio carrying cost	135,000	--
Operating expenses	758,756	835,577
Operating loss	(548,762)	(575,053)
Other income (expense):		
Interest Income (Expense)	(13,525)	(9,029)

Interest expense-related party	(6,699)	(8,364)
Indemnification expiration charge	(75,611)	
	------------	-----------
Net loss	(644,598)	(592,446)
	============	===========
Dividends to Preferred Shareholders	(94,066)	(140,183)
	============	===========
Net loss attributable to common shareholders	(738,664)	(732,629)
Basic loss per share	(0.027)	(0.025)
	============	===========
Weighted Average common shares outstanding:		
Basic	23,999,612	23,999,612
	============	===========
Dividends per share of common stock	none	none
Dividends per share of preferred stock	0.005	0.094

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

ISA INTERNATIONALE INC. and SUBSIDIARIES

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

TWELVE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010

	Convertible Stock Preferred Shares Parent Co	Par Value $.0001	Convertible Stock Preferred Shares Subsidiary Co	Par Value $25.	Common Stock Shares	Par Value	Treasury Stock Value	Additional Paid-in Capital	Accum Deficit	Total
Balance September 30, 2009	916,000	$ 92.	560,000	$22,400	23,999,612	$2,400	$(537,500)	$9,809,451	$(9,589,536)	$244,907
Indemnification agreement interest on debenture holders								3,756		3,756
Preferred Stock Dividend to Related party									(140,183)	(140,183)
Issuance of Preferred convertible stock, Par value $.0001 in exch for secured debt related party	573,000	57						572,943		573,000
Net loss									(592,446)	(592,446)
Balance September 30, 2010	1,489,000	149	560,000	22,400	23,999,612	2,400	(537,500)	10,386,150	(10,322,165)	89,034

Indemnification agreement

interest on debenture holders 3,000 3,000

Preferred Stock Dividend to a

related party - (94,066) (94,066)

Contributed Capital from

related party 114,208 114,208

Issuance of Preferred convertible

stock, Par value $.0001 in exch

for secured debt related party 292,000 29 291,971 292,000

Net loss (644,598) (644,598)

Balance September 30, 2011 1,781,000 178 560,000 22,400 23,999,612 2,400 (537,500) 10,795,329 (11,060,829) (240,423)

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

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<table>

<caption> **ISA INTERNATIONALE INC. and SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CASH FLOWS

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	(AUDITED) Twelve Months Ended September 30, 2011	(AUDITED) Twelve Months Ended September 30, 2010
Cash flows from operations:		
Net loss	$ (644,598)	(592,446)
Adjustments to reconcile net loss from operations		
to cash flow used in operating activities:		
Depreciation and amortization	30,706	9,404
Indemnification settlement charge	75,611	-
Reduction of debt receivable purchase price		
on gross collections received	70,208	71,298
Sales of debt receivable portfolios	-	23,057
Changes in assets and liabilities:		
Decrease in Trade account receivables	(48)	388
Decrease in note receivable	-	7,600
Increase in Deposits and prepaid expenses	9,500	(3,777)
Decrease in portfolio value for impairment charge	135,000	-
Increase in Accounts payable and accrued expenses	(5,219)	50,916
	----------	----------

Cash used in operations	(328,840)	(433,560)
	----------	----------
Cash flow from investing activities:		
Debt receivables purchased	(12,699)	(48,321)
Purchase of fixed assets	(5,004)	(34,722)
	----------	--------
Cash investing activities	(17,703)	(83,043)
	-----------	----------
Cash flows from financing activities		
Proceeds from bank lines, net of repayments	(87)	10,516
(Payments) to principal on note payable,other	(3,379)	-
Proceeds from note payable , related party	9,025	93,955
Payments on convertible debt issued to		
related party	(338)	(474)
Interest on indemnification agreement-paid in capital	3,000	3,756
Issue preferred stock for cash loans and expenses		
Accrued interest from related party	197,934	432,817
Proceeds from contributed capital-related party	114,207	-
	----------	----------
Cash provided by financing activities	320,363	540,570
	----------	----------
Net increase (decrease) in cash and cash equivalents	(26,180)	23,967

Cash and cash equivalents, beginning of period	41,512	17,545
	----------	----------
Cash and cash equivalents, end of period	15,332	41,512
	==========	==========
Interest paid	**20,224**	**17,393**
Non-cash investing and financing transactions:		
Accrued Preferred stock dividend expense	(94,066)	(140,183)
	----------	----------
Total non-cash transactions	$ 94,066	$ 140,183
	==========	==========

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

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ISA INTERNATIONALE INC. and SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TWELVE MONTHS ENDED SEPTEMBER 30, 2011 and 2010

(Audited)

1.) NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

1.a) NATURE OF BUSINESS

ISA Internationale, Inc ("ISAI") is a financial services company specializing in debt collections for third party clients and our own portfolios of distressed debt receivables.

Originally incorporated in 1989, under the laws of the State of Delaware under a former name, ISAI became a reporting publicly held corporation on November 15, 1999. The Company was inactive operationally for some time prior to its May 8, 1998 recapitalization through an acquisition of Internationale Shopping Alliance Incorporated ("Internationale") pursuant to a reverse merger agreement dated April 23, 1998. Upon consummation of the merger, Internationale became a wholly owned subsidiary of the Company. During 2000, the Company sold its International Strategic Assets, Inc. subsidiary and discontinued the operations of its ShoptropolisTV.com subsidiary in 2001. Between December 2000 and through May 2005, the Company was operationally dormant and was actively reorganizing its financial affairs with assistance from it's related financial partner, Doubletree Capital Partners LLC. Since 2005 it has changed its direction to debt collection in the financial services industry.

