

**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM 10-Q**

(Mark One)

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

**For quarterly period ended September 30, 2008**

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

\_\_\_\_\_  
FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

Commission File Number 000-52289

**Power of the Dream Ventures Inc.**

(Exact name of Small Business Issuer as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation)

**51-0597895**

(I.R.S Employer Identification No.)

**1095 Budapest**  
**Soroksari ut 94-96**  
**Hungary**

(Address of principal executive offices)

**+36-1-456-6061**

(Issuer's telephone number, including area code)

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

**Yes X No**

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

Large accelerated filer

Accelerated filer

Non-accelerated filer  
(do not check if smaller  
reporting company)

Smaller reporting company **x**

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of Exchange Act).

Yes o No **x**

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

**Common Stock, \$0.0001 par value**

(Class)

**45,115,181**

(Outstanding at November 15, 2008)

**POWER OF THE DREAM VENTURES, INC. (formerly TIA V, Inc.)  
(A Development Stage Company)**

**INDEX TO FORM 10-Q  
September 30, 2008**

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**POWER OF THE DREAM VENTURES, INC. (formerly TIA V, Inc.)**  
**(A DEVELOPMENT STAGE COMPANY)**  
**CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)**

	Notes	September 30, 2008 (Unaudited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash		\$34,170
Other receivables	3	9,470
Inventories	4	4,544
<b>Total Current Assets</b>		<u><b>48,184</b></u>
Fixed assets, net	6	568,860
<b>Total Assets</b>		<u><b>\$617,044</b></u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities		\$275,952
Capital leases payable, current portion	8	67,018
Short term liabilities to related parties		29,838
Note payable	7	250,000
<b>Total Current Liabilities</b>		<u><b>622,808</b></u>
<b>Long term liabilities</b>		
Capital leases payable, less current portion	8	284,682
<b>Total Long Term Liabilities</b>		<u><b>284,682</b></u>
<b>Stockholders' Deficit</b>		
Preferred stock, \$0.0001 par value, 10,000,000 shares authorised, -0- issued		4,312
Common stock, \$.0001 par value; 250,000,000 shares authorized, 43,115,181 shares issued and outstanding	9	6,041,498
Additional Paid-In Capital		(5,131,734)
Deficit accumulated during development stage		15,006
Other Comprehensive Income		(1,219,528)
Unearned Compensation		(290,446)
<b>Total Stockholders' Deficit</b>		<u><b>(290,446)</b></u>
<b>Total liabilities and stockholders' deficit</b>		<u><b>\$617,044</b></u>

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

**POWER OF THE DREAM VENTURES, INC. (formerly TIA V, Inc.)**  
**(A DEVELOPMENT STAGE COMPANY)**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**

	Notes	Three Months ended September 30, 2008	Three Months ended September 30, 2007	Nine months ended September 30, 2008	Nine months ended September 30, 2007	For the Period from April 26, 2006 (date of inception) to September 30, 2008
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net Sales		\$ -	\$ -	\$ -	\$ -	\$ 5,833
Cost of Sales		-	-	-	-	(3,711)
<b>Gross margin</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,122</u>
Materials and services		8,970	10,627	23,058	13,123	48,082
General administration	10	907,016	247,863	2,430,923	577,335	4,267,356
Research and development	5	36,201	58,025	162,385	92,025	263,768
Personnel expenses		41,498	8,472	115,173	8,472	152,875
Depreciation and amortization	6	32,801	15,671	88,699	18,427	131,321
Other expenses, net		-	1,453	-	7,317	6,627
<b>Operating expenses</b>		<u>1,026,486</u>	<u>342,111</u>	<u>2,820,238</u>	<u>716,699</u>	<u>4,870,029</u>
<b>Loss from operations</b>		<b>(1,026,486)</b>	<b>(342,111)</b>	<b>(2,820,238)</b>	<b>(716,699)</b>	<b>(4,867,907)</b>
Financial income (expense)		(124,858)	(25,425)	(33,161)	(30,008)	(13,064)
<b>Loss before provision (benefit) for income taxes</b>		<u>(1,151,344)</u>	<u>(367,536)</u>	<u>(2,853,399)</u>	<u>(746,707)</u>	<u>(4,880,971)</u>
Provision (benefit) for income taxes		-	-	-	(5,439)	-
<b>Net loss</b>		<u>\$ (1,151,344)</u>	<u>\$ (367,536)</u>	<u>\$ (2,853,399)</u>	<u>\$ (752,146)</u>	<u>\$ (4,880,971)</u>
<b>Basic and Diluted loss per share</b>		<u>\$ (0.03)</u>	<u>\$ (0.01)</u>	<u>\$ (0.07)</u>	<u>\$ (0.02)</u>	
<b>Weighted average number of shares outstanding – Basic and diluted</b>		<u>42,949,502</u>	<u>40,025,000</u>	<u>42,167,694</u>	<u>36,859,615</u>	

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

**POWER OF THE DREAM VENTURES, INC. (formerly TIA V, Inc.)**  
**(A DEVELOPMENT STAGE COMPANY)**  
**CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)**

	<u>Common Shares</u>	<u>Stocks Amount</u>	<u>Accumulated Deficit During Developmental Stage</u>	<u>Additional Paid In Capital</u>	<u>Other Comprehensive Income</u>	<u>Unearned Compensation</u>	<u>Total</u>	<u>Comprehensive Income/ (Loss)</u>
Issuance of common stock	33,300,000	\$ 3,330		\$ 10,670			\$ 14,000	
Contributed Capital				96,100			96,100	
Currency Translation Adjustment					\$ 4,151		4,151	4,151
Net loss for the period			\$ (35,100)				(35,100)	(35,100)
<b>Balance at December 31, 2006</b>	<b>33,300,000</b>	<b>3,330</b>	<b>(35,100)</b>	<b>106,770</b>	<b>4,151</b>	<b>-</b>	<b>79,151</b>	<b>(30,949)</b>
Contributed Capital				53,735			53,735	
Recapitalization upon Reverse Merger on April 10, 2007 (See Note 1)	2,500,000	250	(250,763)				(250,513)	
Private placement of shares at \$0.34 per share (See Note 9)	2,250,000	225		764,775			765,000	
Shares issued for services at \$0.34 per share (See Note 9)	1,875,000	188		637,313		\$(467,501)	170,000	
Shares issued for research and development at \$0.34 per share (See Note 9)	100,000	10		33,990			34,000	
Private placement at \$2.5 per share (See Note 9)	104,000	10		259,990			260,000	
Shares issued for stock based compensation at \$2.5 per share (See Note 9)	1,036,000	104		2,589,896		(2,590,000)	-	
Amortization of Unearned Compensation						1,124,932	1,124,932	
Currency Translation Adjustment					(14,001)		(14,001)	(14,001)
Net loss for the period			(1,992,472)				(1,992,472)	(1,992,472)
<b>Balance at December 31, 2007</b>	<b>41,165,000</b>	<b>\$4,117</b>	<b>\$(2,278,335)</b>	<b>\$4,446,469</b>	<b>\$(9,850)</b>	<b>\$(1,932,569)</b>	<b>\$229,832</b>	<b>\$(2,037,422)</b>

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

**POWER OF THE DREAM VENTURES, INC. (formerly TIA V, Inc.)**  
**(A DEVELOPMENT STAGE COMPANY)**  
**CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)**

	<u>Common Stocks</u>		<u>Accumulated Deficit During Developmental Stage</u>	<u>Additional Paid In Capital</u>	<u>Other Comprehensive Income</u>	<u>Unearned Compensation</u>	<u>Total</u>	<u>Comprehensive Income/ (Loss)</u>
	<u>Shares</u>	<u>Amount</u>						
	(Unaudited)		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Balance at December 31, 2007</b>	<b>41,165,000</b>	<b>\$4,117</b>	<b>\$(2,278,335)</b>	<b>\$4,446,469</b>	<b>\$(9,850)</b>	<b>\$(1,932,569)</b>	<b>\$229,832</b>	<b>\$(2,037,422)</b>
Private placement of shares at \$3.25 per share (See Note 9)	32,500	3		105,622			105,625	
Shares issued for services at \$0.7 per share (See Note 9)	306,570	31		214,568		(214,599)	-	
Shares issued for services at \$0.75 per share (See Note 9)	1,500,000	150		1,124,850		(1,125,000)	-	
Shares issued for services at \$1.35 per share (See Note 9)	111,111	11		149,989		(150,000)	-	
Amortization of Unearned Compensation						2,202,640	2,202,640	
Currency Translation Adjustment					24,856		24,856	24,856
Net loss for the period			(2,853,399)				(2,853,399)	(2,853,399)
<b>Balance at September 30, 2008</b>	<b>43,115,181</b>	<b>\$4,312</b>	<b>\$(5,131,734)</b>	<b>\$6,041,498</b>	<b>\$15,006</b>	<b>\$(1,219,528)</b>	<b>\$(290,446)</b>	<b>\$(4,865,965)</b>

The accompanying notes form an integral part of these combined financial statements.

