Dynastar Holdings, Inc.
Form 10-Q
November 14, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2011

¨ 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 333-144596

DYNASTAR HOLDINGS, INC.
(Exact Name of Registrant as Specified in Its Charter)

Nevada	26-0482524
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

c/o Gottbetter & Partners, LLP, 488 Madison Avenue, 12th Floor New York, NY	10022
(Address of Principal Executive Offices)	(Zip Code)

(212) 400-6900
(Registrant's Telephone Number, Including Area Code)

Medical Design Studios, Inc., 204 Pinehurst Court, Lexington, KY 40505
(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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

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

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

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

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

As of November 4, 2011, 287,503,577 shares of the issuer’s common stock were outstanding.

DYNASTAR HOLDINGS, INC.

FORM 10-Q

September 30, 2011

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The financial statements of Dynastar Holdings, Inc., formerly known as Medical Design Studios, Inc. (the "Company"), required to be filed with this Quarterly Report on Form 10-Q were prepared by management and commence on the following page, together with the related Notes. In the opinion of management, these financial statements fairly present the financial condition of the Company, but should be read in conjunction with the financial statements of the Company for the year ended December 31, 2010, previously filed on Form 10-K with the Securities and Exchange Commission .

Dynastar Holdings, Inc.

(Formerly Medical Design Studios, Inc.)

September 30, 2011 and 2010

Index to Financial Statements

DYNASTAR HOLDINGS, INC.
(Formerly Medical Design Studios, Inc.)
BALANCE SHEETS

	September 30, 2011 (Unaudited)	December 31, 2010
ASSETS		
CURRENT ASSETS:		
Cash	$ 4,092	$ 3,699
Prepaid accounting fees	1,055	-
Total Current Assets	5,147	3,699
Total Assets	$ 5,147	$ 3,699
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accrued expense	$ -	$ -
Total Current Liabilities	-	-
STOCKHOLDERS' EQUITY:		
Preferred stock at $0.001 par value: 10,000,000 shares authorized; none issued or outstanding	-	-
Common stock at $0.001 par value: 300,000,000 shares authorized; 287,503,577 shares issued and outstanding	287,504	287,504
Additional paid-in capital	(105,549)	(145,549)
Accumulated deficit	(176,808)	(138,256)
Total Stockholders' Equity	5,147	3,699
Total Liabilities and Stockholders' Equity	$ 5,147	$ 3,699

See accompanying notes to the consolidated financial statements.

DYNASTAR HOLDINGS, INC.
(Formerly Medical Design Studios, Inc.)
STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended September 30, 2011 (Unaudited)	For the Three Months Ended September 30, 2010 (Unaudited)	For the Nine Months Ended September 30, 2011 (Unaudited)	For the Nine Months Ended September 30, 2010 (Unaudited)
Operating expenses				
General and administrative expenses	$ 820	$ 3,176	$ 4,565	$ 4,015
Professional fees	9,312	9,160	33,987	14,378
Total operating expenses	10,132	12,336	38,552	18,393
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(10,132)	(12,336)	(38,552)	(18,393)
INCOME TAX PROVISION	-	-	-	-
LOSS FROM CONTINUING OPERATIONS	(10,132)	(12,336)	(38,552)	(18,393)
DISCONTINUED OPERATIONS				
Income from operations of discontinued operations, net of taxes	-	-	-	5,961
Net loss on disposal	-	(28,154)	-	(28,154)
Loss from discontinued operations, net of taxes	-	(28,154)	-	(22,193)
NET LOSS	$ (10,132)	$ (40,490)	$ (38,552)	$ (40,586)
NET LOSS PER COMMON SHARE - BASIC AND DILUTED:				
Continuing operations	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Discontinued operations	-	(0.00)	-	(0.00)
Total net loss per common share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted common shares outstanding - basic and diluted	287,503,577	287,503,577	287,503,577	287,503,577

See accompanying notes to the consolidated financial statements.

