

OTC Pink® Basic Disclosure Guidelines

Federal securities laws, such as Rules 10b-5 and 15c2-11 of the Securities Exchange Act of 1934 ("Exchange Act") as well as Rule 144 of the Securities Act of 1933 ("Securities Act"), and state Blue Sky laws, require issuers to provide *adequate current information* to the public markets. With a view to encouraging compliance with these laws, OTC Markets Group has created these OTC Pink Basic Disclosure Guidelines. We use the basic disclosure information provided by OTC Pink companies under these guidelines to designate the appropriate tier in the OTC Pink marketplace: Current, Limited or No Information. OTC Markets Group may require companies with securities designated as Caveat Emptor to make additional disclosures in order to qualify for OTC Pink Current Information tier.

Qualifications for the OTC Pink - Current Information Tier

Companies that make the information described below publicly available on a timely basis (90 days after fiscal year end for Annual Reports; 45 days after each fiscal quarter end for Quarterly Reports) qualify for the Current Information Tier.

Initial Qualification:

1. Subscribe to the [OTC Disclosure & News Service](#) on www.OTCIQ.com to publish your financial reports and material news.
2. Create the following documents, save them in PDF format and upload them via www.OTCIQ.com:
 - Annual Financial statements (Document must Include: Balance Sheet, Income Statement, Statement of Cash Flows, Notes to Financial Statements) for the previous two fiscal years. If these reports are audited, please attach the audit letter from the [PCAOB](#) registered audit firm. Each year's Annual Financial statements should be posted separately under the report type "Annual Report" in OTCIQ.
 - Any subsequent Quarterly Reports since the most recent Annual Report.
 - The most recent fiscal period end report should also include information in accordance with these OTC Pink Basic Disclosure Guidelines; use the fillable form beginning on page 3.
 - Financial reports must be prepared according to U.S. GAAP, but are not required to be audited to qualify for OTC Pink Current Information tier.
3. If financial reports are not audited by a [PCAOB](#) registered audit firm:
 - Submit a signed Attorney Letter Agreement (first two pages of the [Attorney Letter Guidelines](#)).
 - After following the appropriate procedures with a qualified attorney, upload an Attorney Letter complying with [Attorney Letter Guidelines](#) through your otcq.com account.

Ongoing Qualification:

1. **For each Fiscal Quarter End**, upload a Quarterly Report via www.OTCIQ.com within **45 days** of the quarter end. (A separate quarterly report is not required for the 4th quarter.) The Quarterly Report should include:
 - Information in accordance with these OTC Pink Basic Disclosure Guidelines -- use the fillable form beginning on page 3.
 - Quarterly financial statements (Balance Sheet, Income Statement, Statement of Cash Flows, Notes to Financial Statements). Financial reports must be prepared according to U.S. GAAP, but are not required to be audited.
 - No Audit Letter or Attorney Letter is required.
2. **For each Fiscal Year End**, upload an Annual Report within **90 days** of the fiscal year end. The Annual Report should include:
 - Information in accordance with these OTC Pink Basic Disclosure Guidelines -- use the fillable form beginning on page 3.
 - Annual financial statements (Balance Sheet, Income Statement, Statement of Cash Flows, Notes to Financial Statements, and Audit Letter, if the financial statements are audited). Financial reports must be prepared according to U.S. GAAP, but are not required to be audited.
3. If financial reports are not audited by a PCAOB registered audit firm, upload an Attorney Letter via www.OTCIQ.com complying with the [Attorney Letter Guidelines](#) within **120 days** of the fiscal year end.

Qualifications for the OTC Pink - Limited Information Tier

Companies that make the information described below publicly available within the prior 6 months qualify for the Limited Information Tier.

1. Subscribe to the [OTC Disclosure & News Service](http://www.OTCIQ.com) on www.OTCIQ.com to publish your financial reports and material news.
2. Create a Quarterly Report or Annual Report for a fiscal period ended within the previous 6 months, save it in PDF format and upload it via www.OTCIQ.com. The Quarterly Report or Annual Report includes:
 - Balance Sheet, Income Statement, and Total Number of Issued and Outstanding Shares. Financial statements must be prepared in accordance with US GAAP, but are not required to be audited. (Please note that Cash Flow Statements are not required to qualify for the Limited Information tier; however, unless the financial statements include a Cash Flow Statement, no financial data will be included in the OTC Financials Data Service, which distributes company financial data to online investor portals and makes the data available on your company's Financials tab on www.otcm Markets.com)
 - A company in the Limited Information tier, may, but is not required to, include information in accordance with these OTC Pink Basic Disclosure Guidelines using the fillable form beginning on page 3.