These consolidated financial statements include the parent Company, ISA Internationale, Inc., its wholly owned subsidiary, ISA Financial Services, Inc. (formerly ISA Acquisition Corporation), and its wholly owned subsidiary, ISA Acceptance Corporation. The Company accounts for its debt receivables revenue under the guidance of FASB ASC 310 utilizing the optional method commonly referred to as the "cost recovery method" for revenue recognition under which no revenue is recognized until the original investment cost has been recovered less adjustments for buy-backs, impairments, write-offs, and sales of portfolios.

In the event projected cash collections are inadequate to amortize the carrying balance and the resulting estimated remaining fair market value of the remaining portfolio debt receivables were to be less than the carrying value, an impairment charge would need to be taken with a corresponding write off of the "impaired" or deficient receivable carrying value with a corresponding charge to impairment expense of the Company at that time.

The agreements to purchase the aforementioned receivables include general representations and warranties from the sellers covering account holder death or bankruptcy, and accounts settled or disputed prior to sale. The representation and warranty period permitting the return of these accounts from the Company to the seller is typically 90 to 180 days. Any funds received from the seller of debt receivables as a return of purchase price are referred to as buybacks. Buy-back funds are simply applied against the debt receivable balance received. They are not included in the Company's cash collections from operations nor are they included in the Company's cash collections applied to principal amount. Gains on sale of debt receivables, representing the difference between sales price and the unamortized value of the debt receivables, are recognized when debt receivables are sold. The Company has concluded its amortized costs are in excess of fair market value. Therefore, an impairment write down of $135,000 was recorded for the finance receivables carrying value at September 30, 2011.

1.b) PRESENTATION

The Consolidated Balance Sheet at September 30, 2011 and 2010 combine the balance sheets of the two subsidiary companies with the parent company, condenses small related accounts, and eliminates offsetting intercompany balances and offsetting contra accounts.

1.c) USE OF ESTIMATES

The preparation of the consolidated 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 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) STOCK BASED COMPENSATION AT FAIR VALUE

Significant estimates of the fair value of the Company's common stock were computed under FASB ASC 718-30, Compensation - Stock-Based Compensation. The valuations were based upon the Company's estimates of the goods or services or transactional related value of consideration received by the Company. Since no established market exists for the Company's common shares, the Company used alternative valuations of estimates for consummated agreements and approved actions for preferred stock issuances by the Company through September 30, 2011 to the related party financial company.

There was no stock-based compensation of shares of the Company's common stock issued for consulting services and settlement expenses for the fiscal years ended September 30, 2011 and 2010.

1.e) REVENUE RECOGNITION

Portfolio collection revenue is recognized based on FASB ASC 310 using the "Cost Recovery Method" under which profits are only recognized after the initial investment cost has been recovered.

The Company offers third party collection services for our Clients collecting their receivables for a percentage fee of gross collections. Currently we specialize in medical debt collections but also collect delinquent credit card and loan balances for individuals and businesses. We recognize revenue based on the fees generated by actual collections for the month. Some types of collections may have a higher percentage fee than the normal rate. Fee income is invoiced to our Clients every month for the month collections and booked in the month it is collected. Funds received are held in a trust account until disbursed to the client and our Company per contractual agreement. We are a licensed and bonded collection agency.

1.f) CASH AND CASH EQUIVALENTS

The Company considers all highly liquid debt instruments and other short term investments with an initial maturity of three months or less to be cash or cash equivalents. Restricted cash is the amount held in trust owed to our third party clients for collections on their accounts net of our fees.

1.g) LOSS PER SHARE

Basic loss per share excludes dilution and is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. Diluted loss per share includes assumed conversion shares consisting of dilutive stock options and warrants determined by the treasury stock method and dilutive convertible securities. In fiscal years ended September 30, 2011 and 2010, all potentially issuable shares have been excluded from the calculation of loss per share, as their effect is anti-dilutive.

1.h) INCOME TAXES

The Company has adopted the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial statement carrying amount and tax basis of assets and liabilities. The Company provides for deferred taxes at the enacted tax rate that is expected to apply when the temporary differences reverse.

1.i) 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 is 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 financial assets and liabilities which consist of cash, accounts payable and accrued liabilities, and notes payable are valued using level 1 inputs. The Company believes that the recorded values 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.j) FINANCE RECEIVABLES

Fair value measurements of our finance receivables are presented in the following table:

Fair Value Measurements as of September 30, 2011 Using:

	Level 1	Level 2	Level 3	Total
Assets				
Finance receivables			$ 75,879	$ 75,879
Total Assets			75,879	75,879
Liabilities			0	0
Total Liabilities			0	0

Fair Value Measurements as of September 30, 2010 Using:

	Level 1	Level 2	Level 3	Total
Assets				
Finance receivables			268,389	$ 268,389
Total Assets			268,389	268,389
Liabilities			0	0
Total Liabilities			0	0

The following table is a reconciliation of changes in the net fair value of financed receivables which are classified as level 3 in the hierarchy.