**POWER OF THE DREAM VENTURES, INC. (formerly TIA V, Inc.)**  
**(A DEVELOPMENT STAGE COMPANY)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**

	For nine month period ended September 30, 2008 (Unaudited)	Cumulative from April 26, 2006 (date of inception) to September 30, 2008 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$2,853,399	\$4,880,971
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of stock-based compensation	2,202,640	3,327,572
Issue of shares for legal services	-	170,000
Issue of shares for research and development	-	34,000
Depreciation and amortization	88,699	131,321
	(562,060)	(1,218,078)
Changes in operating assets and liabilities:		
Increase in inventories	-	(4,544)
Increase in other current assets	69,336	(9,470)
Increase in related party receivables	100,000	-
Increase in accounts payable and accrued liabilities	187,830	305,790
<b>Net cash used in operating activities</b>	<b>(204,894)</b>	<b>(926,302)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(33,758)	(348,481)
<b>Net cash used in investing activities</b>	<b>(33,758)</b>	<b>(348,481)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds of loans from stockholders	-	149,835
Proceeds from sale of common stock	105,625	1,144,625
<b>Net cash from financing activities</b>	<b>105,625</b>	<b>1,294,460</b>
Effect of exchange rate changes on cash	(15,583)	14,493
Net (decrease) increase in cash	(148,610)	34,170
Cash at beginning of period	182,780	-
Cash at end of period	\$34,170	\$34,170
<u>Supplemental disclosure of cash flow information:</u>		
Non-cash investing and financing transactions		
Issuance of shares for services	1,489,599	\$2,161,100
Issuance of shares for liabilities assumed under reverse merger	-	\$250,513
Issuance of stock based compensation shares	-	\$2,590,000
Purchase of fixed assets through the assumption of capital lease obligations	\$351,700	\$351,700
Cash paid for:		
Interest	-	5,749
Taxes	-	-

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

**POWER OF THE DREAM VENTURES, INC. (formerly TIA V, Inc.)**  
**(A DEVELOPMENT STAGE COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**NOTE 1 - NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

Power of the Dream Ventures, Inc., f/k/a “Tia V, Inc.” (“PDV” or the “Company”) was incorporated in Delaware on August 17, 2006, with the objective to acquire, or merge with, an operating business.

**Reverse merger**

PDV entered into and consummated a Securities Exchange Agreement (“Exchange Agreement”) on April 10, 2007. Under the terms of the Exchange Agreement, PDV acquired all the outstanding equity interests of Vidatech, Kft. (also known as Vidatech Technological Research and Development LLC) a limited liability company formed under the laws of the Republic of Hungary, (“Vidatech”) in exchange for 33,300,000 shares of PDV’s common stock, and Vidatech thereby became a wholly-owned Hungarian subsidiary of PDV. PDV is governed by the law of the State of Delaware, and its wholly-owned subsidiary, Vidatech, is governed by the law of the Republic of Hungary. PDV and Vidatech are herein collectively referred to as the “Company.”

Following the acquisition the former stockholders of Vidatech owned a majority of the issued and outstanding common stock of PDV and the management of Vidatech controlled the Board of Directors of PDV and its wholly-owned Hungarian subsidiary Vidatech. Therefore the acquisition has been accounted for as a reverse merger (the “Reverse Merger”) with Vidatech as the accounting acquirer of PDV. The accompanying condensed consolidated financial statements of the Company reflect the historical results of Vidatech, and the condensed consolidated results of operations of PDV subsequent to the acquisition date. In connection with the Exchange Agreement, PDV adopted the fiscal year end of Vidatech as December 31.

All reference to shares and per share amounts in the accompanying condensed consolidated financial statements have been restated to reflect the aforementioned shares exchange.

**Business**

The Company is engaged in the acquisition, development, licensing and commercialization of and the investment in, directly or through business acquisitions, technologies developed in Hungary. In furtherance of its business, the Company provides research and development services to the companies, inventors from whom it acquires technologies or participation interests in technologies. A goal of the Company is to support research and development activities and to sell the products of inventions to the technological market

From inception through September 30, 2008, the Company primarily focused on raising of capital. As of September 30, 2008, the Company acquired eleven technologies, TothTelescope, RiverPower, revolutionary desalination technology based on cavitation, H2OGas for the mixing of water and gasoline for use in internal combustion engines, and the Kalmar inventions (FireSAFE, technology for utilizing communal waste as a concrete additive, technology for repairing potholes with the use of recycled plastics, PVC shielded electric cable recycling technology, a biodegradable deicing liquid, and technology for the neutralization of red-mud, a toxic byproduct of the aluminum/bauxite industry) and an equity interest in ‘in4 Kft’, a company



**POWER OF THE DREAM VENTURES, INC. (formerly TIA V, Inc.)**  
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**NOTE 1 - NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

formed to develop next generation semantic search and content organizer technology. All of these technologies are still in the development stage (see Note 6).

**FireSAFE**

On August 20, the Company licensed its FireSAFE technology to a group of Hungarian investors for a license acquisition fee of HUF 20,000,000 (approximately \$120,000), where the revenue will be recognized in October. A new company called FireLESS Ltd. was established and given commercialization license. The Company received 30% equity in FireLESS Ltd.

The new company will focus on acquiring the appropriate licenses and certificates to internationally market FireSAFE and will work with local and international fire agencies to test and establish usability baselines for FireSAFE. It is anticipated that the FireLESS Ltd. will start the international roll-out of FireSAFE in the first half of 2009.

To further these goals on October 20, 2008 The Company filed a PCT patent application to protect FireSAFE internationally.

FireSAFE is an environmentally friendly, biodegradable liquid designed to prevent, and if necessary extinguish natural fires that are exceedingly hard, or impossible to contain with water or other fire-fighting solutions. This category includes forest, bush and other natural fires. FireSAFE reaches the heart of the fire, coating all surfaces with a crystalline layer that hardens when exposed to heat. The layer thus formed is capable of withstanding heat as high as 1,100 degrees centigrade, enough to stop the most fearsome forest fires. Following use (containment of the fire) the biodegradable active ingredient will decompose in approximately four months. FireSAFE can also be used as a preventive solution, both in the wild and in treating lumber. During fire season those areas that are the most likely to be burnt can be sprayed with the solution as a preventive measure. Lumber used in construction can also be treated with FireSAFE to increase its fire resistance factor. FireSAFE can be manufactured anywhere on the planet with ease as all its ingredients are widely and cheaply available.

**Yorkville SEDA**

On October 8, 2008, Power of the Dream Ventures, Inc. (the "Company") entered into a Standby Equity Distribution Agreement (the "Standby Equity Distribution Agreement") with YA Global Investments, L.P. (the "Investor"). Pursuant to the terms of the Standby Equity Distribution Agreement, the Company (a) agreed to issue and sell to the Investor up to \$5,000,000 of shares of the Company's common stock, par value \$0.0001 per share (the "Common Stock") in tranches of equity, based upon a specified discount to the market price of the Common Stock, calculated over the five trading days following notice by the Company of an election to sell shares; and (b) issued to the Investor a warrant (the "Warrant") to purchase 4,027,386 shares of Common Stock at the exercise price per share of \$0.29.

**POWER OF THE DREAM VENTURES, INC. (formerly TIA V, Inc.)**  
**(A DEVELOPMENT STAGE COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**NOTE 1 - NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

In connection with the Standby Equity Distribution Agreement, the Company entered into a Registration Rights Agreement with the Investor (the "Registration Rights Agreement") pursuant to which the Company agreed to register for resale the shares of Common Stock that may be purchased by the Investor pursuant to the Standby Equity Distribution Agreement, the shares of Common Stock issuable upon exercise of the Warrant and 2,000,000 shares of Common Stock (the "Commitment Shares") issued to the Investor as a commitment fee pursuant to the terms of the Standby Equity Distribution Agreement.

Financing from this transaction will be used by the Company for the continued development of its current technologies, commercialization of same, the acquisition of new technologies and for general corporate expenses.

The Company filed the details of this transaction on Form 8-K with the Commission on October 14, 2008.

As of September 30, 2008, the Company has only realized limited revenues from the TothTelescope project and has not realized any revenues from the other inventions.

As a result, the accompanying condensed consolidated financial statements have been presented on a development stage basis.

**Basis of presentation**

The accompanying unaudited condensed consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the SEC. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, the accompanying condensed financial statements include all adjustments (consisting of normal recurring accruals) considered necessary to make the financial statements not misleading as of and for the period ended September 30, 2008 and for the period from April 26, 2006 (date of inception) to September 30, 2008. Operating results for the nine month periods ended September 30, 2008 are not necessarily indicative of the results that may be expected for the year ending December 31, 2008.

**Going Concern and Management's Plan**

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate the continuation of the Company as a going concern and assume realization of assets and the satisfaction of liabilities in the normal course of business. The Company has incurred losses from operations since inception. Management anticipates incurring additional losses in 2008. Further, the Company may incur additional losses thereafter, depending on its ability to generate revenues from the licensing or sale of its technologies and products, or to enter into any or a sufficient number of joint ventures. The Company has minimal revenue to date. There is no assurance that the Company can successfully commercialize any of its

**POWER OF THE DREAM VENTURES, INC. (formerly TIA V, Inc.)**  
**(A DEVELOPMENT STAGE COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**NOTE 1 - NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

technologies and products and realize any revenues therefrom. The Company's technologies and products have never been utilized on a large-scale commercial basis and there is no assurance that any of its technologies or products will receive market acceptance. There is no assurance that the Company can continue to identify and acquire new technologies.