Current Reporting of Material Corporate Events

OTC Markets Group encourages companies to make public disclosure available regarding corporate events that may be material to the issuer and its securities. Persons with knowledge of such events would be considered to be in possession of material nonpublic information and may not buy or sell the issuer's securities until or unless such information is made public. If not included in the issuer's previous public disclosure documents or if any of the following events occur after the publication of such disclosure documents, the issuer shall publicly disclose such events by disseminating a news release within 4 business days following their occurrence, and posting such news release through the OTC Disclosure & News Service.

Material corporate events include:

- Entry or Termination of a Material Definitive Agreement
- Completion of Acquisition or Disposition of Assets, Including but not Limited to mergers
- Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of an Issuer
- Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement
- Costs Associated with Exit or Disposal Activities
- Material Impairments
- Sales of Equity Securities
- Material Modification to Rights of Security Holders
- Changes in Issuer's Certifying Accountant
- Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review
- Changes in Control of Issuer
- Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers
- Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year
- Amendments to the Issuer's Code of Ethics, or Waiver of a Provision of the Code of Ethics
- Other events the issuer considers to be of importance

OTC Pink Basic Disclosure Guidelines

1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

The companies name is Digital Utilities Ventures, Inc. as of March 26,2009 the issuers predecessor names are Geon (June 28, 1984), Broken Arrow Petroleum Co. (June 13, 1991) and 3eee, Inc. (May 31, 2000)

2) Address of the issuer's principal executive offices

Company Headquarters

Address 1: 1919 Northwest 19th St. Ft. Lauderdale, FL. 33311

Address 2: _____

Address 3: _____

Phone: 877-254-4195

Email: _____

Website(s): _____

IR Contact

Address 1: N/A

Address 2: _____

Address 3: _____

Phone: _____

Email: _____

Website(s): _____

3) Security Information

Trading Symbol: DUTV

Exact title and class of securities outstanding: The company has two classes of authorized capital stock consisting of 5,000,000,000 shares of common stock and 30,000,000 shares of preferred stock.

CUSIP: 25400G107

Par or Stated Value: Common stock \$0.001 par value; Preferred stock \$0.001 par value

Total shares authorized: Common stock: 5,000,000,000/ Preferred stock: 30,000,000

as of: 2/28/2013

Total shares outstanding: Common stock: 3,409,654,798/ Preferred stock: 20,418,649

as of: 2/28/2013

Transfer Agent

Name: Pacific Stock Transfer Co.

Address 1: 4045 S. Spencer St., Suite 403 Las Vegas, NV 89119

Address 2: _____

Address 3: _____

Phone: (702) 361-3033

Is the Transfer Agent registered under the Exchange Act?*

Yes: ☒

No: ☐

*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security:

N/A

Describe any trading suspension orders issued by the SEC in the past 12 months.

N/A

4) Issuance History

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

N/A

B. Any jurisdictions where the offering was registered or qualified;

N/A

C. The number of shares offered;

N/A

D. The number of shares sold;

1) 2,000,000,000

2) 302,000,000

3) 8,478,490

4) 456,000,000

5) 173,603,584

6) 300,000,000

7) 167,074,500 TO BE ISSUED

E. The price at which the shares were offered, and the amount actually paid to the issuer;

1) \$6,000,000.00

2) \$51,500.00

3) Dividend

4) \$31,000.00

5) Preferred converted to Common

6) \$30,000.00

7) \$222,951 Subscribed

F. The trading status of the shares; and

1) Restricted

2) Free Trading

3) Restricted

4) Free Trading

5) Free Trading

6) Free Trading

7) Restricted

- G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

June 1, 2010 starting date: During the year end May 31, 2011, shares valued at \$6,000,000.00 were issued to Garry McHenry for services rendered under section 4(2) of the Securities Act, shares valued at \$51,500.00 were issued to Joseph C. Passalacqua under section 4(2) of the Securities Act, a common stock dividend to the shareholders of record as of August 3, 2010 under section 4(2) of the Securities Act. June 1, 2011 - May 31, 2012 shares valued at \$13,400.00 were issued to Enna Sheveleva under section 4(2) of the Securities Act, shares valued at \$11,200.00 were issued to Aquamarine Holdings, LLC. (owner being Carmen Carbona) under section 4(2) of the Securities Act and shares valued at \$6,400.00 were issued to Joseph C. Passalacqua under section 4(2) of the Securities Act, these three amounts are a break down of \$31,000.00. A preferred shares conversion into Common stock Belmont Partners, LLC. beneficial owner Joseph Muese under section 4(2) of the Securities Act. June 1, 2012-November 30, 2012 shares valued at \$30,000.00 were issued to Joseph C. Passalacqua under section 4(2) of the Securities Act. 167,074,500 shares TO BE ISSUED to the shareholders of Torq Communications, LLC. pursuant to the merger under Section 4(2) of the Securities Act.