	2011	2010
	-------	-------
Balance as of October 1	268,389	314,423
Purchases of Portfolios	12,699	48,321
Sales of Portfolios	0	(23,057)
Gross Collections applied to inventory	(70,209)	(71,298)
Impairment write downs of receivables	(135,000)	0
	--------	----------
Balance as of September 30,	75,879	268,389

The Company records purchased receivables at actual cost, which represents a significant discount from the contractual receivable balances due called face value or principal due. The Company computes estimated fair value of these receivables using proprietary pricing models that the Company utilizes in making portfolio purchase decisions.

1.k) NEW ACCOUNTING PRONOUNCEMENTS

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

1.l) FIXED ASSETS

Furniture, fixtures and equipment are stated at cost less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on a straight-line basis. Estimated service lives of property and equipment is 5 years.

(2.) LIQUIDITY AND GOING CONCERN MATTERS

The Company has become operational for the past three years in the debt collection business and has incurred losses since its inception. As a result, the Company has an accumulated deficit of $11,060,829 at September 30, 2011. The net loss for the twelve month period ended September 30, 2011 was $644,598. These factors raise substantial doubt about the Company's ability to continue as a going concern.

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 at the present time has established itself in the debt collection business within the financial services industry.

The accompanying consolidated 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 consolidated 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 continue developing it s debt collection operation both as collecting portfolio debt and also third party collections. However, there is no assurance these actions will be successful. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might result from this uncertainty.

(3.) INCOME TAXES

The Company has incurred significant net operating losses. The Company has not reflected any benefit of such net operating loss carry-forwards in the accompanying financial statements. The income tax expense benefit differed from the amount computed by applying the U.S. federal income tax rate of 34% to income before income taxes as a result of the following:

Tax Year ended September 30,	2011	2010
	---------	---------
Computed "expected" tax benefit	34.0%	34.0%

State income tax, net of federal benefit	3.8%	3.8%
Change in valuation allowance	(37.8%)	(37.8%)
	---------	-------

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets for the period ended September 30, 2011 and September 30, 2010 is presented below:

Tax Year ended September 30,	2011	2010
	----------	---------
Deferred tax assets:		
Net operating loss carry forward	$ 3,211,314	2,968,050
Start up costs	-	-
Other	-	-
	----------	---------
Total gross deferred tax assets	$ 3,211,314	2,968,050
Valuation allowance	(3,211,314)	(2,968,050)
	-----------	----------
Net deferred tax assets	$ --	$ --
	===========	==========

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In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Based on the level of historical taxable income and projections of future taxable income over the periods in which the deferred tax assets are deductible, management does not believe that it is more likely than not the Company will realize the benefits of these deductible differences. Accordingly, the Company has provided a valuation allowance against the gross deferred tax assets as of September 30, 2011 and 2010.

For the period ended September 30, 2011, the Company reported a net operating tax loss carry-forward of approximately $8,495,540. The federal net operating loss carry-forward begins to expire in the year 2017.

Federal tax laws impose significant restrictions on the utilization of net operating loss carry-forward in the event of a change in ownership of the Company that constitutes an "ownership change" as defined by the Internal Revenue Code, Section 382. The Company's net operating loss carry-forward will be subject to the above limitations.

(4.) STOCK ISSUANCE

(4.a) PREFERRED STOCK

Preferred stock may be issued from time to time in one or more series. Each series is distinctly designated. All shares of any series of the preferred stock shall be alike in all rights to preference in liquidations, voting rights, dividends and other powers, qualifications, or restrictions.

As of September 30, 2011 and 2010, the Company s subsidiary, ISA Acceptance, has issued to a related party 22,400 shares of $25 par value 12% dividend non-convertible preferred shares, payable when declared. As of September 30, there were no dividends due the holder of these preferred shares as none have been declared through September 30, 2011.

During the fiscal year ended September 30, 2011, 292,000 preferred shares of the Company s Parent Co., Isa Internationale Co., par value $.0001, were issued to DCP valued at $1.00 per share as of March 31, 2011. No further issuances of preferred stock have been issued by the Company through September 30, 2011 and the DCP loan account had a balance due of $0 at the end of September 30, 2011.

During the fiscal year ended September 30, 2010 the Company issued a total of 573,000 Cumulative and Convertible Series A Preferred Shares, par value $0.0001, to Doubletree Capital Partners, Inc. (DCP) in exchange for current loans and accumulated interest payable valued at $1.00 per share. The preferred stock is convertible into 5,730,000 common shares at the rate of 10 common shares for each preferred share outstanding at September 30, 2010. The preferred shares shall be convertible to common shares at any time upon the option of the holder, Doubletree Capital Partners, Inc., a related party. As of September 30, 2010, there were 1,489,000 total shares outstanding. As of September 30, 2010, the total convertible preferred shares would convert into an additional 14,890,000 common stock shares.

In year ended September 30, 2011 the company declared a dividend of 94,066 which was subsequently settled for issuance of 94,066 convertible preferred shares. For year ended September 30, 2010, the company declared a dividend of 140,083 subsequently settled by issuance of 140,083 convertible preferred shares.

During the fiscal year ended September 30, 2011 the Company issued a total of 292,000 Cumulative and Convertible Series A Preferred Shares, par value $0.0001, to Doubletree Capital Partners, Inc. (DCP) in exchange for current loans,cash advances, accumulated interest payable, and 94,066 previously declared dividends payable and due as of March 31, 2011, all shares issued at $ 1.00 per share issuance value.