Since inception through September 30, 2008, the Company had an accumulated deficit of \$5,131,734 and net cash used in operations of \$926,302. However, management of the Company believes that the recent funding from the private placement of the Company's common shares (See Note 9) will allow them to continue operations and execute its business plan.

Management believes the Company can raise adequate capital to keep the Company functioning through September 30, 2009. However, no assurance can be given that the Company can obtain additional working capital, or if obtained, that such funding will not cause substantial dilution to shareholders of the Company. If the Company is unable to raise additional funds, it may be forced to change or delay its contemplated marketing and business plan.

Being a development stage company, the Company is subject to all the risks inherent in the establishment of a new enterprise and the marketing and manufacturing of a new product, many of these risks are beyond the control of the Company. All of the factors discussed above raise substantial doubt about the Company's ability to continue as a going concern.

These unaudited condensed consolidated financial statements do not include any adjustments relating to the recoverability of recorded asset amounts that might be necessary as a result of the above uncertainty.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in preparation of the condensed consolidated financial statements are set out below.

Principles of Consolidation

The unaudited condensed consolidated financial statements include the accounts of PDV and its wholly-owned Hungarian subsidiary, Vidatech. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates:

The preparation of the financial statements in conformity with US GAAP requires management to make estimates, judgments and assumptions that affect amounts reported herein. Management believes that such estimates, judgments and assumptions are reasonable and appropriate. However, due to the inherent uncertainty involved, actual results may differ from those based upon management's judgments, estimates and assumptions. Critical accounting policies requiring the use of estimates are depreciation and amortization and share-based payments

**POWER OF THE DREAM VENTURES, INC. (formerly TIA V, Inc.)**  
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue Recognition:

Sales are recognized when there is evidence of a sales agreement, the delivery of the goods or services has occurred, the sales price is fixed or determinable and collectibility is reasonably assured, generally upon shipment of product to customers and transfer of title under standard commercial terms. Sales are measured based on the net amount billed to a customer. Generally there are no formal customer acceptance requirements or further obligations. Customers do not have a general right of return on products shipped therefore no provisions are made for return.

Accounts Receivable and Allowance for Doubtful Accounts:

Accounts receivable are stated at current value, which approximates fair value. The Company does not require collateral for accounts receivable. Accounts receivable are reduced by an allowance for amounts that may be uncollectible in the future. This estimated allowance is determined by considering factors such as length of time accounts are past due, historical experience of write offs, and customers' financial condition.

Inventories:

Inventories are stated at the lower of cost, determined based on weighted average cost or market. Inventories are reduced by an allowance for excess and obsolete inventories based on management's review of on-hand inventories compared to historical and estimated future sales and usage.

Fixed assets:

Fixed assets are stated at cost or fair value for impaired assets. Depreciation and amortization is computed principally by the straight-line method. Asset amortization charges are recorded for long lived assets. In the related periods, no asset impairment charges were accounted for.

Depreciation is recorded commencing the date the assets are placed in service and is calculated using the straight line basis over their estimated useful lives.

The estimated useful lives of the various classes of long-lived assets are approximately 3-7 years.

Pensions and Other Post-retirement Employee benefits:

In Hungary, pensions are guaranteed and paid by the government or by pension funds, therefore no pensions and other post-retirement employee benefit costs or liabilities are to be calculated and accounted by the Company.

Product warranty:

The Company accrues for warranty obligations for products sold based on management estimates, with support from sales, quality and legal functions, of the amount that eventually will be required to settle such obligations. At September 30, 2008, the Company had no warranty obligations in connection with the products sold.

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Advertising costs:

Advertising and sales promotion expenses are expensed as incurred.

Research and development and Investment and Advances to Non-Consolidated Entities:

In accordance with Statement of Financial Accounting Standards ("SFAS") No. 2 "Accounting for Research and Development Costs," all research and development ("R&D") costs are expensed when they are incurred, unless they are reimbursed under specific contracts. Assets used in R&D activity, such as machinery, equipment, facilities and patents that have alternative future use either in R&D activities or otherwise are capitalized. In connection with investments and advances in development-stage technology entities in which the company owns or controls less than a 50% voting interest, (see Note 5) where repayment from such entity is based on the results of the research and development having future economic benefit, the investment and advances are accounted for as costs incurred by the Company as research and development in accordance with SFAS No. 68 "Research and Development Arrangements".

Income taxes:

The Company accounts for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes". Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Valuation allowances are provided against deferred tax assets to the extent that it is more likely than not that the deferred tax assets will not be realized.

Comprehensive Income (Loss):

SFAS No. 130, "Accounting for Comprehensive Income," establishes standards for reporting and disclosure of comprehensive income and its components (including revenues, expenses, gains and losses) in a full set of general-purpose financial statements. The items of other comprehensive income that are typically required to be disclosed are foreign currency items, minimum pension liability adjustments, and unrealized gains and losses on certain investments in debt and equity securities. Accumulated other comprehensive income, at September 30, 2008 is \$16,006.

Translation of Foreign Currencies:

The U.S. dollar is the functional currency for all of the Company's businesses, except its operations in Hungary. Foreign currency denominated assets and liabilities for this unit is translated into U.S. dollars based on exchange rates prevailing at the end of each period presented, and revenues and expenses are translated at average exchange rates during the period

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

presented. The effects of foreign exchange gains and losses arising from these translations of assets and liabilities are included as a component of equity, under other comprehensive income.

Net Income (Loss) Per Share of Common Stock:

Basic and diluted net income (loss) per share of common stock are computed by dividing net income (loss) available to common stockholders by the weighted average number of shares of common stock outstanding during the periods presented.

Business Segment:

SFAS No. 131, “Disclosures About Segments of an Enterprise and Related Information,” establishes standards for the way public enterprises report information about operating segments in annual consolidated financial statements and requires reporting of selected information about operating segments in interim financial statements regarding products and services, geographical areas and major customers. The Company has determined that under SFAS No. 131, there are no operating segments since substantially all business operations, assets and liabilities are in Hungarian geographic segment.

Share-Based Payments:

In accordance with SFAS No. 123R “Share-Based Payment” all forms of share-based payment (“SBP”) awards including shares issued under employee stock purchase plans, stock options, restricted stock and stock appreciation rights result in a cost that is measured at fair value on the awards’ grant date, based on the estimated number of awards that are expected to vest.

The Company accounts for equity instruments issued to non-employees in accordance with the provisions of Emerging Issues Task Force (EITF) Issue No. 96-18, “Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services,” which requires that such equity instruments are recorded at their fair value on the measurement date. The measurement of stock-based compensation is subject to periodic adjustment as the underlying equity instrument vests. Non-employee stock-based compensation charges are amortized over the vesting period or period of performance of the services.

Recent Accounting Pronouncements:

In July 2006, the FASB issued Interpretation (FIN) No. 48, Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109, which clarifies the accounting for uncertainty in income taxes recognized in a company’s financial statements in accordance with SFAS No. 109. FIN No. 48 prescribes a recognition threshold and measurement attribute for financial statement disclosure of tax positions taken or expected to be taken on a tax return. FIN No. 48 is effective for the Company beginning in January 1, 2007. The adoption of FIN 48 did not have a significant impact on the Company’s consolidated financial position, results of operation or cash flows.

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In September 2006, the FASB issued SFAS 157, Fair Value Measurement. The new standard applies whenever other standards require or permit assets or liabilities to be measured at fair value. This Statement defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007. The Company does not believe that the adoption of SFAS 157 will have a material impact on its consolidated financial position, results of operation or cash flows.

In September 2006, the staff of the SEC issued Staff Accounting Bulletin ("SAB") No. 108, which provides interpretive guidance on how the effects of the carryover or reversal of prior year misstatements should be considered in quantifying a current year misstatement. SAB 108 becomes effective in fiscal 2007. Adoption of SAB 108 did not have a material impact on the Company's consolidated financial position, results of operations or cash flows.

In February 2007, the FASB issued SFAS No. 159 "The Fair Value Option for Financial Assets and Financial Liabilities - Including an amendment of FASB Statement No. 115", which permits entities to choose to measure many financial instruments and certain other items at fair value. The fair value option established by this Statement permits all entities to choose to measure eligible items at fair value at specified election dates. A business entity shall report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. Adoption is required for fiscal years beginning after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of SFAS Statement No. 157, Fair Value Measurements. The Company is currently evaluating the expected effect of SFAS 159 on its consolidated financial statements and is currently not yet in a position to determine such effects.

In December 2007, the FASB issued SFAS No. 141(R), "Business Combinations" ("SFAS 141(R)"). SFAS 141(R) replaces SFAS No. 141, "Business Combinations", but retains the requirement that the purchase method of accounting for acquisitions be used for all business combinations. SFAS 141(R) expands on the disclosures previously required by SFAS 141, better defines the acquirer and the acquisition date in a business combination, and establishes principles for recognizing and measuring the assets acquired (including goodwill), the liabilities assumed and any non-controlling interests in the acquired business. SFAS 141(R) also requires an acquirer to record an adjustment to income tax expense for changes in valuation allowances or uncertain tax positions related to acquired businesses. SFAS 141(R) is effective for all business combinations with an acquisition date in the first annual period following December 15, 2008; early adoption is not permitted. We will adopt this statement as of January 1, 2009. The impact of SFAS 141(R) will have on our consolidated financial statements will depend on the nature and size of acquisitions we complete after we adopt SFAS 141(R).