With respect to private offerings of securities, the list shall also indicate the identity of the persons who purchased securities in such private offering; *provided, however*, that in the event that any such person is an entity, the list shall also indicate (a) the identity of each natural person beneficially owning, directly or indirectly, more than ten percent (10%) of any class of equity securities of such entity and (b) to the extent not otherwise disclosed, the identity of each natural person who controlled or directed, directly or indirectly, the purchase of such securities for such entity.

5) Financial Statements

Provide the financial statements described below for the most recent fiscal year end or quarter end to maintain qualification for the OTC Pink Current Information tier. For the initial disclosure statement (qualifying for Current Information for the first time) please provide reports for the two previous fiscal years and any interim periods.

- A. Balance sheet;
- B. Statement of income;
- C. Statement of cash flows;
- D. Financial notes; and
- E. Audit letter, if audited

The financial statements requested pursuant to this item shall be prepared in accordance with US GAAP by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial reports separately as described in part (ii) above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference.

Information contained in a Financial Report is considered current until the due date for the subsequent Financial Report.

To remain in the OTC Pink Current Information tier, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of its fiscal quarter-end date.

6) Describe the Issuer's Business, Products and Services

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

A. a description of the issuer's business operations;

DUTV is focused on helping people and Broadcasting throughout the world realize their full potential. We create technology that transforms the way people watch TV, play and communicate across a wide rang of Digital devices. We will generate revenue by developing, licensing, and supporting a wide range of software products and services, by designing and selling hardware and by delivering relevant online advertising into a global customer audience.

B. Date and State (or Jurisdiction) of Incorporation:

Digital Utilities Ventures, Inc. is a Delaware Corporation and was incorporated on June 13, 1991.

C. the issuer's primary and secondary SIC Codes;

SIC Codes: 3663, 4841

D. the issuer's fiscal year end date;

The Fiscal Year end is May 31

E. principal products or services, and their markets;

Through its subsidiary, Digital Utilities, Inc., Digital Utilities Ventures, Inc. has designed an effiecient real time video transport system for the internet because of the strict bandwidth, loss and time constraints and the lack ofquality of service (Qos) guarantees from the present IP networks. The company present an end-to-end system architecture based on the mpeg-4 delivery multimedia integration framework (dmif) for transporting real-time live video over the internet. The key features of the system include: (1) mpeg-4 dmif based terminal architecture; (2) Combination of an end-to-end feedback control mechanism and a rate-adaptive encoding algorithm for the best use of the internet; (3) a robust and efficient packetization scheme for the mpeg-4 bit stream by using the resynchronization marker approach specified in the mpeg-4 standar; and (4) efficient error control algorithms adopted at the end systems for visual quality enhancement. The company has demonstrated our method in many parts of the world and results using the actual internet showed that our system is capable of utilizing the available network resource and achieve good perceptual quality at the application level. Over the last 3 years, the company has expanded its product offering to the television, mobile phone, and the computer. The company continues to be focused on new markets and new product offerings.

7) Describe the Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The property is a shared tenant service facility, the building is 850 sq ft. with two offices and a conference room. The address is: 1919 NorthWest 19th St.
Ft. Lauderdale, FL. 33311

8) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

- A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

Garry McHenry is the sole Officer, Director, CEO, CFO and President

- B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

Garry McHenry has not had a conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding.

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

Garry McHenry has not had an entry of order, judgement, or decree, not subsequently reversed, suspended or vacated by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such persons involvement in any type of business, securities, commodities, or banking activities.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

Garry McHenry has not been found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the commodity futures trading commission, or a state securities regulator of a violation of Federal or State securities or commodities law, which finding or judgment has not been reversed, suspended or vacated.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

Garry McHenry has not been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such persons involvement in any type of business or securities activitie

- C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Garry McHenry 6716 NorthWest 19th Terrace Coral Springs, FL. 33067

Common shares: 2,117,537,000/ Class A Convertible Preferred shares: 16,000,000

9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel

Name: Ken Bart

Firm: Bart & Associates LLC.

Address 1: 1357 S. Quintero Way Aurora, CO. 80017

Address 2: _____

Phone: (720) 226-7511 Fax: (303) 745-1880

Email: kbart@kennethbartesq.com

Accountant or Auditor

Name: Christian Cornell

Firm: Accurum Group PLLC.

Address 1: P.O. Box 711 426 Salt Lake City, UT. 84171

Address 2: _____

Phone: (801) 573-4719 / (801) 608-8744

Email: christian@accountinggroup.com

Investor Relations Consultant

Name: N/A

Firm: _____

Address 1: _____

Address 2: _____

Phone: _____

Email: _____

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

Name: Ken Bart

Firm: Bart & Associates LLC.