The preferred stock is convertible into 2,920,000 common shares at the rate of 10 common shares for each preferred share outstanding at September 30, 2011. The preferred shares shall be convertible to common shares at any time upon the option of the holder, Doubletree Capital Partners, Inc., a related party.

As of September 30, 2011, there were 1,781,000 total preferred shares outstanding. As of September 30, 2011, the total convertible preferred shares would convert into an additional 17,810,000 common stock shares. As of April 1, 2011, the Company has suspended the issuance of future dividends on the 1,781,000 convertible 12% Series A Preferred Stock shares that are outstanding.

(4.b) COMMON STOCK

As of September 30, 2011, 300,000,000 shares of common stock were authorized. 23,999,612 shares of common stock, par value $0.0001, were issued and outstanding. During 2011 and 2010, no common stock shares were issued.

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, 2012, to cancel these restricted shares and remove them from being issued and outstanding common shares.

(4.c) STOCK OPTIONS

The Company has no stock options outstanding as of September 30, 2011 and through the date of this report.

(5.) CONVERTIBLE DEBT

(5.a) CONVERTIBLE DEBENTURES

The Company issued convertible debentures in a private placement between November 1999 and May 2000 in exchange for $1,591,640. These debentures were convertible at the option of the holder into common stock at $1.50 per share and had an interest rate payable quarterly beginning June 30, 2000 at 12% per annum. The debentures had a term of three years and matured between November 2002 and May 2003. The Company defaulted on the payment of all of the principal and interest and converted all of the unpaid interest and principal into common shares of the Company except $200,000 of principal debenture loan advances.

In 2009, the Company removed from its books $150,000 of defaulted debentures and related interest of $167,946. After the Indemnification Agreement expired (see note 6) on the $150,000 of defaulted debentures, legal consul for the Company stated the liability could be removed from the books due to state statute of limitations laws.

During 2003, the Company extended one previously defaulted $50,000 convertible debenture to a future due date of March 31, 2006 with interest payable at that date. The interest rate on the remaining balance of $50,000 was lowered to 6% per annum. Currently the debenture is in default and is convertible into 25, 270 common shares at the rate of $3.00 per share at the option of the holder. Through September 30, 2011, the liability had been offset by a contra-liability (indemnification receivable). The indemnification agreement given by a related third party company in connection with this liability has expired as of September 30, 2011. As of September 30, 2011, the balances of the debenture and the accrued interest are $50,000 and $25,611, respectively. Reference should be made to note 6 for further details.

(5.b) 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 have 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 fiscal year ended September 30, 2011, DCP provided the financing necessary to maintain operations by loaning an additional $283,123 to the Company. These advances included cash advances of $120,100 and reimbursed expenses totaling $163,023. All of these advances were repaid with the issuance of preferred stock shares and $114,208 which is recorded as contributed capital as of September 30, 2011.

In prior years, all advances were either repaid in full or resolved through the issuance of Convertible Series A 12% Preferred Stock to the related party. During the year ended at September 30, 2011, 292,000 Series A Preferred stock shares were issued for partial payment of advances totaling $197,934 and dividends declared in the amount of $94,066. As of April 1, 2011, the Company has suspended the issuance of future dividends on the 1,781,000 convertible 12% Series A Preferred Stock shares that are outstanding.

At September 30, 2010, the Company owed to the related financial company $338 in accrued loans for loan and expense advances and related interest payable. The liability was reduced to $0 by September 30, 2011.

During the year ended September 30, 2010, 573,000 12% Cumulative Convertible Preferred shares were issued to repay cash advances, expense reimbursements and dividends declared through September 30, 2010.

(6.) OTHER RELATED PARTY TRANSACTIONS

Indemnification Agreement - Related Party

On July 1, 2004, the Company approved the issuance of 1,200,000 common shares to an affiliated company, Doubletree Liquidation Corporation (DLC). DLC is a corporation owned 50% by the Company's President and 50% by an affiliated stockholder, whose ownership exceeds, beneficially, 5% of the Company's common stock. The affiliated company, DLC, has issued an indemnification guarantee to the Company wherein it will process, review, and guarantee payment for certain prior Company liabilities (both actual and contingent) that may arise during the five years from June 30, 2004. The Company has deemed the value of the transaction to be $329,714 based upon the consideration given to DLC in the indemnification agreement consisting of $200,000 in defaulted convertible debentures, $44,000 in accounts payable for discontinued operations, and $85,714 in accrued interest.

In 2009, after the expiration of the Indemnification Agreement, legal counsel for the Company advised the Company could remove the defaulted convertible debenture debt of $150,000 and related accrued interest in the amount of $167,947 that had been offset with contra-accounts from our balance sheets.

An obligation of $20,000 was removed in September 2004 because DLC settled the liability on behalf of the Company. Another obligation of $24,000 was removed in December 2007 due to the expiration of the statute of limitations.

The remaining unpaid liabilities on the balance sheet are one defaulted convertible debenture loan payable in the amount of $50,000 at September 30, 2011 and accrued interest on that note for $25,611. The following is summary of the presentation of these liabilities in the Balance Sheet at September 30, 2011:

Description of debt indemnification:	Current	Long-term
Defaulted convertible debentures payable	$ 50,000	$ 0
Defaulted accrued interest payable	25,611	0
	---------	---------
Net Balances at September 30, 2011:	$ 75,611	$ 0
	=========	=========

The Company incurred non-cash expenditures with its President and an affiliated related company who are also stockholders for consulting services amounting to $25,000 and $75,000 in the years ended September 30, 2011 and 2010, respectively. This liability was recorded as the note payable to a related party account. In the year ended September 30, 2011 the $25,000 liability was forgiven for the benefit of the Company and therefore recorded as contributed capital at September 30, 2011.