DYNASTAR HOLDINGS, INC.
(Formerly Medical Design Studios, Inc.)
STATEMENTS OF CASH FLOW
(UNAUDITED)

	For the Nine Months Ended September 30, 2011 (Unaudited)	For the Nine Months Ended September 30, 2010 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (38,552)	$ (40,586)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation	-	3,414
Loss from disposal of discontinued operations, net of taxes	-	28,154
Changes in operating assets and liabilities:		
Accounts receivable	-	(13,120)
Prepaid accounting fees	(1,055)	-
Accrued expenses	-	(12,659)
NET CASH USED IN OPERATING ACTIVITIES	(39,607)	(34,797)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid in disposal of discontinued operations	-	(100)
NET CASH USED IN INVESTING ACTIVITIES	-	(100)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contribution to capital	40,000	42,500
NET CASH PROVIDED BY FINANCING ACTIVITIES	40,000	42,500
NET CHANGE IN CASH	393	7,603
Cash at beginning of period	3,699	100
Cash at end of period	$ 4,092	$ 7,703
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Interest paid	$ -	$ -
Income tax paid	$ -	$ -

See accompanying notes to the consolidated financial statements.

DYNASTAR HOLDINGS, INC.
(Formerly Medical Design Studios, Inc.)
September 30, 2011 and 2010
Notes to Financial Statements
(Unaudited)

NOTE 1 – ORGANIZATION AND OPERATIONS

Dynastar Holdings, Inc. (formerly Medical Design Studios, Inc.) (the "Company") was founded as an unincorporated business in January 2004 and became a C corporation in the State of Nevada on February 1, 2005. The Company was a digital medical illustrator and animator providing digital displays and enhancements to companies that assist attorneys to prepare or enhance exhibits for trials involving medical issues. The Company applied Paragraph 505-10-S99-3 of the FASB Accounting Standards Codification, by reclassifying all of the Company's undistributed earnings and losses to additional paid-in capital as of December 31, 2004 as the Company has minimal operations for the month ended January 2005.

Discontinuance of digital medical illustration and animation business

On July 5, 2010, the Company transferred to a newly-formed company controlled by Justin N. Craig, the Company's former President, Chief Executive Officer, Chief Financial Officer and Chairman (the "Buyer"), certain operating assets associated with the operations of the Company's digital medical illustration and animation business, subject to related liabilities (the "Business"). Pursuant to the terms of an Agreement of Transfer with the Buyer (the "Transfer Agreement"), the assumption by the Buyer of all liabilities and debts of the Company which relate to or arise out of the operations of the Business and the indemnification by the Buyer of all losses, liabilities, claims, damages, costs and expenses that may be suffered by the Company at any time which arise out of the operations of the Business. The transfer of the Business pursuant to the Transfer Agreement was approved by the board of directors of the Company and the holder of 94.4% of the Company's outstanding shares of common stock.

The financial statements for the interim period ended September 30, 2010 give effect to the discontinuance of the discontinued operations.

The Company is currently inactive.

Change in control

Pursuant to a Stock Purchase Agreement, dated as of September 27, 2011, between Dynastar Ventures, Inc., a privately owned Delaware corporation ("Dynastar"), and Vision Opportunity Master Fund, Ltd., a Cayman Islands company ("Vision"), on October 6, 2011, Dynastar purchased from Vision for cash consideration of $100,000.00 an aggregate of 6,742,859 shares (the "Shares") of the Company's Common Stock, par value $0.001 per share representing approximately 94.4% of the Company's issued and outstanding Common Stock and 100% of Vision's share holdings in the Company on the date of purchase.

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Amendment to the Certificate of Incorporation

On October 14, 2011, the Company filed a certificate of amendment (the “Certificate”) with the Secretary of State of Nevada (i) changing the name of the Company to Dynastar Holdings, Inc. and (ii) increasing its authorized shares of Common Stock, par value $.001 per share, from 74,000,000 shares to 300,000,000 shares and (iii) increasing its authorized shares of its blank check Preferred Stock, par value $.001 per share, from 1,000,000 shares to 10,000,000 shares.