Address 1: 1357 S. Quintero Way Aurora, CO. 80017

Address 2: _____

Phone: (720) 226-7511 Fax: (303) 745-1880

Email: kbart@kennethbartesq.com

10) Issuer Certification

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, [identify the certifying individual], certify that:

1. I have reviewed this [specify either annual or quarterly disclosure statement] of [identify issuer];
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 22, 2013 [Date]

/s/ Garry McHenry [Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

(President) [Title]

Attachment A

DIGITAL UTILITIES VENTURES, INC.
(A Development Stage Company)

UNAUDITED FINANCIAL STATEMENTS
February 28, 2013 and February 29, 2012

DIGITAL UTILITIES VENTURES, INC.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	February 28, 2013	May 31, 2012
ASSETS		
Current assets		
Cash	\$ 35,867	\$ 3,965
Accounts receivable, net of allowance of \$679,808 and \$0	453,206	-
Interest receivable	9,288	9,288
Notes receivable	242,222	95,935
Total current assets	<u>740,583</u>	<u>109,188</u>
Total assets	<u><u>\$ 740,583</u></u>	<u><u>\$ 109,188</u></u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	\$ 194,515	\$ 70,005
Accrued interest	675,814	573,932
Notes payable	1,684,226	1,372,818
Total current liabilities	<u>2,554,555</u>	<u>2,016,755</u>
Stockholders' deficit		
Common stock subscribed	222,951	-
Preferred stock, \$0.001 par; 30,000,000 shares authorized; 20,418,649 issued and outstanding	20,419	20,419
Common stock, \$0.001 par; 5,000,000,000 shares authorized; 3,409,654,798 and 3,109,654,798 issued and outstanding at February 28, 2013 and May 31, 2012	3,409,655	3,109,655
Additional paid-in capital	2,527,691	2,797,691
Accumulated deficit	(7,994,688)	(7,835,332)
Total stockholders' deficit	<u>(1,813,972)</u>	<u>(1,907,567)</u>
Total liabilities and stockholders' deficit	<u><u>\$ 740,583</u></u>	<u><u>\$ 109,188</u></u>

See accompanying notes to the unaudited financial statements.

DIGITAL UTILITIES VENTURES, INC.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three months ended February 28, 2013	Three months ended February 29, 2012 <i>(Restated)</i>	Nine months ended February 28, 2013	Nine months ended February 29, 2012 <i>(Restated)</i>	From June 13, 1991 (Inception) to February 28, 2013
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses					
Stock based compensation	-	-	-		6,001,429
Rent	15,000	15,000	45,000	45,000	560,200
General and administrative	5,906	5,409	12,466	19,663	767,954
Total operating expenses	<u>20,906</u>	<u>20,409</u>	<u>57,466</u>	<u>64,663</u>	<u>7,329,583</u>
Other income (expense)					
Interest income	-	-	-	3,096	10,624
Interest expense	(33,667)	(33,753)	(101,890)	(94,902)	(675,822)
Total other income (expense)	<u>(33,667)</u>	<u>(33,753)</u>	<u>(101,890)</u>	<u>(91,806)</u>	<u>(665,198)</u>
Loss from operations	<u>(54,573)</u>	<u>(54,162)</u>	<u>(159,356)</u>	<u>(156,469)</u>	<u>(7,994,781)</u>
Income from discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93</u>
Net loss	<u>\$ (54,573)</u>	<u>\$ (54,162)</u>	<u>\$ (159,356)</u>	<u>\$ (156,469)</u>	<u>\$ (7,994,688)</u>
Basic and diluted loss per common share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	
Basic and diluted weighted average shares outstanding	<u>3,409,654,798</u>	<u>3,109,655,214</u>	<u>3,276,687,765</u>	<u>2,772,786,732</u>	

See accompanying notes to the unaudited financial statements.

DIGITAL UTILITIES VENTURES, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
CUMMULATIVE FROM JUNE 13, 1991 (INCEPTION) to FEBRUARY 28, 2013