See Note 4.a for additional information regarding related party transactions for the fiscal years ended September 30, 2011 and 2010.

(7.) FIXED ASSETS

Fixed assets and accumulated depreciation consists of the following at:

	September 30, 2011	September 30, 2010
Automobile, at cost	$ 18,505	$ 18,505
Less accumulated depreciation	(6,477)	(2,775)
Computer equipment, at cost	50,552	45,547
Less accumulated depreciation	(38,120)	(11,116)
Net fixed assets	$ 24,460	$ 50,161
Depreciation expense	$ 30,706	$ 9,404

ISA Financial Services, Inc. signed a secured note on January 14, 2010 in the amount of $18,125 at 5.11% interest to purchase an automobile which is used as collateral for the loan. The note is personally guaranteed by an officer of the Corporation and the automobile is pledged as collateral to the loan. ISAF is current on the payments of this loan with a principal balance due of $12,589 at September 30, 2011.

For the year ended September 30, 2011, the Company has recorded a reduction in carrying value of $8,225 as additional depreciation expense due to a Company estimate of remaining salvage value of equipment currently on hand at that date.

(8.) CREDIT LINES PAYABLE

During the year ended September 30, 2011, the Company received $8,446 in loan proceeds and interest charges and paid back $8,533 in loan payments for its available bank credit lines of $20,000. The interest rate is 12.0% per annum and the lines are payable on demand and unsecured. The lines are personally guaranteed by the Company's President. The Company owed $18,360 in bank credit lines payable at the end of September 30, 2011 and $18,447 at the end of September 30, 2010. Credit lines payable decreased by $87 for the fiscal year ended September 30, 2011 over the prior year.

(9.) COMMITMENTS

On August 1, 2011 the Company entered into a contract to license web based collection software and services from an outside software vendor. This software license agreement required a 12 month term commitment of $1,250 per month with a right to renew after twelve months. The company has incurred $2,500 in expenses for the year ended September 30, 2011 under this contract.

(10.) OTHER NOTES PAYABLE

Bernard L. Brodkorb, President of ISAT, has a Loan Agreement with ISAF issued on January 25, 2010 in the amount of $25,008 used to finance a portfolio purchase. This 24 month note pays 11% interest, and requires monthly payments of $1,156. As of September 30, 2011, no payments have been made on this note, and it is considered to be in default. Interest amounting to $5,007 has been accrued for a total loan balance of $30,015.

A related party investor, C. J. Newman, Vice President of Doubletree Capital Partners, Inc., has two loan agreements with ISAF issued on June 25, 2010 and August 3, 2010. Both loans are for $25,000 for a total of $50,000. The notes each have a 24 month term and pay 11% interest. No payments have been made on these notes and interest has been accrued. The current balance is $56,996.

The following table presents the all Notes Payable broken out between the current portion and the long-term portions due as of September 30, 2011. There are three notes that total $99,600 in principal and interest with $90,473 being the current portion and $9,127 the long term portion due.

	Current	Long-term	Total
Note 1 Other Note Payable	3,462	9,127	12,589
Note 2 Note Payable Related Party	30,015	0	30,015
Note 3 Note Payable Related Party	56,996	0	56,996
	-------	--------	--------
	90,473	9,127	99,600

(11.) RECLASSIFICATIONS

The Company reclassified $55,600 of General and administrative expenses and $6,699 of Interest expense to General and administrative-related party and Interest expense-related party, respectively on the Statement of Operations for the year ended September 30, 2010 to conform to current presentation. The Company reclassified $3,756 of Interest on indemnification agreement-paid in capital from Operating to Financing activities and $28,240 of Payments for bank line of credit to Payments from bank lines, net of repayments on the Statement of Cash flows for the year ended September 30, 2010 to conform to current presentation. The reclassifications had no effect on the Company s financial condition, results of operation, or cash flows.

(12.) SUBSEQUENT EVENTS

The management of the Company has evaluated all of the subsequent events through the date of this report and has determined there are no material subsequent events to disclose.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND

FINANCIAL DISCLOSURE

Section 4.1 Changes in Registrant s Certifying Accountant.

Effective December 20, 2011, the Audit Committee of the Board of Directors of ISA Internationale Inc. (ISA or the Registrant or the Issuer) engaged the Las Vegas, Nevada firm of Seale and Beers, CPAs as the Independent Registered

Public Accountant to audit ISA s financial statements for the fiscal year ending September 30, 2011 and any interim periods. During the Registrant s two most recent fiscal years and any subsequent interim period, ISA did not consult with Seale and Beers, CPAs or any of its members about the application of accounting principals to any specified transaction or any other matter. The decision to change accountants was approved by the Audit Committee of the Board of Directors of ISA consisting of Bernard L Brodkorb (Chairman) and Steven Boynton.

The engagement effective December 20, 2011 of Seale and Beers, CPAs as the new Independent Registered Public Accountant for ISA necessarily results in the termination or dismissal of the principal accountant which audited ISA's financial statements for the fiscal year ended September 30, 2010, De Joya, Griffith & Company, LLC.