2011 40.25-for-1 forward stock split

On October 14, 2011, the Board of the Directors of the Company also authorized a 40.25-for-1 (Forty and 25/100 for One) forward stock split in the form of a dividend (the “Stock Split”) on all of the outstanding shares of the Common Stock. All shares and per share amounts in the financial statements have been adjusted to give retroactive effect to the Stock Split.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCONTING POLICIES

Basis of presentation – unaudited interim financial information

The accompanying unaudited interim financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information, and with the rules and regulations of the United States Securities and Exchange Commission (“SEC”) to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The unaudited interim financial statements furnished reflect all adjustments (consisting of normal recurring accruals) which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. Interim results are not necessarily indicative of the results for the full year. These unaudited interim financial statements should be read in conjunction with the financial statements of the Company for the year ended December 31, 2010 and notes thereto contained in the Company’s Annual Report on Form 10-K filed with the SEC on March 31, 2011.

Reclassification

Certain amounts in the prior period financial statements have been reclassified to conform to the current period presentation. These reclassifications had no effect on reported losses.

Use of estimates and assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amount of revenues and expenses during the reporting period.

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The Company's significant estimates and assumptions include the fair value of financial instruments; income tax rate, income tax provision and valuation allowance of deferred tax assets; and assumption that the Company will continue as a going concern. Those significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to those estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Management regularly reviews its estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from these estimates.

Fair value of financial instruments

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3 Pricing inputs that are generally observable inputs and not corroborated by market data.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

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The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The carrying amounts of the Company's financial assets and liabilities, such as cash, prepaid accounting fees and accrued expenses approximate their fair values because of the short maturity of these instruments.

Transactions involving related parties cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free-market dealings may not exist. Representations about transactions with related parties, if made, shall not imply that the related party transactions were consummated on terms equivalent to those that prevail in arm's-length transactions unless such representations can be substantiated.

It is not however, practical to determine the fair value of advances from stockholders due to their related party nature.

Cash equivalents

The Company considers all highly liquid investments with maturities of three months or less at the time of purchase to be cash equivalents.

Related parties

The Company follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions.

Pursuant to Section 850-10-20 the Related parties include a. affiliates of the Company; b. Entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825–10–15, to be accounted for by the equity method by the investing entity; c. trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; d. principal owners of the Company; e. management of the Company; f. other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and g. Other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

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The financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of or combined financial statements is not required in those statements. The disclosures shall include: a. the nature of the relationship(s) involved; b. a description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; c. the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and d. amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

Commitments and contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company’s financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed. Management does not believe, based upon information available at this time, that these matters will have a material adverse effect on the Company’s financial position, results of operations or cash flows. However, there is no assurance that such matters will not materially and adversely affect the Company’s business, financial position, and results of operations or cash flows.

Revenue recognition

The Company follows paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company will recognize revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when it has persuasive evidence of an arrangement that the services have been rendered to the customer, the sales price is fixed or determinable, and collectability is reasonably assured.

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Stock-based compensation for obtaining employee services

The Company accounts for its stock based compensation in which the Company obtains employee services in share-based payment transactions under the recognition and measurement principles of the fair value recognition provisions of section 718-10-30 of the FASB Accounting Standards Codification. Pursuant to paragraph 718-10-30-6 of the FASB Accounting Standards Codification, all transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the performance is complete or the date on which it is probable that performance will occur.

The fair value of each option award is estimated on the date of grant using a Black-Scholes Option-Pricing Model. The ranges of assumptions for inputs are as follows:

- The Company uses historical data to estimate employee termination behavior. The expected life of options granted is derived from paragraph 718-10-S99-1 of the FASB Accounting Standards Codification and represents the period of time the options are expected to be outstanding.

- The expected volatility is based on a combination of the historical volatility of the comparable companies' stock over the contractual life of the options.

- The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods within the contractual life of the option.