	Common Stock		Preferred Stock		Additional	Common	Accumulated	Total
	Shares	Amount	Shares	Amount	Paid-in Capital	Stock Subscribed	Deficit	
Issuance of common shares	2,449,681	\$ 2,450	-	\$ -	\$ 192,503	\$ -	\$ -	\$ 194,953
Net loss, period ended May 31, 1992	-	-	-	-	-	-	-	-
Balance, May 31, 1992	2,449,681	2,450	-	-	192,503	-	-	194,953
Net loss, year ended May 31, 1993	-	-	-	-	-	-	-	-
Balance, May 31, 1993	2,449,681	2,450	-	-	192,503	-	-	194,953
Net loss, year ended May 31, 1994	-	-	-	-	-	-	-	-
Balance, May 31, 1994	2,449,681	2,450	-	-	192,503	-	-	194,953
Net loss, year ended May 31, 1995	-	-	-	-	-	-	-	-
Balance, May 31, 1995	2,449,681	2,450	-	-	192,503	-	-	194,953
Net loss, year ended May 31, 1996	-	-	-	-	-	-	-	-
Balance, May 31, 1996	2,449,681	2,450	-	-	192,503	-	-	194,953
Net loss, year ended May 31, 1997	-	-	-	-	-	-	-	-
Balance, May 31, 1997	2,449,681	2,450	-	-	192,503	-	-	194,953
Net loss, year ended May 31, 1998	-	-	-	-	-	-	-	-
Balance, May 31, 1998	2,449,681	2,450	-	-	192,503	-	-	194,953
Net loss, year ended May 31, 1999	-	-	-	-	-	-	-	-
Balance, May 31, 1999	2,449,681	2,450	-	-	192,503	-	-	194,953
Net loss, year ended May 31, 2000	-	-	-	-	-	-	-	-
Balance, May 31, 2000	2,449,681	2,450	-	-	192,503	-	-	194,953
Net loss, year ended May 31, 2001	-	-	-	-	-	-	(238,397)	(238,397)
Balance, May 31, 2001	2,449,681	2,450	-	-	192,503	-	(238,397)	(43,444)
Net loss, year ended May 31, 2002	-	-	-	-	-	-	(94,488)	(94,488)
Balance, May 31, 2002	2,449,681	2,450	-	-	192,503	-	(332,885)	(137,932)
Net loss, year ended May 31, 2003	-	-	-	-	-	-	(148,065)	(148,065)
Balance, May 31, 2003	2,449,681	2,450	-	-	192,503	-	(480,950)	(285,997)
Net loss, year ended May 31, 2004	-	-	-	-	-	-	(49,306)	(49,306)

Balance, May 31, 2004	2,449,681	2,450	-	-	192,503	-	(530,256)	(335,303)
Net loss, year ended May 31, 2005	-	-	-	-	-	-	(73,812)	(73,812)
Balance, May 31, 2005	2,449,681	2,450	-	-	192,503	-	(604,068)	(409,115)
Net loss, year ended May 31, 2006	-	-	-	-	-	-	(96,221)	(96,221)
Balance, May 31, 2006	2,449,681	2,450	-	-	192,503	-	(700,289)	(505,336)
Net loss, year ended May 31, 2007	-	-	-	-	-	-	(85,655)	(85,655)
Balance, May 31, 2007	2,449,681	2,450	-	-	192,503	-	(785,944)	(590,991)
Net loss, year ended May 31, 2008	-	-	-	-	-	-	(90,231)	(90,231)
Balance, May 31, 2008	2,449,681	2,450	-	-	192,503	-	(876,175)	(681,222)
Shares issued for acquisition	142,930,543	142,930	20,418,649	20,419	(826,866)	-	-	(663,517)
Net loss, year ended May 31, 2009	-	-	-	-	-	-	(169,238)	(169,238)
Balance, May 31, 2009	145,380,224	145,380	20,418,649	20,419	(634,363)	-	(1,045,413)	(1,513,977)
Preferred shares issued	-	-	1,429,000	1,429	-	-	-	1,429
Conversion of debt	17,000,000	17,000	-	-	-	-	-	17,000
Common shares issued for cash	7,192,500	7,193	-	-	288,207	-	-	295,400
Net loss, year ended May 31, 2010	-	-	-	-	-	-	(330,242)	(330,242)
Balance, May 31, 2010	169,572,724	169,573	21,847,649	21,848	(346,156)	-	(1,375,655)	(1,530,390)
Common shares issued for services	2,000,000,000	2,000,000	-	-	4,000,000	-	-	6,000,000
Conversion of debt	302,000,000	302,000	-	-	(250,500)	-	-	51,500
Stock dividend	8,478,490	8,478	-	-	(8,478)	-	-	-
Net loss, year ended May 31, 2011	-	-	-	-	-	-	(6,242,951)	(6,242,951)
Balance, May 31, 2011	2,480,051,214	2,480,051	21,847,649	21,848	3,394,866	-	(7,618,606)	(1,721,841)
Conversion of preferred shares to common shares	173,603,584	173,604	(1,429,000)	(1,429)	(172,175)	-	-	-
Conversion of debt	456,000,000	456,000	-	-	(425,000)	-	-	31,000
Net loss, year ended May 31, 2012	-	-	-	-	-	-	(216,726)	(216,726)
Balance, May 31, 2012	3,109,654,798	3,109,655	20,418,649	20,419	2,797,691	-	(7,835,332)	(1,907,567)
Conversion of debt	300,000,000	300,000	-	-	(270,000)	-	-	30,000
Shares issuable from acquisition	-	-	-	-	-	222,951	-	222,951
Net loss, period ended February 28, 2013	-	-	-	-	-	-	(159,356)	(159,356)
Balance, February 28, 2013	<u>3,409,654,798</u>	<u>\$ 3,409,655</u>	<u>20,418,649</u>	<u>\$ 20,419</u>	<u>\$ 2,527,691</u>	<u>\$ 222,951</u>	<u>\$ (7,994,688)</u>	<u>\$ (1,813,972)</u>

See accompanying notes to the unaudited financial statements.