In December 2007, the FASB issued SFAS No. 160, "Non-controlling Interests in Consolidated Financial Statements-an amendment of ARB No. 51" (SFAS 160). SFAS 160 requires that non-controlling (or minority) interests in subsidiaries be reported in the equity section of the company's balance sheet, rather than in a mezzanine section of the balance sheet between liabilities and equity. SFAS 160 also changes the manner in which the net income of the subsidiary is reported and disclosed in the controlling company's income statement. SFAS 160

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

also establishes guidelines for accounting for changes in ownership percentages and for deconsolidation. SFAS 160 is effective for financial statements for fiscal years beginning on or after December 1, 2008 and interim periods within those years. The adoption of SFAS 160 is not expected to have a material impact on our financial position, results of operations or cash flows.

In March 2008, the FASB issued SFAS No. 161, “Disclosures about Derivative Instruments and Hedging Activities-an amendment of FASB Statement No. 133” (SFAS 161). SFAS 161 requires enhanced disclosures about an entity’s derivative and hedging activities and thereby improves the transparency of financial reporting. SFAS 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The adoption of SFAS 161 is not expected to have a material impact on our financial position, results of operations or cash flows.

In March 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles*. This statement identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with US GAAP. This statement is effective 60 days following the SEC’s approval of the Public Company Accounting Oversight Board amendments to AU Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*.

**NOTE 3 - OTHER RECEIVABLES**

	<b>June 30, 2008</b>
VAT reclaimable	\$5,826
Advances given	742
Other	2,902
<b>Total</b>	<b>\$9,470</b>

**NOTE 4 - INVENTORY**

At September 30, 2007, inventories contained semi-finished goods of approximately \$5,000.

**NOTE 5 - RESEARCH AND DEVELOPMENT (“R&D”)**

In August, 2008, the Company entered into an agreement with a Hungarian individual to establish FireLESS Kft (FireLESS). FireLESS’s business is focused on acquiring the appropriate licenses and certificates to internationally market FireSAFE and will work with local and international fire agencies to test and establish usability baselines for FireSAFE software development and information technology purposes. The Company is a minority shareholder in FireLESS with 30% voting rights, which operates under independent management.



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**NOTE 5 - RESEARCH AND DEVELOPMENT (“R&D”) – (Continued)**

In August, 2007, the Company entered into an agreement with two Hungarian individuals to establish In4 Kft (“in4”). in4’s business is focused on software development and information technology purposes. The Company is a minority shareholder in in4 with 30% voting rights, which operates under independent management.

In August, 2007, the Company also entered into a loan commitment agreement with in4. According to the agreement the Company has committed a loan of approximately \$271,000 to in4. The loan can be withdrawn by May 31, 2009. The loan bears interest at the Hungarian prime rate interest (8.5% at September 30, 2008). The purpose of the loan is to finance the development of an internet software called “eGlue”, a search engine and social network enabler based on semantic internet technology. According to the contract if the software is successfully developed, the outstanding amount of the loan and the related interest may be converted into equity in the associate for up to 40% voting rights. According to the agreement the members of the company are not entitled to receive dividends until May 31, 2009.

Since the repayment of loans, advances and other investment is contingent on the results of the R&D of iGlue having future economic benefit, management has expensed the Company's investment in in4 and in FireLESS of approximately \$5,000 and \$900, respectively and loan to in4 of approximately \$200,000 as R&D in the accompanying condensed consolidated statements of operations, in accordance with SFAS No. 68 "Research and Development Arrangements".

On 24 May, 2007, the Company entered into an Invention Transfer Agreement (“ITA”) with two Hungarian individuals (“Inventors”). The purpose of this agreement is for the inventors to transfer to the Company the exclusive right of utilising and patenting the invention, with the aim of the Company’s patenting the invention, having it registered as a patent in the patent registers and later on manufacturing or having the invention manufactured or utilising it in manufacturing processes in the course of the utilisation of a potential patent. According to the agreement if in the future the Company re-transfers the exclusive right of utilisation to a third party the Company is obligated to share the fees with the Inventors on a proportionate basis.

In connection with the ITA, the Company issued 100,000 shares of the Company’s common stock to the Inventors. These shares issuance were recorded at fair value of \$0.34 per share in the total amount of \$34,000. The cost of the related invention was recorded as research and development expense.

On 16 January, 2008, the Company entered into an Invention Transfer Agreement (“ITA”) with Otto Buresch, a Hungarian individual (“Inventor”). The purpose of the agreement is to transfer to the Company the exclusive right of utilizing for technology capable of mixing water with gasoline, in 40% to 60 %, for use in internal combustion engines. The purchase price of the invention was HUF 1,750,000 (approximately \$10,000) The Company will patent the invention and will become its owner. Following successful commercialization the inventor is entitled to receive 40% of net revenue.

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**NOTE 6 - FIXED ASSETS**

Net property and equipment consisted of the followings at September 30, 2008:

	<b>June 30, 2008</b>
Machinery and equipment	\$76,042
Vehicles	529,635
Office equipment	70,057
Software and website registration rights	24,697
Total	700,431
Less: Accumulated depreciation and amortization	(131,571)
<b>Net property and equipment</b>	<b>\$568,860</b>

The net book value of fixed assets under capital lease amount to \$443,631 at September 30, 2008. Depreciation and amortization expense for three and nine month periods ended September 30, 2008 was \$32,801 and \$88,699, respectively and \$131,321 for the period from April 26, 2006 (date of inception) to September 30, 2008.

**NOTE 7 - NOTE PAYABLE**

On April 10, 2007, in connection with reverse merger (See Note 1), the Company assumed a note payable of \$250,000 to a former stockholder, Mary Passalaqua originally with one year maturity at April 5, 2008. The note has been prolonged by one year to April 5, 2009 with the same conditions. The note payable bears interest at the prime rate (5.00% at September 30, 2008). Interest expense in connection with such note amounted to \$3,125 and \$10,182 for the three and nine month periods at September 30, 2008, and was accrued and included in accounts payable and accrued liabilities in the accompanying condensed consolidated balance sheet.

**NOTE 8 - CAPITAL LEASES PAYABLE**

In August, 2007, the Company entered into capital lease agreements on 3 vehicles for management purposes. The maturity of the lease is 60 months and is denominated in CHF. Instalments and interest is due on a monthly basis.

In December, 2007, the Company entered into additional capital lease agreements on 2 vehicles for management purposes. The maturity of the lease is 72 months and is denominated in CHF. Installments and interest is due on a monthly basis.

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**NOTE 8 - CAPITAL LEASES PAYABLE (Continued)**

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of September 30, 2008:

For the year ending September 30, 2008	Amounts
2008	\$47,126
2009	94,252
2010	94,252
2011	94,252
2012	77,409
2013	42,929
Total minimum lease payments	<u>450,220</u>
Less: amounts representing interest	<u>98,520</u>
Present value of net minimum lease payments	351,700
Less: current portion	<u>67,018</u>
<b>Long term liability</b>	<b><u><u>\$284,682</u></u></b>

**NOTE 9 - STOCKHOLDERS' EQUITY**

On April 18, 2008 the Company entered an agreement with RedChip Companies Inc. and Partner Media4Equity Inc. for investor relationship program for 12 months period. The Company secures and delivers 306,570 restricted common shares with a strike price of \$0.70 for a 12 months period in connection with RedChip investor relationship services. The compensation for Media4Equity services is the delivery of 1,500,000 restricted common shares with a strike price of \$0.75 for the contract period.

On May 17, 2008 the Company entered into an agreement with Wakabayashi Fund LLC in order to arrange financing for working capital as an intermediary. Wakabayashi Fund LLC provides capital funding services including serving as an investment banking liaison and acts as capital consultant for a six month period. The Company issued 111,111 shares of restricted common stock upfront at \$1.35 per share. Additionally, the Company agreed to pay for the capital funding services 7% success fee.

In February, shares of common stock of the Company have been approved by FINRA for quotation and trading on the Over The Counter Bulletin Board (OTCBB) under the ticker symbol PWRV. Trading commences in the Company's securities on the OTCBB beginning on February 21, 2008.

In January 2008, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 32,500 shares of its common stock at \$3.25 per share for aggregate proceeds of \$105,625. In October 2007, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 104,000 shares of its common stock at \$2.50 per share for aggregate proceeds of \$260,000. The Company also entered into a Registration Rights Agreement, pursuant to which it agreed that as soon as

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**NOTE 9 - STOCKHOLDERS' EQUITY (Continued)**

practicable from the Offering Termination Date, as defined in the Registration Rights Agreement, it would file a registration statement with the SEC covering the resale of the shares of the Company's common stock that are issuable pursuant to this private placement. There are no stipulated damages outlined in the Registration Rights Agreement for failure to file within the agreed upon time frame. Under such agreement, the holder is entitled to exercise all rights granted by law, including recovery of damages under this agreement.

On October 24, 2007, the Company entered into a restricted stock agreement with Ildiko Rozsa, who is to serve as the Chief Financial Officer of the Company. As part of the agreement Ms. Rozsa was granted 250,000 shares of the Company's restricted common stock of which 100,000 shares are vested upon grant and 30,000 shares will vest quarterly, at the end of each quarter, so long as Ms. Rozsa is employed by the Company.