- The expected dividend yield is based on the Company's current dividend yield as the best estimate of projected dividend yield for periods within the contractual life of the option.

The Company's policy is to recognize compensation cost for awards with only service conditions and a graded vesting schedule on a straight-line basis over the requisite service period for the entire award.

Equity instruments issued to parties other than employees for acquiring goods or services

The Company accounts for equity instruments issued to parties other than employees for acquiring goods or services under guidance of section 505-50-30 of the FASB Accounting Standards Codification ("Section 505-50-30").

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Pursuant to Section 505-50-30, all transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the performance is complete or the date on which it is probable that performance will occur.

Pursuant to Paragraph 505-50-30-S99-1, if the Company receives a right to receive future services in exchange for unvested, forfeitable equity instruments, those equity instruments are treated as unissued for accounting purposes until the future services are received (that is, the instruments are not considered issued until they vest). Consequently, there would be no recognition at the measurement date and no entry should be recorded.

Income taxes

The Company follows Section 740-10-30 of the FASB Accounting Standards Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. 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. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Statements of Operations in the period that includes the enactment date.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification ("Section 740-10-25"). Section 740-10-25.addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company had no material adjustments to its liabilities for unrecognized income tax benefits according to the provisions of Section 740-10-25.

The estimated future tax effects of temporary differences between the tax basis of assets and liabilities are reported in the accompanying balance sheets, as well as tax credit carry-backs and carry-forwards. The Company periodically reviews the recoverability of deferred tax assets recorded on its balance sheets and provides valuation allowances as management deems necessary.

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Management makes judgments as to the interpretation of the tax laws that might be challenged upon an audit and cause changes to previous estimates of tax liability. In addition, the Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions. In management's opinion, adequate provisions for income taxes have been made for all years. If actual taxable income by tax jurisdiction varies from estimates, additional allowances or reversals of reserves may be necessary.

Limitation on utilization of NOLs due to change in control

Pursuant to the Internal Revenue Code Section 382 ("Section 382"), certain ownership changes may subject the NOL's to annual limitations which could reduce or defer the NOL. Section 382 imposes limitations on a corporation's ability to utilize NOLs if it experiences an "ownership change." In general terms, an ownership change may result from transactions increasing the ownership of certain stockholders in the stock of a corporation by more than 50 percentage points over a three-year period. In the event of an ownership change, utilization of the NOLs would be subject to an annual limitation under Section 382 determined by multiplying the value of its stock at the time of the ownership change by the applicable long-term tax-exempt rate. Any unused annual limitation may be carried over to later years. The imposition of this limitation on its ability to use the NOLs to offset future taxable income could cause the Company to pay U.S. federal income taxes earlier than if such limitation were not in effect and could cause such NOLs to expire unused, reducing or eliminating the benefit of such NOLs.

Net income (loss) per common share

Net income (loss) per common share is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock and potentially outstanding shares of common stock during the period to reflect the potential dilution that could occur from common shares issuable through contingent shares issuance arrangement, stock options or warrants.

There were no potentially dilutive shares outstanding for the interim period ended September 30, 2011 or 2010.

Cash flows reporting

The Company adopted paragraph 230-10-45-24 of the FASB Accounting Standards Codification for cash flows reporting, classifies cash receipts and payments according to whether they stem from operating, investing, or financing activities and provides definitions of each category, and uses the indirect or reconciliation method ("Indirect method") as defined by paragraph 230-10-45-25 of the FASB Accounting Standards Codification to report net cash flow from operating activities by adjusting net income to reconcile it to net cash flow from operating activities by removing the effects of (a) all deferrals of past operating cash receipts and payments and all accruals of expected future operating cash receipts and payments and (b) all items that are included in net income that do not affect operating cash receipts and payments.

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Subsequent events

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company will evaluate subsequent events through the date when the financial statements were issued. Pursuant to ASU 2010-09 of the FASB Accounting Standards Codification, the Company as an SEC filer considers its financial statements issued when they are widely distributed to users, such as through filing them on EDGAR.