DIGITAL UTILITIES VENTURES, INC.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Nine months ended February 28, 2013	Nine months ended February 29, 2012 <i>(Restated)</i>	From June 13, 1991 (Inception) to February 28, 2013
Cash flows from operating activities			
Net loss	\$ (159,356)	\$ (156,469)	\$ (7,994,688)
Stock based compensation	-	17,360	6,001,429
Stock issued in acquisition	-	-	(663,517)
Changes in operating assets and liabilities:			
Interest receivable	-	(3,096)	(9,288)
Accounts payable and accrued expenses	17,895	7,132	87,900
Accrued interest payable	101,882	94,902	675,814
Net cash used in operating activities	(39,579)	(40,171)	(1,902,350)
Cash flows from investing activities			
Notes receivable	(4,149)	-	(100,084)
Net cash used in investing activities	(4,149)	-	(100,084)
Cash flows from financing activities			
Proceeds from notes payable	44,350	56,700	1,516,668
Common stock subscribed for cash	31,280	-	31,280
Proceeds from common stock	-	-	490,353
Net cash provided by financing activities	75,630	56,700	2,038,301
Net change in cash	31,902	16,529	35,867
Cash at beginning of period	3,965	917	-
Cash at end of period	<u>\$ 35,867</u>	<u>\$ 17,446</u>	<u>\$ 35,867</u>
Supplemental cash flows disclosures:			
Cash paid for interest	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ 8</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Supplemental disclosure of non-cash financing and investing activities:			
Conversion of debt to common stock	<u>\$ 30,000</u>	<u>\$ 31,000</u>	<u>\$ 129,500</u>
Common stock subscribed for acquisition of accounts receivable, net of allowance of \$679,808	<u>\$ 453,206</u>	<u>\$ -</u>	<u>\$ 453,206</u>
Common stock subscribed for acquisition of notes receivable	<u>\$ 142,138</u>	<u>\$ -</u>	<u>\$ 142,138</u>
Common stock subscribed for acquisition of accounts payable	<u>\$ (106,615)</u>	<u>\$ -</u>	<u>\$ (106,615)</u>
Common stock subscribed for acquisition of notes payable	<u>\$ (297,058)</u>	<u>\$ -</u>	<u>\$ (297,058)</u>

See accompanying notes to the unaudited financial statements.

DIGITAL UTILITIES VENTURES, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
February 28, 2013 and February 29, 2012

Note 1 - Nature and Continuance of Operations

Organization

Digital Utilities Ventures, Inc. (the Company) was incorporated under the laws of the State of Delaware on June 13, 1991. The Company currently has limited operations and, in accordance with ASC 915 "Development Stage Entities," is considered a Development Stage Company. The Company has been in the developmental stage since inception and has no operating history other than organizational matters.

The Company's business plan indicates that it has designed an efficient real time video transport system for the internet as well as for television and mobile phones. The key features of the system include 1) IMPEG-4/MPEG-4 based terminal architecture; 2) combination of an end to end feedback control mechanism and a rate-adaptive encoding algorithm for the best use of the Internet; 3) a robust and efficient packetization scheme for the IMPEG-4 bit standard and 4) efficient error control algorithms adopted at the end systems for visual quality enhancement.

On August 31, 2010 the Company liquidated its subsidiary American Telepath International, Inc. The financial statements have been restated to reflect for all periods presented the loss on discontinued operations.

Going Concern

These financial statements have been prepared on a going concern basis. The Company's ability to continue as a going concern is dependent upon the ability of it to generate profitable operations in the future and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The outcome of these matters cannot be predicted with any certainty at this time. These factors raise substantial doubt that the company will be able to continue as a going concern. Management plans to continue to provide for its capital needs by the issuance of common stock and related party advances. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Management further acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system of internal accounting control is designed to assure, among other items, that (1) recorded transactions are valid; (2) all valid transactions are recorded and (3) transactions are recorded in the period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the company for the respective periods being presented.