During the Registrant s two most recent fiscal years ended September 30, 2010 and the subsequent interim periods, there were no disagreements between the Registrant and De Joya, Griffith & Company, LLC concerning any matter of accounting principals or practices, financial statement disclosure or auditing scope or procedure which disagreements, if not resolved to De Joya, Griffith & Company, LLC s satisfaction would have caused them to make a reference to the subject matter of the disagreements in connection with their reports; there were no reportable events as described in Item 304(a)(1)(v)of Regulation S-K.

De Joya, Griffith & Company, LLC s report dated January 13, 2011 and as amended on September 28, 2011 did not contain any adverse opinion or disclaimer of opinion, nor was the report qualified or modified as to uncertainty, audit scope or accounting principals.

ISA has provided De Joya, Griffith & Company, LLC with a copy of the foregoing disclosures and requested from De Joya, Griffith & Company, LLC a letter addressed to the Commission stating whether De Joya, Griffith & Company, LLC agrees with the statements made by ISA in response to Item 304 (a) of Regulation S-K and, if not, stating the respects in which it does not agree. De Joya, Griffith & Company, LLC s letter is attached as an exhibit to this report as Exhibit 16.1.

Item 9A. CONTROLS AND PROCEDURES

(a) Management's Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

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 in Rules 240.13a-15(e) and 240.15d-15(e) of the Securities Exchange Act of 1934).

(b) Management's Annual Report on Internal Control Over Financial Reporting

The management of ISA Internationale Inc. is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the direction, supervision, and participation of, our Chief Executive Officer and Chief Financial Officer and effected by management and other personnel, our management and certifying officers conducted an evaluation as of the end of the period covered by this report, of the effectiveness of internal control over financial reporting based on the framework in Internal-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO-Framework).

This Report does not include an attestation report of the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission permitting the Company to provide only the management report in this report.

Changes in Internal Control over Financial Reporting

The Company has made significant changes in the Company's internal control over financial reporting subsequent to the Company's fourth fiscal quarter of 2010. The Company has changed its accounting procedures to reduce the likelihood of errors occurring in the reporting of collection revenues and expenses on our own portfolios.

Limitations on the Effectiveness of Internal Controls

Readers are cautioned that our disclosure controls and procedures or our internal controls over financial reporting, no matter how well designed, has inherent limitations and may not prevent or detect misstatements, fraud and material error. Therefore, even effective internal control over financial reporting can only provide reasonable assurance with respect to the financial statement preparation and presentation. The design of any system of controls is based on certain assumptions about the likelihood of future events, and there can be no assurance that any control design will succeed in achieving its stated goals under all potential future conditions.

Item 9B. OTHER INFORMATION

None

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Directors and Executive Officers of the Company

Set forth below are the names of the directors and executive officers of the Company as of September 30, 2011, their ages, the year first elected as an executive officer and/or director of the Company, and employment history for the past five years.

Also set forth below are the changes to names of the directors and executive officers of the Company as of January 1, 2004 through September 30, 2011, their ages, the year first elected as an executive officer and/or director of the Company, and employment for the past five years.

Name	Positions with the Company	Age	Since
Bernard L. Brodkorb,	President, Chief Executive Officer, Chief Financial Officer and Director Chairman of the Board of Directors [1]	70	January 2001

[1] (Note: Also served as Treasurer, Chief Financial Officer and Director from October 1997 to July 2000)

Name	Positions with the Company	Age	Since
Donald G. Kampmann	Outside Director	56	January 2000

(Mr Kampmann resigned as a directot of the Company effective, January 19, 2012)

Name	Positions with the Company	Age	Since
Steven E. Boynton	Outside Director	51	November 2011

Directors:

BERNARD L. BRODKORB (October 1997 to July 2000 and January 2001 to present) was the Treasurer, Chief Financial Officer and a director of the Company from it's inception in October 1997 to July 2000 when he resigned his positions. He was reelected to the board of directors in January 2001 and elected by the board of directors as President, Chief Executive Officer, and Chief Financial Officer in February 2001. Mr. Brodkorb is an independent practicing licensed Certified Public Accountant (CPA) within the State of Minnesota for many years, and has extensive experience in financial and accounting matters relating to both private and public companies, including auditing, financial consulting and advising on corporate taxation. He is a member of the Minnesota Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

DONALD G. KAMPMANN (January 2000 to January 19, 2012) was an outside director of the Company from January 2000 to January 2012. Mr. Kampmann was an allotted board member by Doubletree Capital Partners, Inc. He has extensive executive experience in the mortgage and financial services industries.

STEVEN E. BOYNTON (November 2011 to present is an outside director of the Company from November 2011 to present. Mr. Boynton is a practicing attorney in the State of Minnesota. He has extensive executive experience in the collection, legal and financial services industries.

Section 16(A) Beneficial Ownership Reporting Compliance

Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires the Company's directors, executive officers, and any persons holding more than 10% of the outstanding common stock of the Company to file reports with the Securities and Exchange Commission concerning their initial ownership of common stock and any subsequent changes in that ownership.

In 2009 and 2008, Bernard Brodkorb, Charles Newman, James Dixon, Donald Kampmann, Doubletree Capital Partners, Inc., and Doubletree Liquidation Corporation filed Annual Statements of Changes in Beneficial Ownership on Form 5.

CODE OF ETHICS

We have adopted a code of ethics that applies to our principal executive officers, principal financial officer, principal accounting officer or controller, and Directors or persons performing similar functions.