On October 1, 2007, the Company entered into a restricted stock agreement with Szilvia Toth, the Chief Accounting Officer of the Company. As part of the agreement Ms. Toth was granted 100,000 shares of restricted common stock of which 50,000 shares are vested upon grant and 10,000 shares will vest quarterly, at the end of each quarter, so long as Ms. Toth is employed by the Company.

On October 24, 2007, the Company entered into a restricted stock agreement with Mihaly Zala, the Chief Technology Officer of the Company. As part of the agreement Mr. Zala was granted 150,000 shares of restricted common stock, which will vest on equal installments of 30,000 shares quarterly, at the end of each quarter, so long as Mr. Zala is employed by the Company.

On October 24, 2007, the Company entered into a restricted stock agreement with Imre Eotvos, the Technology Assistant of the Company. As part of the agreement Mr. Eotvos was granted 25,000 shares of restricted common stock, which will vest on equal installments of 5,000 shares quarterly, at the end of each quarter, so long as Mr. Eotvos is employed by the Company.

On October 1, 2007, the Company entered into a restricted stock agreement with Sandorne Juhasz, who provides payroll accounting services to the Company on a subcontracting basis. As part of the agreement Ms. Juhasz was granted 11,000 shares of restricted common stock, of which 8,000 is will vest upon grant and 750 shares will vest quarterly, at the end of each quarter, so long as Ms. Juhasz is employed by the Company.

On October 24, 2007, the Company entered into a restricted stock agreement with Daniel Kun, Jr., who is to serve as Secretary and Vice President of the company on a going forward basis. Previously Mr. Kun served as Secretary, Treasurer and Chief Financial Officer. As part of the agreement Mr. Kun was granted 250,000 shares of restricted common stock, which will vest on equal installments of 50,000 shares quarterly, at the end of each quarter, so long as Mr. Kun is employed by the Company.

As consideration for the above services, the Company issued an aggregate of 1,036,000 shares of the Company's common stock. These share issuances were recorded at \$2.5 per share in the total amount of \$2,590,000 in accordance with measurement date principles prescribed under EITF 96-18. The Company is amortizing the fair value of the shares over the term of the agreement to stock-based compensation expense, which amounted to \$1,318,125 for the

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**NOTE 9 - STOCKHOLDERS' EQUITY (Continued)**

period ended September 30, 2008 and \$2,152,500 for the period from April 26, 2006 (date of inception) to September 30, 2008, in accordance with EITF 96-18.

In June 2007, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 2,250,000 shares of its common stocks at \$0.34 per share for a total subscription receivable of \$765,000. The Company also entered into a Registration Rights Agreement, pursuant to which it agreed that as soon as practicable from the Offering Termination Date, as defined in the Registration Rights Agreement, it would file a registration statement with the SEC covering the resale of the shares of the Company's common stock that are issuable pursuant to this private placement. There are no stipulated damages outlined in the Registration Rights Agreement for failure to file within the agreed upon time frame. Under such agreement, the holder is entitled to exercise all rights granted by law, including recovery of damages under this agreement. In June 2007, the Company entered into five consulting agreements with five consultants for 12 to 24 month periods. According to the agreements the consultants will provide general business consulting services. As consideration for such services, the Company issued an aggregate of 1,375,000 shares of the Company's common stock. These share issuances were recorded at \$0.34 per share in the total amount of \$467,501 in accordance with measurement date principles prescribed under EITF 96-18. The Company is amortizing the fair value of the shares over the term of the agreement to stock-based compensation expense, which amounted to \$165,609 for the year ended September 30, 2008, respectively and \$456,167 for the period from April 26, 2006 (date of inception) to September 30, 2008, in accordance with EITF 96-18.

On April 10, 2007, PDV entered into a reverse merger transaction with Vidatech. In connection with the merger 2,500,000 shares of PDV common stock remained outstanding and PDV issued 33,300,000 shares of its common stock for all the outstanding common stock of Vidatech. As a result of this transaction, the former stockholders of Vidatech became the controlling stockholders of PDV. Accordingly, the reverse merger has been accounted for as a recapitalization of Vidatech.

In April 2007, the Company entered into an agreement with two professionals for legal services. According to the agreement the professionals provided legal services to the Company in 2007. In connection with these services, the Company issued to them 500,000 shares of the Company's common stock. These share issuances were recorded at \$0.34 per share in the total amount of \$170,000 and the related expense was recorded under general administration.

In connection with the ITA (See Note 5), the Company issued 100,000 shares of the Company's common stock to the Inventors. These shares issuance were recorded at fair value of \$0.34 per share in the total amount of \$34,000. The cost of the related invention was recorded as research and development expense.

In May, 2006, the Company entered into a short term loan agreement with its Chief Executive Officer, Viktor Rozsnyay, for approximately \$96,100 with a maturity of April 30, 2007. On December 28, 2006 Mr. Rozsnyay elected to convert the loan into equity, which is recorded as additional paid in capital.

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**NOTE 9 - STOCKHOLDERS' EQUITY (Continued)**

In March, 2007, the Company entered into a short term loan agreement with its Chief Financial Officer, Daniel Kun Jr., for approximately \$53,735 with a maturity of March 31, 2007. On March 31, 2007 Mr. Kun elected to convert the loan into equity, which is recorded as additional paid in capital.

**NOTE 10 - GENERAL AND ADMINISTRATION**

General and administration expenses consisted of the followings for the nine month period at September 30, 2008:

	<b>September 30, 2008</b>
Stock based compensation	\$1,318,125
Stock based Consultant services	165,609
Marketing expenses	718,905
Other	228,284
<b>Total</b>	<b>\$2,430,923</b>

**NOTE 11 - SUBSEQUENT EVENTS**

On October 8, 2008, Power of the Dream Ventures, Inc. (the "Company") entered into a Standby Equity Distribution Agreement (the "Standby Equity Distribution Agreement") with YA Global Investments, L.P. (the "Investor"). Pursuant to the terms of the Standby Equity Distribution Agreement, the Company (a) agreed to issue and sell to the Investor up to \$5,000,000 of shares of the Company's common stock, par value \$0.0001 per share (the "Common Stock") in tranches of equity, based upon a specified discount to the market price of the Common Stock, calculated over the five trading days following notice by the Company of an election to sell shares; and (b) issued to the Investor a warrant (the "Warrant") to purchase 4,027,386 shares of Common Stock at the exercise price per share of \$0.29.

In connection with the Standby Equity Distribution Agreement, the Company entered into a Registration Rights Agreement with the Investor (the "Registration Rights Agreement") pursuant to which the Company agreed to register for resale the shares of Common Stock that may be purchased by the Investor pursuant to the Standby Equity Distribution Agreement, the shares of Common Stock issuable upon exercise of the Warrant and 2,000,000 shares of Common Stock (the "Commitment Shares") issued to the Investor as a commitment fee pursuant to the terms of the Standby Equity Distribution Agreement.

Financing from this transaction will be used by the Company for the continued development of its current technologies, commercialization of same, the acquisition of new technologies and for general corporate expenses.

The Company filed the details of this transaction on Form 8-K with the Commission on October 14, 2008.

## **ITEM 2 – PLAN OF OPERATION**

### ***Overview***

We were incorporated in Delaware on August 17, 2006, under the name Tia V, Inc. Since inception, and prior to our acquisition of Vidatech on April 10, 2007, we were engaged solely in organizational efforts and obtaining initial financing. Our sole business purpose was to identify, evaluate and complete a business combination with an operating company.

On April 10, 2007, we completed our acquisition of Vidatech, Kft (also know as Vidatech Technological Research and Development LLC) a limited liability company formed under the laws of the Republic of Hungary. Vidatech is a company formed for the purpose of investing in, acquiring, developing, licensing, and commercializing technologies developed in Hungary. In furtherance of its business, Vidatech provides research and development services to the companies from which it acquires technologies or participation interests in such technologies. Prior to December 31, 2007, Vidatech was primarily focused on organizational and capital raising activities. Through March 31, 2008, we have had only limited operations and acquired rights to eleven technologies, TothTelescope, RiverPower, revolutionary desalination technology based on cavitation, H2OGas for the mixing of water and gasoline for use in internal combustion engines, and the Kalmar inventions (FireSAFE, technology for utilizing communal waste as a concrete additive, technology for repairing potholes with the use of recycled plastics, PVC shielded electric cable recycling technology, a biodegradable deicing liquid, and technology for the neutralization of red-mud, a toxic byproduct of the aluminum/bauxite industry) and an equity interest in 'in4 Kft', a company formed to develop next generation semantic search and content organizer technology. All of these technologies are still in the development stage (see Note 6). As of September 30, 2008, the Company has only realized limited revenues from the TothTelescope project and has not realized any revenues from the other inventions.

We now operate in Hungary through our wholly owned subsidiary, Vidatech Kft., a Hungarian company. Our office in Hungary is located at 1095 Budapest, Soroksari ut 94-96, Hungary.

### ***Description of our Business and Properties***

Through Vidatech, we aim to provide pro-active support for idea, research, start-up and expansion-stage technology companies having rights to technologies or intellectual properties which we believe to be potentially commercially viable, by offering a range of services designed to encourage and protect the continuing development and eventual commercialization of those technologies.