DIGITAL UTILITIES VENTURES, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
February 28, 2013 and February 29, 2012

Note 2 - Summary of Significant Accounting Policies - cont'd

Use of Estimates

The preparation of financial statements in accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. A change in managements' estimates or assumptions could have a material impact on the Company's financial condition and results of operations during the period in which such changes occurred.

Actual results could differ from those estimates. The Company's financial statements reflect all adjustments that management believes are necessary for the fair presentation of their financial condition and results of operations for the periods presented.

Development Stage Company

The Company complies with FASB ASC Topic 915 and The Securities and Exchange Commission Act Guide 7 for its characterization of the Company as development stage.

Revenue Recognition

Sales are recognized when revenue is realized or realizable and has been earned. The Company's policy is to recognize revenue when risk of loss and title to the product transfers to the customer. Net sales are comprised of gross revenues less expected returns, trade discounts and customer allowances, which include costs associated with off-invoice mark-downs and other price reductions, as well as trade promotions and coupons. These incentive costs are recognized at the later of the date on which the Company recognizes the related revenue or the date on which the Company offers the incentive. The Company has not recognized revenue since its inception.

Impairment of Long-lived Assets

The Company reviews long-lived assets for impairment when circumstances indicate the carrying amount of an asset may not be recoverable based on the undiscounted future cash flows of the asset. If the carrying amount of the asset is determined not to be recoverable, a write-down to fair value is recorded. Fair values are determined based on quoted market values, discounted cash flows, or external appraisals, as applicable. The Company reviews long-lived assets for impairment at the individual asset or the asset group level for which the lowest level of independent cash flows can be identified.

Advertising and Promotion

The Company's expenses all advertising and promotion costs as incurred. We incurred no such expenses during the nine months ended February 28, 2013 or February 29, 2012.

Research and Development

Research and development expenditures are expensed as incurred. We have incurred no such expenses since inception.

DIGITAL UTILITIES VENTURES, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
February 28, 2013 and February 29, 2012

Note 2 - Summary of Significant Accounting Policies - cont'd

Basic and diluted earnings per share

Basic earnings per share are based on the weighted-average number of shares of common stock outstanding. Diluted Earnings per share is based on the weighted-average number of shares of common stock outstanding adjusted for the effects of common stock that may be issued as a result of the following types of potentially dilutive instruments:

- Warrants,
- Employee stock options, and
- Other equity awards, which include long-term incentive awards.

The FASB ASC Topic 260, *Earnings per Share*, requires the Company to include additional shares in the computation of earnings per share, assuming dilution.

Diluted earnings per share are based on the assumption that all dilutive options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options are assumed to be exercised at the time of issuance, and as if funds obtained thereby were used to purchase common stock at the average market price during the period.

The Company has not issued warrants or entered into any agreements requiring the Company to do so at a future date. Therefore, dilutive and basic losses per common share are equal.

Concentrations, Risks, and Uncertainties

The Company did not have a concentration of business with suppliers or customers constituting greater than 10% of the Company's gross sales during the periods presented.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes in accordance with FASB ASC Topic 740. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements carrying amounts of existing assets and liabilities and loss carry forwards and their respective tax bases. 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 Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not 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 positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement.

DIGITAL UTILITIES VENTURES, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
February 28, 2013 and February 29, 2012

Note 2 - Summary of Significant Accounting Policies - cont'd

Fair Value of Financial Instruments

The Company applies fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as risks inherent in valuation techniques, transfer restrictions and credit risk. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

The Company's valuation techniques used to measure the fair value of money market funds and certain marketable equity securities were derived from quoted prices in active markets for identical assets or liabilities. The valuation techniques used to measure the fair value of all other financial instruments, all of which have counterparties with high credit ratings, were valued based on quoted market prices or model driven valuations using significant inputs derived from or corroborated by observable market data.

In accordance with the fair value accounting requirements, companies may choose to measure eligible financial instruments and certain other items at fair value. The Company has not elected the fair value option for any eligible financial instruments.

Stock Based Compensation

For purposes of determining the variables used in the calculation of stock compensation expense under the provisions of FASB ASC Topic 505, "*Equity*" and FASB ASC Topic 718, "*Compensation — Stock Compensation*," we perform an analysis of current market data and historical company data to calculate an estimate of implied volatility, the expected term of the option and the expected forfeiture rate. With the exception of the expected forfeiture rate, which is not an input, we use these estimates as variables in the Black-Scholes option pricing model. Depending upon the number of stock options granted, any fluctuations in these calculations could have a material effect on the results presented in our statement of operations and other comprehensive income. In addition, any differences between estimated forfeitures and actual forfeitures could also have a material impact on our financial statements. The Company has not issued stock options since its inception.