Recently issued accounting pronouncements

In May 2011, the FASB issued the FASB Accounting Standards Update No. 2011-04 “Fair Value Measurement” (“ASU 2011-04”). This amendment and guidance are the result of the work by the FASB and the IASB to develop common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with U.S. GAAP and International Financial Reporting Standards (IFRSs).

This update does not modify the requirements for when fair value measurements apply; rather, they generally represent clarifications on how to measure and disclose fair value under ASC 820, Fair Value Measurement, including the following revisions:

- An entity that holds a group of financial assets and financial liabilities whose market risk (that is, interest rate risk, currency risk, or other price risk) and credit risk are managed on the basis of the entity’s net risk exposure may apply an exception to the fair value requirements in ASC 820 if certain criteria are met. The exception allows such financial instruments to be measured on the basis of the reporting entity’s net, rather than gross, exposure to those risks.

- In the absence of a Level 1 input, a reporting entity should apply premiums or discounts when market participants would do so when pricing the asset or liability consistent with the unit of account.

- Additional disclosures about fair value measurements.

The amendments in this Update are to be applied prospectively and are effective for public entity during interim and annual periods beginning after December 15, 2011.

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In June 2011, the FASB issued the FASB Accounting Standards Update No. 2011-05 " Comprehensive Income ("ASU 2011-05"), which was the result of a joint project with the IASB and amends the guidance in ASC 220, Comprehensive Income, by eliminating the option to present components of other comprehensive income (OCI) in the statement of stockholders' equity. Instead, the new guidance now gives entities the option to present all nonowner changes in stockholders' equity either as a single continuous statement of comprehensive income or as two separate but consecutive statements. Regardless of whether an entity chooses to present comprehensive income in a single continuous statement or in two separate but consecutive statements, the amendments require entities to present all reclassification adjustments from OCI to net income on the face of the statement of comprehensive income.

The amendments in this Update should be applied retrospectively and are effective for public entity for fiscal years, and interim periods within those years, beginning after December 15, 2011.

Management does not believe that any recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

NOTE 3 – GOING CONCERN

As reflected in the accompanying financial statements, the Company had an accumulated deficit at September 30, 2011, a net loss and net cash used in operating activities for the interim period then ended, respectively, with no revenues earned since inception. These conditions raise substantial doubt about its ability to continue as a going concern.

The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan and generate sufficient revenues. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. Management believes that the actions presently being taken to further implement its business plan and generate revenues provide the opportunity for the Company to continue as a going concern.

The financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

NOTE 4 – RELATED PARTY TRANSACTIONS

Free office space

The Company has been provided office space by its Chief Executive Officer at no cost. The management determined that such cost is nominal and did not recognize the rent expense in its financial statement.

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NOTE 5 - STOCKHOLDERS' DEFICIT

Shares authorized

Upon formation the total number of shares of all classes of stock which the Company is authorized to issue is Seventy Five Million (75,000,000) shares of which One Million (1,000,000) shares shall be Preferred Stock, par value $.001 per share, and Seventy Four Million (74,000,000) shares shall be Common Stock, par value $.001 per share.

On October 14, 2011, the Company filed a Certificate of Amendment of Certificate of Incorporation, and increased its total number of shares of all classes of stock which the Company is authorized to issue to Three Hundred Ten Million (310,000,000) shares inclusive of Ten Million (10,000,000) shares of Preferred Stock, par value $.001 per share, and Three Hundred Million (300,000,000) shares of Common Stock, par value $.001 per share.

Contribution to capital

For the year ended December 31, 2010, the majority shareholder of the Company contributed $47,500 to the Company for working capital.

For the interim period ended September 30, 2011, the majority shareholder of the Company contributed $40,000 to the Company for working capital.