Our focus will be on technologies and technology companies based in the Republic of Hungary. We believe that the availability of technologies for purchase or license, coupled with the lack of sufficient investment capital for such technologies in Hungary, present us with an opportunity to acquire technologies on terms and conditions that we deem advantageous.

Our strategy is to acquire majority interests in technologies through, among other things, direct investment in start-up and expansion stage technologies and technology companies; cooperative research and development agreements with such companies; direct licensing agreements; joint venture arrangements; or, direct acquisition of technologies and intellectual properties.

## **ITEM 2 – PLAN OF OPERATION (Continued)**

We also intend to provide services to assist in:

- The design of, research of, building of and testing of prototypes;
- facilitation of preparation of filing and prosecution of patent applications with Hungarian patent attorneys;
- business structuring;
- financing of research and development activities;
- the exposure of the technology to international markets; and
- the commercialization and/or sale of the subject technology.

We expect to obtain a majority participation interest in any given transaction involving idea, research, seed, start-up, early stage, technologies.

### ***Capital Resources and Liquidity***

In June 2007, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 2,250,000 shares of its common stock at \$0.34 for an aggregate proceeds of \$765,000.

Subsequently, on October 12, 2007, we completed a second private placement under Regulation S of the Securities Act of 1933, as amended, pursuant to which the Company sold 104,000 shares of its common stock at \$2.50 per share for aggregate proceeds of \$260,000.

In January 2008, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 32,500 shares of its common stock at \$3.25 per share for aggregate proceeds of \$105,625.

On September 30, 2008, the Company had a deficit in working capital of \$574,624.

### **FireSAFE technology**

On August 20, the Company licensed its FireSAFE technology to a group of Hungarian investors for a license acquisition fee of HUF 20,000,000 (approximately \$120,000). A new company called FireLESS Ltd. was established and given commercialization license. The Company received 30% equity in FireLESS Ltd.

The new company will focus on acquiring the appropriate licenses and certificates to internationally market FireSAFE and will work with local and international fire agencies to test and establish usability baselines for FireSAFE. It is anticipated that the FireLESS Ltd. will start the international roll-out of FireSAFE in the first half of 2009.

To further these goals on October 20, 2008 The Company filed a PCT patent application to protect FireSAFE internationally.



## **ITEM 2 – PLAN OF OPERATION (Continued)**

FireSAFE is an environmentally friendly, biodegradable liquid designed to prevent, and if necessary extinguish natural fires that are exceedingly hard, or impossible to contain with water or other fire-fighting solutions. This category includes forest, bush and other natural fires. FireSAFE reaches the heart of the fire, coating all surfaces with a crystalline layer that hardens when exposed to heat. The layer thus formed is capable of withstanding heat as high as 1,100 degrees centigrade, enough to stop the most fearsome forest fires. Following use (containment of the fire) the biodegradable active ingredient will decompose in approximately four months. FireSAFE can also be used as a preventive solution, both in the wild and in treating lumber. During fire season those areas that are the most likely to be burnt can be sprayed with the solution as a preventive measure. Lumber used in construction can also be treated with FireSAFE to increase its fire resistance factor. FireSAFE can be manufactured anywhere on the planet with ease as all its ingredients are widely and cheaply available.

### **Financing from Yorkville SEDA**

On October 8, 2008, Power of the Dream Ventures, Inc. (the “Company”) entered into a Standby Equity Distribution Agreement (the “Standby Equity Distribution Agreement”) with YA Global Investments, L.P. (the “Investor”). Pursuant to the terms of the Standby Equity Distribution Agreement, the Company (a) agreed to issue and sell to the Investor up to \$5,000,000 of shares of the Company’s common stock, par value \$0.0001 per share (the “Common Stock”) in tranches of equity, based upon a specified discount to the market price of the Common Stock, calculated over the five trading days following notice by the Company of an election to sell shares; and (b) issued to the Investor a warrant (the “Warrant”) to purchase 4,027,386 shares of Common Stock at the exercise price per share of \$0.29.

In connection with the Standby Equity Distribution Agreement, the Company entered into a Registration Rights Agreement with the Investor (the “Registration Rights Agreement”) pursuant to which the Company agreed to register for resale the shares of Common Stock that may be purchased by the Investor pursuant to the Standby Equity Distribution Agreement, the shares of Common Stock issuable upon exercise of the Warrant and 2,000,000 shares of Common Stock (the “Commitment Shares”) issued to the Investor as a commitment fee pursuant to the terms of the Standby Equity Distribution Agreement.

Financing from this transaction will be used by the Company for the continued development of its current technologies, commercialization of same, the acquisition of new technologies and for general corporate expenses.

The Company filed the details of this transaction on Form 8-K with the Commission on October 14, 2008.

Other than the recently completed private placement all of our funding to date has been generated from loans from our officers and directors. During the next twelve months we anticipate that we will have sufficient funds to proceed only with basic administrative operations and incremental operations with respect to our TothTelescope, RiverPower, revolutionary desalination technology based on cavitation, H2OGas for the mixing of water and gasoline for use in internal combustion engines, and the Kalmar inventions (FireSAFE, technology for utilizing communal waste as a concrete additive, technology for repairing

## **ITEM 2 – PLAN OF OPERATION (Continued)**

potholes with the use of recycled plastics, PVC shielded electric cable recycling technology, a biodegradable deicing liquid, and technology for the neutralization of red-mud, a toxic byproduct of the aluminum/bauxite industry) and an equity interest in 'in4 Kft', a company formed to develop next generation semantic search and content organizer technology. All of these technologies are still in the development stage (see Note 5). As of September 30, 2008, the Company has only realized limited revenues from the TothTelescope project and has not realized any revenues from the other inventions. In addition we only have limited funds available to continue acquiring and developing the diverse number of technologies available to us, to continue research and development efforts with respect to our current technologies and to fully implement our business plan. If we do not obtain the funds necessary for us to continue our business activities we may need to curtail or cease our operations until such time as we have sufficient funds.

We currently have no other arrangements for such financings and can give you no assurance that such financings will be available to us when required or on terms that we deem acceptable or at all. We believe that should our securities commence trading on the over-the-counter marketplace, our ability to raise funds may be enhanced but this in itself will not guarantee that we will be able to raise the capital required to implement some or all of our business strategy.

### **Going Concern and Management's Plan**

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate the continuation of the Company as a going concern and assume realization of assets and the satisfaction of liabilities in the normal course of business. The Company has incurred losses from operations since inception. Management anticipates incurring additional losses in 2008. Further, the Company may incur additional losses thereafter, depending on its ability to generate revenues from the licensing or sale of its technologies and products, or to enter into any or a sufficient number of joint ventures. The Company has minimal revenue to date. There is no assurance that the Company can successfully commercialize any of its technologies and products and realize any revenues therefrom. The Company's technologies and products have never been utilized on a large-scale commercial basis and there is no assurance that any of its technologies or products will receive market acceptance. There is no assurance that the Company can continue to identify and acquire new technologies.

Since inception through September 30, 2008, the Company had an accumulated deficit of \$5,132,734 and net cash used in operations of \$926,302. However, management of the Company believes that the recent funding from the private placement of the Company's common shares (See Note 9) will allow them to continue operations and execute its business plan.

Management believes the Company can raise adequate capital to keep the Company functioning during 2008. However, no assurance can be given that the Company can obtain additional working capital, or if obtained, that such funding will not cause substantial dilution to shareholders of the Company. If the Company is unable to raise additional funds, it may be forced to change or delay its contemplated marketing and business plan. Being a development stage company, the Company is subject to all the risks inherent in the establishment of a new enterprise and the marketing and manufacturing of a new product, many of which risks are

## **ITEM 2 – PLAN OF OPERATION (Continued)**

beyond the control of the Company. All of the factors discussed above raise substantial doubt about the Company's ability to continue as a going concern.

These unaudited condensed consolidated financial statements do not include any adjustments relating to the recoverability of recorded asset amounts that might be necessary as a result of the above uncertainty.

### **Critical Accounting Estimates and Policies**

This discussion and analysis of our financial condition and results of operations are based upon our condensed consolidated financial statements that have been prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP"). This preparation requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. US GAAP provides the framework from which to make these estimates, assumption and disclosures. We chose accounting policies within US GAAP that management believes are appropriate to accurately and fairly report our operating results and financial position in a consistent manner. Our management regularly assesses these policies in light of current and forecasted economic conditions. Accounting policies that our management believes to be critical to understanding the results of our operations and the effect of the more significant judgments and estimates used in the preparation of the condensed consolidated financial statements are as those described in the Form 8-K of the Company filed on April 16, 2007 for the year ended December 31, 2006 with the SEC and as amended on August 30, 2007 and as follows.

#### Research and Development:

In accordance with Statement of Financial Accounting Standards ("SFAS") No. 2 "Accounting for Research and Development Costs," all research and development ("R&D") costs are expensed when they are incurred, unless they are reimbursed under specific contracts. Assets used in R&D activity, such as machinery, equipment, facilities and patents that have alternative future use either in R&D activities or otherwise are capitalized. In connection with the investment and advances in subsidiary, associate or other entity where repayment from such subsidiary, associate or entity solely on the results of the research and development having future economic benefit, the investment and advance is accounted for as costs incurred by the Company as research and development in accordance with SFAS No. 68 "Research and Development Arrangements".