Item 11. EXECUTIVE AND DIRECTOR COMPENSATION

For the twelve months ended September 30, 2010 and 2009, non cash compensation was paid to executive officers or directors through the related party financial company Doubletree Capital Partners, Inc.

The following table sets forth information on the remuneration of our chief executive officer during any part of our last two fiscal years, including non cash compensation. No cash compensation was paid.

<Table>

<caption>

SUMMARY EXECUTIVE AND DIRECTOR COMPENSATION

ANNUAL COMPENSATION LONG TERM COMPENSATION

<c> <c> <c> <c> <c> <c> <c> <c> <c>

AWARDS PAYOUTS

FISCAL OTHER RESTRICTED SECURITIES

NAME AND YEAR ANNUAL STOCK UNDERLYING LTIP ALL OTHER

PRINCIPAL END COMPENSA AWARD OPTIONS PAYOUTS COMPENSA

POSITION 09-30 SALARY ($) BONUS ($)TION ($) ($) SARS ($) ($) TION($)

Bernard L. 2011 $ 0 -0- 25,000 -0- -0- -0- -0-

Brodkorb (1)

Bernard L. 2010 $ 0 -0- 75,000 -0- -0- -0- -0-

Brodkorb (1)

President, CEO

Directors 2011 -0- -0- -0- -0- -0- -0- -0-

Directors 2010 -0- -0- -0- -0- -0- -0- -0-

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(1) Compensation for Bernard L. Brodkorb and the management company (DCP) was recorded on the books of the Company as compensation for consulting ($25,000) and salary ($0) for the fiscal years ended September 30, 2011. There was no cash compensation paid on consulting fees accrued for Brodkorb and the management company (DCP) for the fiscal year ended September 30, 2011. Compensation for their services is allocated to the management company and is further converted to the issuance of preferred stock shares by the Company during the year ended September 30, 2011.

Director Compensation

Directors received no new shares or other compensation for their services as directors for the three year period from October 1, 2008 through September 30, 2011.

No additional Director compensation has been authorized for services for the period from October 1, 2009 through September 30, 2011, and through the date of this 10-K report filing.

Stock Options Granted for Compensation

As of September 30, 2011, all stock options had expired and are no longer outstanding. None of the stock options granted has ever been exercised.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth as of September 30, 2010, certain information regarding the beneficial ownership of shares of common stock of the Company by (1) each person or entity who is known by the Company to own more than 5% of the Company's common stock, (2) each director of the Company, and (3) all directors and executive officers of the Company as a group. It does not include stock options or preferred stock ownership noted in the footnotes.

12-A. Security Ownership of Certain Beneficial Owners

Title of class	Name and Address of Beneficial Owner	Amount and nature of beneficial ownership	Percent of Class
Common	Doubletree Capital Partners, Inc. 2560 Rice St St. Paul, MN 55113	37,882,624 (1)(2)	90.58%
Common	Bernard L. Brodkorb 2560 Rice St. St. Paul, MN. 55113	39,065,411 (2)	93.40%

(1) Includes 21,428 common shares acquired in November, 2000. Includes 100% interest in 1,232,143 shares held by Doubletree Liquidation Corporation (DLC), an affiliated company to be used for the resolution of any contingent, non-contingent or real liabilities to creditors of a former subsidiary that may arise in the future. DCP also owns 1,781,000 shares of Convertible Preferred Stock which at a conversion value of $0.10 would equal 17,810,000 shares of common stock. These convertible shares are included in the beneficial ownership table of percentages shown above.

(2) Includes a 100% beneficial interest in DCP, a 50% beneficial interest in DLC, 8,929 common shares owned since 1998, 383,857 common shares issued in 2004, 790,000 shares issued in 2006, 50% interest in 9,700 shares issued in 2007 to DCP.

12-B. Security Ownership of Management

Title of class	Name of Beneficial Owner	Amount and nature of beneficial ownership		Percent of Class
Common	Bernard L. Brodkorb,	39,065,411	(1,2)	93.40%
Common	Donald G. Kampmann	227,715	(3)	0.55%
Directors and executive officers as a group		39,293,126		93.95%

(3) Includes 35,715 common shares issued in 2004 and 192,000 issued in 2006.

12-C. Changes in control

There have not been any arrangements known to the registrant which may at a subsequent date result in a change in control of the registrant.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AMD DIRECTOR INDEPENDENCE

Recent transactions:

During the fiscal year ended September 30, 2010 the Company issued 573,000 shares of Cumulative Convertible Series A Preferred Stock to DCP at $1.00 per share par value in settlement of current loan liabilities and accrued interest valued at $573,000.

During the fiscal year ended September 30, 2011 the Company issued 292,000 shares of Cumulative Convertible Series A Preferred Stock to DCP at $1.00 per share par value in settlement of current loan liabilities and accrued interest valued at $292,000.

The total issued and outstanding common shares are 23,999,612 as of September 30, 2011. Issued and outstanding Convertible Preferred shares total 1,781,000 at September 30, 2011.

The Subsidiary Company, ISA Acceptance Corporation, issued 22,400 shares of Preferred Stock valued at $25.00 per share to a related investor on September 30, 2009.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees.

The aggregate fees billed for each of the last two fiscal years for professional services for the audit of the Registrant's annual financial statements, and review of financial statements included in the Company's Form 10-K: $24,750 in 2011 and $26,000 in 2010

Audit-Related Fees.