NOTE 6 – SUBSEQUENT EVENTS

The Company has evaluated all events that occurred after the balance sheet date through the date when the financial statements were issued to determine if they must be reported. The Management of the Company determined that there were certain reportable subsequent events to be disclosed as follows:

Adoption of equity incentive plan

On October 14, 2011, the Board of Directors of the Company adopted and shareholders holding a majority of the outstanding shares of its Common Stock, par value $.001 per share (the "Common Stock"), approved by written consent the 2011 Equity Incentive Plan (the "2011 Plan"). The total number of shares of Common Stock reserved for issuance pursuant to awards granted under its 2011 Plan is 5,000,000, subject to adjustment in the event of a stock split, stock dividend, recapitalization or similar capital change. If an incentive award granted under the 2011 Plan expires, terminates, is unexercised or is forfeited, or if any shares are surrendered to the Company in connection with an incentive award, the shares subject to such award and the surrendered shares will become available for further awards under the 2011 Plan.

DYNASTAR HOLDINGS, INC.
(Formerly Medical Design Studios, Inc.)
September 30, 2011 and 2010
Notes to Financial Statements
(Unaudited)

As of the date hereof, no options or restricted stock awards have been granted under the 2011 Plan.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report contains forward-looking statements. All statements other than statements of historical facts included in this Quarterly Report on Form 10-Q, including without limitation, statements in this Management's Discussion and Analysis of Financial Condition and Results of Operations regarding our financial position, estimated working capital, business strategy, the plans and objectives of our management for future operations and those statements preceded by, followed by or that otherwise include the words "believe," "expects," "anticipates," "intends," "estimates," "projects," "target "plans," "objective," "should," or similar expressions or variations on such expressions are forward-looking statements. We can give no assurances that the assumptions upon which the forward-looking statements are based will prove to be correct. Because forward-looking statements are subject to risks and uncertainties including those related to changes in economic conditions, new business opportunities and general financial and business conditions, actual results may differ materially from those expressed or implied by the forward-looking statements.

Readers are cautioned not to place undue reliance on the forward-looking statements contained herein, which speak only as of the date hereof. We believe the information contained in this Form 10-Q to be accurate as of the date hereof. Changes may occur after that date. We will not update that information except as required by law in the normal course of its public disclosure practices.

Additionally, the following discussion provides information which our management believes to be relevant to an assessment and understanding of our results of operations and financial condition and should be read in conjunction with the financial statements and accompanying notes included in Item 1 of Part I of this Quarterly Report on Form 10-Q and with the Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements and accompanying notes included our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, filed with the Securities and Exchange Commission.

Recent Developments

On August 1, 2011, Dennis Neclerio, resigned as our President. Also on August 1, 2011, our Board of Directors appointed Dennis B. Carter, the then current sole member of our Board of Directors, to be our President.

On October 10, 2011, our Board of Directors appointed Kenneth Speigeland as a director. Also on October 10, 2011, Dennis Carter, resigned as a director and as our President and our Board of Directors appointed Mr. Speigeland as our Interim President and Interim Chief Executive Officer.

On October 14, 2011, we filed a certificate of amendment (the "Certificate") with the Secretary of State of Nevada changing our corporate name to Dynastar Holdings, Inc. and increasing (i) the number of shares of our common stock, par value $.001 per share, from 74,000,000 to 300,000,000 and (ii) the number of shares of our blank check preferred stock, par value $.001 per share, from 1,000,000 to 10,000,000. On that date, our Board of Directors adopted, and shareholders holding a majority of the outstanding shares of our common stock approved, by written consent the name change and capital increase amendments.

Additionally, on October 14, 2011, our Board of Directors adopted and shareholders holding a majority of the outstanding shares of our Common Stock, par value $.001 per share (the "Common Stock"), approved by written consent the 2011 Equity Incentive Plan (the "2011 Plan"). The total number of shares of Common Stock reserved for issuance pursuant to awards granted under our 2011 Plan is 5,000,000, subject to adjustment in the event of a stock split, stock dividend, recapitalization or similar capital change. If an incentive award granted under the 2011 Plan expires, terminates, is unexercised or is forfeited, or if any shares are surrendered to us in connection with an incentive award, the shares subject to such award and the surrendered shares will become available for further awards under the 2011 Plan. As of the date hereof, no options or restricted stock awards have been granted under the 2011 Plan. We have not maintained any other equity compensation plans since our inception.