#### Share-Based Payment:

In accordance with SFAS No. 123R "Share-Based Payment" all forms of share-based payment ("SBP") awards including shares issued under employee stock purchase plans, stock options, restricted stock and stock appreciation rights result in a cost that is measured at fair value on the awards' grant date, based on the estimated number of awards that are expected to vest.

The Company accounts for equity instruments issued to non-employees in accordance with the provisions of Emerging Issues Task Force (EITF) Issue No. 96-18, "Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with

## **ITEM 2 – PLAN OF OPERATION (Continued)**

Selling, Goods or Services,” which requires that such equity instruments are recorded at their fair value on the measurement date. The measurement of stock-based compensation is subject to periodic adjustment as the underlying equity instrument vests. Non-employee stock-based compensation charges are amortized over the vesting period or period of performance of the services.

### **Recent Accounting Pronouncements**

In July 2006, the FASB issued Interpretation (FIN) No. 48, Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109, which clarifies the accounting for uncertainty in income taxes recognized in a company’s financial statements in accordance with SFAS No. 109. FIN No. 48 prescribes a recognition threshold and measurement attribute for financial statement disclosure of tax positions taken or expected to be taken on a tax return. FIN No. 48 is effective for us beginning in January 1, 2007. The adoption of FIN 48 did not have a significant impact on our consolidated financial position, results of operation or cash flows.

In September 2006, the FASB issued SFAS 157, Fair Value Measurement. The new standard applies whenever other standards require or permit assets or liabilities to be measured at fair value. This Statement defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007. We do not believe that the adoption of SFAS 157 will have a material impact on our consolidated financial position, results of operation or cash flows.

In September 2006, the staff of the SEC issued Staff Accounting Bulletin ("SAB") No. 108, which provides interpretive guidance on how the effects of the carryover or reversal of prior year misstatements should be considered in quantifying a current year misstatement. SAB 108 becomes effective in fiscal 2007. Adoption of SAB 108 did not have a material impact on the Company's consolidated financial position, results of operations or cash flows.

In February 2007, the FASB issued SFAS No. 159 "The Fair Value Option for Financial Assets and Financial Liabilities - Including an amendment of FASB Statement No. 115", which permits entities to choose to measure many financial instruments and certain other items at fair value. The fair value option established by this Statement permits all entities to choose to measure eligible items at fair value at specified election dates. A business entity shall report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. Adoption is required for fiscal years beginning after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of SFAS Statement No. 157, Fair Value Measurements. The Company is currently evaluating the expected effect of SFAS 159 on its consolidated financial statements and is currently not yet in a position to determine such effects.

In December 2007, the FASB issued SFAS No. 141(R), “Business Combinations” (“SFAS 141(R)"). SFAS 141(R) replaces SFAS No. 141, “Business Combinations”, but retains the requirement that the purchase method of accounting for acquisitions be used for all business combinations. SFAS 141(R) expands on the disclosures previously required by SFAS 141,

## ITEM 2 – PLAN OF OPERATION (Continued)

better defines the acquirer and the acquisition date in a business combination, and establishes principles for recognizing and measuring the assets acquired (including goodwill), the liabilities assumed and any non-controlling interests in the acquired business. SFAS 141(R) also requires an acquirer to record an adjustment to income tax expense for changes in valuation allowances or uncertain tax positions related to acquired businesses. SFAS 141(R) is effective for all business combinations with an acquisition date in the first annual period following December 15, 2008; early adoption is not permitted. We will adopt this statement as of January 1, 2009. The impact of SFAS 141(R) will have on our consolidated financial statements will depend on the nature and size of acquisitions we complete after we adopt SFAS 141(R).

In December 2007, the FASB issued SFAS No. 160, “Non-controlling Interests in Consolidated Financial Statements—an amendment of ARB No. 51” (SFAS 160). SFAS 160 requires that non-controlling (or minority) interests in subsidiaries be reported in the equity section of the company’s balance sheet, rather than in a mezzanine section of the balance sheet between liabilities and equity. SFAS 160 also changes the manner in which the net income of the subsidiary is reported and disclosed in the controlling company’s income statement. SFAS 160 also establishes guidelines for accounting for changes in ownership percentages and for deconsolidation. SFAS 160 is effective for financial statements for fiscal years beginning on or after December 1, 2008 and interim periods within those years. The adoption of SFAS 160 is not expected to have a material impact on our financial position, results of operations or cash flows.

In March 2008, the FASB issued SFAS No. 161, “Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No. 133” (SFAS 161). SFAS 161 requires enhanced disclosures about an entity’s derivative and hedging activities and thereby improves the transparency of financial reporting. SFAS 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The adoption of SFAS 161 is not expected to have a material impact on our financial position, results of operations or cash flows.

In March 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles*. This statement identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with US GAAP. This statement is effective 60 days following the SEC’s approval of the Public Company Accounting Oversight Board amendments to AU Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*.

### **Results of Operations**

Three Months Period Ended September 30, 2008 compared to Three Months Period Ended September 30, 2007

#### *Revenue*

For the three months ended September 30, 2008 and 2007, we had no revenues.

## **ITEM 2 – PLAN OF OPERATION (Continued)**

### *General, selling and administrative expenses*

For the three months ended September 30, 2008 general, selling and administrative expenses were \$907,016 as compared to \$247,863 for the three months ended September 30, 2007. The increase in general, selling and administrative expenses of \$857,944 are attributable to stock based payments and consulting expenses.

## **INFLATION AND FOREIGN CURRENCY**

We maintain our books in local currency: US Dollars for the parent holding company in the United States of America and Hungarian Forint for Vidatech in Hungary.

Our operations are conducted primary outside of the United States through our wholly owned subsidiary. As a result, fluctuations in currency exchange rates may significantly affect our sales, profitability and financial position when the foreign currencies, primarily the Hungarian Forint, of its international operations are translated into U.S. dollars for financial reporting. In addition, we are also subject to currency fluctuation risk with respect to certain foreign currency denominated receivables and payables. Although we cannot predict the extent to which currency fluctuations may or will affect our business and financial position, there is a risk that such fluctuations will have an adverse impact on our sales, profits and financial position. Because differing portions of our revenues and costs are denominated in foreign currency, movements could impact our margins by, for example, decreasing our foreign revenues when the dollar strengthens and not correspondingly decreasing our expenses. We do not currently hedge our currency exposure. In the future, we may engage in hedging transactions to mitigate foreign exchange risk.

The translation of our subsidiary's Forint denominated balance sheets into U.S. dollars, as of September 30, 2008, has been affected by the weakening of the U.S. dollar against the Hungarian Forint from 172.82 HUF/USD as of December 31, 2007, to 169.88 HUF/USD as of September 30, 2008, an approximate 2% depreciation in value. The average Hungarian Forint/U.S. dollar exchange rates used for the translation of the subsidiaries forint denominated statements of operations into U.S. dollars, for the nine months ended September 30, 2008 and 2007 were 162.45 and 185.96, respectively.

## **ITEM 3 – CONTROLS AND PROCEDURES**

### **CEO and CFO Certifications**

The certifications of the CEO and the CFO required by Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934, as amended (“the Certifications”) are filed as exhibits to this report. This section of the report contains the information concerning the evaluation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) (“Disclosure Controls”) and changes to internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) (“Internal Controls”) referred to in the Certifications and this information should be read in conjunction with the Certifications for a more complete understanding of the topics presented.

### **ITEM 3 – CONTROLS AND PROCEDURES (Continued)**

#### Evaluation of Disclosure Controls

Based on our management's evaluation (with participation of our principal executive officer and principal financial officer), as of the end of the period covered by this report, our principal executive officer and principal financial officer have concluded that a deficiency was identified in its internal controls over financial reporting which constitutes a "material weakness". Accordingly, management has concluded that a deficiency was identified in its internal controls over financial reporting which constitutes a "material weakness". Accordingly, management has concluded that its disclosure controls and procedures are not effective.

The material weakness is a result of certain required accruals for expenses and application of an accounting principle not being accounted and applied correctly. In addition, the review process is not being performed in a timely manner.

#### Changes in Internal Controls

We maintain a system of internal controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization; transactions are recorded as necessary to permit preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) and maintain accountability for assets, except for the material weakness identified related to the accrual of expenses discussed above.

There were no change in our Internal Controls during the quarter ended September 30, 2008 that has materially affected, or is reasonably likely to materially affect, our Internal Controls.

#### Changes in Internal Controls Over Financial Reporting

It is our responsibility to establish and maintain adequate internal control over financial reporting. The material weakness identified, relates to accruals for expenses and application of an accounting principle not being accounted and applied correctly. These control deficiencies in the aggregate resulted in misstatements in the annual or interim consolidated financial statements. Management is in the process of remedying the material weakness described above. Management intends to remedy the situation by adding sufficient accounting personnel experienced in GAAP in the United States.