The aggregate fees billed in each of the last two fiscal years for assurance and related services that are reasonably related to the performance of the audit or review of the Registrant's financial statements and are not under Audit Fees above: $0 in 2011 and 2010.

Tax Fees.

The aggregate fees billed in each of the last two fiscal years for professional services rendered for tax compliance and tax planning: $0 in 2011 and 2010.

All Other Fees.

The aggregate fees billed in each of the last two fiscal years for products and services other than the services reported above: $0 in 2011 and 2010.

Audit Committee's pre-approval policies and procedures.

The Registrant's committee consists of two Directors. The audit committee has adopted a written charter. The Registrant's Board of Directors has determined the Company does have a financial expert serving on its audit committee.

The Registrant does not have any pre-approval policies and procedures. The audit committee makes recommendations concerning the engagements of independent public accountants, review with the independent public accountants, the scope and results of the audit engagement, approves all professional services provided by the independent accountants, reviews the independence of the independent public accountants, considers the range of audit and non-audit fees, and reviews the adequacy of the Registrant's internal accounting controls.

Work performed by other than the principal accountant's engagement of full time permanent employees.

The percentage of time expended by other than full time permanent employees of the principal accountant did not exceed 50%.

Item 15. EXHIBITS

(a) LISTING OF EXHIBITS

The exhibits required to be a part of this report are listed in the Index to

Exhibits.

Section 4.1 Changes in Registrant s Certifying Accountant.

Effective December 20, 2011, the Audit Committee of the Board of Directors of ISA Internationale Inc. (ISA or the Registrant or the Issuer) engaged the Las Vegas, Nevada firm of Seale and Beers, CPAs as the Independent Registered Public Accountant to audit ISA s financial statements for the fiscal year ending September 30, 2011 and any interim periods. During the

Registrant s two most recent fiscal years and any subsequent interim period, ISA did not consult with Seale and Beers, CPAs or any of its members about the application of accounting principals to any specified transaction or any other matter. The decision to change accountants was approved by the Audit Committee of the Board of Directors of ISA consisting of Bernard L Brodkorb (Chairman) and Steven Boynton.

The engagement effective December 20, 2011 of Seale and Beers, CPAs as the new Independent Registered Public Accountant for ISA necessarily results in the termination or dismissal of the principal accountant which audited ISA's financial statements for the fiscal year ended September 30, 2010, De Joya, Griffith & Company, LLC.

During the Registrant s two most recent fiscal years ended September 30, 2010 and the subsequent interim periods, there were no disagreements between the Registrant and De Joya, Griffith & Company, LLC concerning any matter of accounting principals or practices, financial statement disclosure or auditing scope or procedure which disagreements, if not resolved to De Joya, Griffith & Company, LLC s satisfaction would have caused them to make a reference to the subject matter of the disagreements in connection with their reports; there were no reportable events as described in Item 304(a)(1)(v)of Regulation S-K.

De Joya, Griffith & Company, LLC s report dated January 13, 2011 and as amended on September 28, 2011 did not contain any adverse opinion or disclaimer of opinion, nor was the report qualified or modified as to uncertainty, audit scope or accounting principals.

ISA has provided De Joya, Griffith & Company, LLC with a copy of the foregoing disclosures and requested from De Joya, Griffith & Company, LLC a letter addressed to the Commission stating whether De Joya, Griffith & Company, LLC agrees with the statements made by ISA in response to Item 304 (a) of Regulation S-K and, if not, stating the respects in which it does not agree. De Joya, Griffith & Company, LLC s letter is attached as an exhibit to this report as Exhibit 16.1.

ISA INTERNATIONALE INC.

FORM 10-K/A INDEX TO EXHIBITS

The following exhibits numbered 3.1 to 10.1 below are included in our Form 10-SB Registration Statement (File No. 0-027373) and are incorporated by reference. Exhibits 31.1 and 32.1 are filed herewith.

Exhibit No. Description

3.1 Articles of Incorporation of the Company (incorporated by reference to Exhibit 2(i) to the Company's registration statement on Form 10-SB (File No. 0-27373)).

3.2 By-laws of the Company (incorporated by reference to Exhibit 2(ii) to the Company's registration statement on Form 10-SB (File No. 0-27373)).

4.1 Form of Common Stock Certificate (incorporated by reference to Exhibit 3 to the Company's Registration Statement on Form 10-SB (File No. 0-27373)).

10.1 Agreement and Plan of Business Combination dated April 11, 1998 between ISA Internationale Inc. (formerly known as 1-800 Consumer International Inc.), a Delaware corporation and Internationale Shopping Alliance, Inc., a Minnesota corporation (now a wholly owned subsidiary of ISA Internationale Inc. (incorporated by reference to Exhibit 6(i) to the Company's registration statement on Form 10-SB (File No. 0-27373)).

10.2 Indemnification Agreement between ISA Internationale Inc. and Doubletree Liquidation Corporation., a Minnesota corporation.

16.1 Letter from Dejoya Griffith Company, LLC re No Disagreement with the Company as to reason for change in auditors for FYE 93011.

31.1 Rule 13a-14(a) Certification of Chief Executive Officer relating to the Registrant's Annual report on Form 10-K for the year ended September 30, 2011.

32 Certification of Chief Executive Officer of Registrant pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, relating to the Registrant's Annual report on Form 10-K for the year ended September 30, 2011.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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 February 17, 2012

President, Chief Executive Officer, and Director

End of Report