On October 14, 2011, our Board of Directors also authorized a 40.25 for 1 (Forty and Twenty-Five One Hundredths for One) forward stock split in the form of a dividend (the "Stock Split"). On October 17, 2011, we notified FINRA of our name change and the Stock Split and asked FINRA to approve a new trading symbol reflecting our new name. We are awaiting notification from FINRA as to our new trading symbol and when the Stock Split will be effective on the OTC Bulletin Board for trading purposes.

We are currently engaged in discussions with Dynastar Ventures, Inc., a Delaware corporation ("DVI"), regarding a possible business combination involving the two companies. At this stage, no definitive terms have been agreed to, and neither party is currently bound to proceed with the transaction. There can be no assurance that a definitive agreement will be entered into and a business combination consummated. With the permission of DVI, we changed our name to Dynastar Holdings, Inc., to facilitate these discussions. If the parties determine not to proceed with the business combination, we will change our name back to Medical Design Studios, Inc. or adopt another name.

Operations

We were founded as an unincorporated business in January 2004 and became a "C" corporation in the State of Nevada on February 1, 2005.

Prior to July 2010, we were a digital medical illustrator and animator that provided digital displays and enhancements to companies that assist attorneys to prepare or enhance exhibits for trials involving medical issues. On July 5, 2010, we transferred this business to a company controlled by our former officer and director. We are currently inactive, except for filing required periodic reports with the Securities and Exchange Commission and making other related corporate filings. Our principal business objective for the next 12 months will be to achieve long-term growth potential through a combination with a new business. We will not restrict our potential candidate target companies to any specific business, industry or geographical location and, thus, may acquire any type of business.

As discussed above, we are currently engaged in discussions with DVI regarding a possible business combination involving DVI.

Three Months Ended September 30, 2011 and Three Months Ended September 30, 2010

We have generated no revenues to date.

We incurred general and administrative expenses of $820 and $3,176 and professional fees of 9,312 and $9,160 for the three months ended September 30, 2011 and 2010, respectively. These expenses were incurred in connection with the day to day operation of our business and the preparation and filing of our periodic reports.

Our net loss for the three months ended September 30, 2011 and 2010 was $(10,132) and $(12,336), respectively.

Nine Months Ended September 30, 2011 and Nine Months Ended September 30, 2010

We incurred general and administrative expenses of $4,565 and $4,015 and professional fees of 33,987 and $14,378 for the nine months ended September 30, 2011 and 2010, respectively. These expenses were incurred in connection with the day to day operation of our business and the preparation and filing of our periodic reports.

Our net loss for nine months ended September 30, 2011 and 2010 was $(38,522) and $(18,393), respectively.

Other

As a corporate policy, we will not incur any cash obligations that we cannot satisfy with known resources, of which there are currently none except as described in “Liquidity” below.

Liquidity

Our cash and cash equivalents balance at September 30, 2011 was $4,092.

During the nine months ended September 30, 2011, we prepaid accounting fees of $1,055 and our former majority shareholder, contributed $40,000 to our capital to support our working capital needs.

Based on our available cash on September 30, 2011, we do not have adequate cash on hand to cover our anticipated expenses for the next twelve months.

As a public company, we have incurred and will continue to incur significant expenses for legal, accounting and related services. Since we became a public entity, subject to the reporting requirements of the Securities Exchange Act of 1934, we are incurring ongoing expenses associated with professional fees for accounting, legal and a host of other expenses for annual reports and other filings.

We presently do not have any available credit, bank financing or other external sources of liquidity. We will need to obtain additional capital in order to maintain our public company regulatory requirements and execute our business plan. In order to obtain capital, we may need to sell shares of our common stock or debt securities, or borrow funds from private lenders or banking institutions. We have not made any decisions with respect to any such financing. There can be no assurance that we will be successful in obtaining additional funding in amounts or on terms acceptable to us, if at all. If we are unable to raise additional funding as necessary, we may have to suspend our operations temporarily or cease operations entirely.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements, obligations under any guarantee contracts or contingent obligations. Also, currently we have no other commitments, other than the costs of being a public company, which will increase our operating costs or cash requirements in the future.