On October 24, 2007, the Company appointed Ildiko Rozsa to the position of Chief Financial Officer. Prior to joining the Company, between 1995 and 1996 Ms. Rozsa worked as Audit Assistant at Price Waterhouse Budapest Kft. Between 1997 and 2002 she was Finance and Accounting Director at Vivendi Telecom Hungary. From 2002 to 2004 she was Chief Financial Officer of Bacardi-Martini Hungary Kft. In 2004 she founded and became Managing Director of RIBZ Consulting, a company focusing on working with international clients on US GAAP compliance. Mrs. Rozsa graduated from the College of Finance and Accountancy, later obtaining her masters degree at the Budapest University of Economics. She is a tutor at the Budapest Technical and Economics University

On October 24, 2007, the Company appointed Szilvia Toth to the position of Chief Accounting Officer. Prior to joining the Company from 2005 to 2006 Ms. Toth worked

### **ITEM 3 – CONTROLS AND PROCEDURES (Continued)**

at TMF Hungary Kft. an international accounting firm. From 2006 to 2007 she with worked at BDO Forte AccRoll Kft., where her responsibilities included full scale bookkeeping, including preparation of financial statements, reports and tax-returns of Hungarian and foreign companies. Ms. Toth graduated in 2004 from the College of Finance and Accountancy in Budapest as an Economist on Accountancy.

Our management does not expect that our disclosure controls over financial reporting will prevent all errors or all instances of fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake.

Controls also can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures. Because of the inherent limitation of a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

## **PART II – OTHER INFORMATION**

### **ITEM 1 – LEGAL PROCEEDINGS**

We are not a party to any material legal proceedings and there are no material legal proceedings pending with respect to our property.

### **ITEM 2 – UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

By June 15, 2007 we completed a private placement under exemption rule Reg. S, offering a total of 2,250,000 shares of common stock to nineteen individuals, all of whom are natives of Hungary, for \$0.34 cents per share. Proceeds from the offering are to be used to cover general corporate administrative expenses, continued development of our RiverPower and TothTelescope technologies, further technology acquisition and development and legal and compliance related expenses.

In October 2007, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 104,000 shares of its common stock at \$2.50 per share for aggregate proceeds of \$260,000. The Company also entered into a Registration Rights Agreement, pursuant to which it agreed that as soon as practicable from the Offering Termination Date, as defined in the Registration Rights Agreement, it would file a registration statement with the SEC covering the resale of the shares of the Company's common stock that



## **ITEM 2 – UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS (Continued)**

are issuable pursuant to this private placement. There are no stipulated damages outlined in the Registration Rights Agreement for failure to file within the agreed upon time frame. Under such agreement, the holder is entitled to exercise all rights granted by law, including recovery of damages under this agreement.

On October 24, 2007, the Company entered into a restricted stock agreement with Ildiko Rozsa, who is to serve as the Chief Financial Officer of the Company. As part of the agreement Ms. Rozsa was granted 250,000 shares of the Company's restricted common stock of which 100,000 shares are vested upon grant and 30,000 shares will vest quarterly, at the end of each quarter, so long as Ms. Rozsa is employed by the Company.

On October 1, 2007, the Company entered into a restricted stock agreement with Szilvia Toth, the Chief Accounting Officer of the Company. As part of the agreement Ms. Toth was granted 100,000 shares of restricted common stock of which 50,000 shares are vested upon grant and 10,000 shares will vest quarterly, at the end of each quarter, so long as Ms. Toth is employed by the Company.

On October 24, 2007, the Company entered into a restricted stock agreement with Mihaly Zala, the Chief Technology Officer of the Company. As part of the agreement Mr. Zala was granted 150,000 shares of restricted common stock, which will vest on equal installments of 30,000 shares quarterly, at the end of each quarter, so long as Mr. Zala is employed by the Company.

On October 24, 2007, the Company entered into a restricted stock agreement with Imre Eotvos, the Technology Assistant of the Company. As part of the agreement Mr. Eotvos was granted 25,000 shares of restricted common stock, which will vest on equal installments of 5,000 shares quarterly, at the end of each quarter, so long as Mr. Eotvos is employed by the Company.

On October 1, 2007, the Company entered into a restricted stock agreement with Sandorne Juhasz, who provides payroll accounting services to the Company on a subcontracting basis. As part of the agreement Ms. Juhasz was granted 11,000 shares of restricted common stock, of which 8,000 is will vest upon grant and 750 shares will vest quarterly, at the end of each quarter, so long as Ms. Juhasz is employed by the Company.

On October 24, 2007, the Company entered into a restricted stock agreement with Daniel Kun, Jr., who is to serve as Secretary and Vice President of the company on a going forward basis. Previously Mr. Kun served as Secretary, Treasurer and Chief Financial Officer. As part of the agreement Mr. Kun was granted 250,000 shares of restricted common stock, which will vest on equal installments of 50,000 shares quarterly, at the end of each quarter, so long as Mr. Kun is employed by the Company.

On October 24, 2007, the Company entered into a restricted stock agreement with Viktor Rozsnyay, who is serving as President and Chief Executive Officer of the Company. As part of the agreement Mr. Rozsnyay was granted 250,000 shares of restricted common stock, which will vest on equal installments of 50,000 shares quarterly, at the end of each quarter, so long as Mr. Rozsnyay is employed by the Company.

## **ITEM 2 – UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS (Continued)**

In January 2008, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 32,500 shares of its common stock at \$3.25 per share for aggregate proceeds of \$105,625. The Company also entered into a Registration Rights Agreement, pursuant to which it agreed that as soon as practicable from the Offering Termination Date, as defined in the Registration Rights Agreement, it would file a registration statement with the SEC covering the resale of the shares of the Company's common stock that are issuable pursuant to this private placement.

There are no stipulated damages outlined in the Registration Rights Agreement for failure to file within the agreed upon time frame. Under such agreement, the holder is entitled to exercise all rights granted by law, including recovery of damages under this agreement.

On April 18, 2008 the Company entered an agreement with RedChip Companies Inc. and Partner Media4Equity Inc. for investor relationship program for 12 months period. The Company secures and delivers 306,570 restricted common shares with a strike price of \$0.70 for a 12 months period in connection with RedChip investor relationship services. The compensation for Media4Equity services is the delivery of 1,500,000 restricted common shares with a strike price of \$0.75 for the contract period.

On May 17, 2008 the Company entered into an agreement with Wakabayashi Fund LLC in order to arrange financing for working capital as an intermediary. Wakabayashi Fund LLC provides capital funding services including serving as an investment banking liaison and acts as capital consultant for a six month period. The Company issued 111,111 shares of restricted common stock upfront at \$1.35 per share. Additionally, the Company agreed to pay for the capital funding services 7% success fee.

## **ITEM 3 – DEFAULTS UPON SENIOR SECURITIES**

Not applicable.

## **ITEM 4 – SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

Not applicable.

## **ITEM 5 – OTHER INFORMATION**

Not applicable.

## ITEM 6 - EXHIBITS

- 10 Licensing agreement between Vidatech Kft and FireLESS Ltd. for the commercialisation of FireSAFE technology
- 11 Incorporation papers of FireLESS Ltd.
- 12 Standby Equity Distribution Agreement between the Company and YA Global Investments, L.P.
- 13 Registration Rights Agreement between the Company and YA Global Investments, L.P.
- 14 Warrant Agreement between the the Company and YA Global Investments, L.P.
  
- 31.5 Certification of the Company's Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008.
- 31.26 Certification of the Company's and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008.
  
- 32.1 Certification of the Company's Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
  
- 32.2 Certification of the Company's Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused the Report to be signed on its behalf by the undersigned thereunto duly authorized.

Power of the Dream Ventures, Inc.  
(formerly known as “Tia V, Inc.”)

Dated: November 15, 2008

By: /s/ Viktor Rozsnyay

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Viktor Rozsnyay

\_\_\_\_\_

Principal Executive Officer

/s/ Ildiko Rozsa

\_\_\_\_\_

Principal Financial Officer

**Power of the Dream Ventures, Inc.**  
**Form 10Q for the quarter ended September 30, 2008**  
**Index to Exhibits Filed**

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<u>32.2</u>	Certification of the Company's Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

**Exhibit 31.1**

**Certification of Principal Executive Officer**  
**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**  
**and Securities and Exchange Commission Release 34-46427**

I, Viktor Rozsnyay, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Power of the Dream Ventures, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and I have:
  - a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
  - c) disclosed in this report any change in registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on the Company's most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 15, 2008

/s/ Viktor Rozsnyay

Viktor Rozsnyay  
President & Chief Executive Officer

**Exhibit 31.2**

**Certification of Principal Accounting Officer**  
**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**  
**and Securities and Exchange Commission Release 34-46427**

I, Ildiko Rozsa, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Power of the Dream Ventures, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and I have:
  - a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
  - c) disclosed in this report any change in registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on the Company's most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 15, 2008

/s/ Ildiko Rozsa

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Ildiko Rozsa  
Chief Financial Officer

**Exhibit 32.1**

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

In connection with the Quarterly Report of Power of the Dream Ventures, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Viktor Rozsnyay, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

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

/s/ Viktor Rozsnyay

Viktor Rozsnyay

Title: President & Chief Executive Officer

**This certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.**



**Exhibit 32.2**

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

In connection with the Quarterly Report of Power of the Dream Ventures, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ildiko Rozsa, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

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

/s/ Ildiko Rozsa

Ildiko Rozsa

Title: Chief Financial Officer

**This certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.**