Critical Accounting Policies

The preparation of financial statements and related notes requires us to make judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities.

An accounting policy is considered to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the financial statements.

Financial Reporting Release No. 60 requires all companies to include a discussion of critical accounting policies or methods used in the preparation of financial statements. There are no critical policies or decisions that rely on judgments that are based on assumptions about matters that are highly uncertain at the time the estimate is made.

Recently-Issued Accounting Pronouncements

In May 2011, the FASB issued the FASB Accounting Standards Update No. 2011-04 “Fair Value Measurement” (“ASU 2011-04”). This amendment and guidance are the result of the work by the FASB and the IASB to develop common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with U.S. GAAP and International Financial Reporting Standards (IFRSs).

This update does not modify the requirements for when fair value measurements apply; rather, they generally represent clarifications on how to measure and disclose fair value under ASC 820, Fair Value Measurement, including the following revisions:

- An entity that holds a group of financial assets and financial liabilities whose market risk (that is, interest rate risk, currency risk, or other price risk) and credit risk are managed on the basis of the entity's net risk exposure may apply an exception to the fair value requirements in ASC 820 if certain criteria are met. The exception allows such financial instruments to be measured on the basis of the reporting entity's net, rather than gross, exposure to those risks.

- In the absence of a Level 1 input, a reporting entity should apply premiums or discounts when market participants would do so when pricing the asset or liability consistent with the unit of account.

- Additional disclosures about fair value measurements.

The amendments in this Update are to be applied prospectively and are effective for public entity during interim and annual periods beginning after December 15, 2011.

In June 2011, the FASB issued the FASB Accounting Standards Update No. 2011-05 "Comprehensive Income ("ASU 2011-05"), which was the result of a joint project with the IASB and amends the guidance in ASC 220, Comprehensive Income, by eliminating the option to present components of other comprehensive income (OCI) in the statement of stockholders' equity. Instead, the new guidance now gives entities the option to present all nonowner changes in stockholders' equity either as a single continuous statement of comprehensive income or as two separate but consecutive statements. Regardless of whether an entity chooses to present comprehensive income in a single continuous statement or in two separate but consecutive statements, the amendments require entities to present all reclassification adjustments from OCI to net income on the face of the statement of comprehensive income.

The amendments in this Update should be applied retrospectively and are effective for public entity for fiscal years, and interim periods within those years, beginning after December 15, 2011.

Management does not believe that any recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures.

An evaluation was carried out under the supervision and with the participation of our management, including our President (acting in his capacity as the principal executive officer and principal financial and accounting officer), of the effectiveness of our disclosure controls and procedures as of September 30, 2011. Based on that evaluation, our President has concluded that our disclosure controls and procedures are effective to provide reasonable assurance that: (i) information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934 is accumulated and communicated to our management, including our President, as appropriate to allow timely decisions regarding required disclosure by us; and (ii) information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

(b) Changes in Internal Controls.

During the quarter ended September 30, 2011, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 1A. RISK FACTORS

Not required

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. RESERVED

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

Exhibit Number	Description
31.1/31.2	Section 302 Certification of Interim Chief Executive and Chief Financial Officer.
32.1/32.2*	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – Interim Chief Executive and Chief Financial Officer.
101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase
101.LAB**	XBRL Taxonomy Extension Label Linkbase
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase
101.DEF**	XBRL Taxonomy Extension Definition Document

*This certification is being furnished and shall not be deemed “filed” with the SEC for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Registrant specifically incorporates it by reference.

** Furnished Herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 14, 2011	Dynastar Holdings, Inc.	
	By:	/s/ Kenneth Spiegeland Kenneth Spiegeland Interim President and Director (principal executive officer and principal financial and accounting officer)