DIGITAL UTILITIES VENTURES, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
February 28, 2013 and February 29, 2012

Note 2 - Summary of Significant Accounting Policies - cont'd

Recent Accounting Pronouncements

Recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the AICPA, and the SEC did not, or are not believed by management to, have a material impact on the Company's present or future consolidated financial statements.

Property and Equipment

Property and equipment are carried at cost. Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the assets are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

Depreciation is computed for financial statement purposes on a straight-line basis over estimated useful lives of the related assets. The estimated useful lives of depreciable assets are:

	Estimated Useful Lives
Furniture and Fixtures	5 - 10 years
Computer Equipment	2 - 5 years
Vehicles	5 - 10 years

For federal income tax purposes, depreciation is computed under the modified accelerated cost recovery system. For audit purposes, depreciation is computed under the straight-line method. We have not purchased property or equipment since inception.

Principles of Consolidation

The accompanying consolidated financial statements include the financial statements of Digital Utilities Ventures, Inc. for the period of inception through February 28, 2013 consolidated with the financial statements of Digital Utilities, Inc. for the period of establishment through February 28, 2013. All intercompany transactions and balances have been eliminated in the consolidation.

Note 3 – Going Concern

The Company's financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, the Company does not have significant cash or other current assets, nor does it have an established source of revenues sufficient to cover its operating costs and to allow it to continue as a going concern.

Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading, or seeking protection from creditors pursuant to laws or regulations. Accordingly, assets and liabilities are recorded on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

DIGITAL UTILITIES VENTURES, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
February 28, 2013 and February 29, 2012

Note 3 – Going Concern (cont'd)

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plan described in the Business paragraph and eventually attain profitable operations. The accompanying financial statements do not include any adjustments that may be necessary if the Company is unable to continue as a going concern.

During the next year, the Company's foreseeable cash requirements will relate to continual development of the operations of its business, maintaining its good standing and making the requisite filings with the Securities and Exchange Commission, and the payment of expenses associated with research and development. The Company may experience a cash shortfall and be required to raise additional capital.

Management may raise additional capital through future public or private offerings of the Company's stock or through loans from private investors, although there can be no assurance that it will be able to obtain such financing. The Company's failure to do so could have a material and adverse affect upon it and its shareholders.

Since inception, the Company has funded operations by the issuance of common shares in exchange for services. For the coming year, the Company plans to continue to fund the Company through debt and securities sales and issuances until the company generates enough revenues through the operations as stated above.

Note 4 - Stockholders' Equity

The total number of common shares authorized that may be issued by the Company is 5,000,000,000 shares with a par value of one tenth of one cent (\$0.001) per share. The total number of preferred shares authorized that may be issued by the Company is 30,000,000 shares with no par value.

During the period ended May 31, 1992, the Company issued a total of 2,449,681 common shares for cash proceeds totaling \$194,953.

During the year ended May 31, 2009, the Company issued a total of 142,930,543 common shares and 20,418,649 preferred shares as part of a merger agreement.

During the year ended May 31, 2010, the Company issued 17,000,000 common shares as a conversion of debt and 7,192,500 common shares for total cash proceeds of \$295,400. The Company also issued 1,429,000 preferred shares for services valued at \$1,429.

During the year ended May 31, 2011, the Company issued 2,000,000,000 shares of its common stock for services valued at \$6,000,000; 302,000,000 common shares as a conversion of a \$51,500 notes and 8,478,490 shares as a stock dividend.

During the year ended May 31, 2012, the Company issued 456,000,000 shares as a conversion of \$31,000 of notes payable. The Company also issued 173,603,584 common shares as a conversion of 1,429,000 preferred shares.

During the nine months ended February 28, 2013, the Company issued 300,000,000 shares of its common stock as a conversion of \$30,000 of notes payable.

There were 3,409,654,798 shares of common stock and 20,418,649 shares of preferred stock issued and outstanding at February 28, 2013.

From inception to February 28, 2013 Company has not granted any stock options.

DIGITAL UTILITIES VENTURES, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
February 28, 2013 and February 29, 2012

Note 4 – Stockholders' Equity (continued)

During the nine months ended February 28, 2013, the Company entered into an agreement to acquire all of the assets and liabilities of TORQ Communications, LLC. As part of the agreement, the Company has committed to issue a total 167,074,500 shares of our common stock. These shares have yet to be issued and as such are shown as subscribed at their fair value as of February 28, 2013.

Note 5 – Income Taxes

We did not provide any current or deferred U.S. federal income tax provision or benefit for any of the periods presented because we have experienced operating losses since inception. When it is more likely than not that a tax asset cannot be realized through future income the Company must allow for this future tax benefit. We provided a full valuation allowance on the net deferred tax asset, consisting of net operating loss carry forwards, because management has determined that it is more likely than not that we will not earn income sufficient to realize the deferred tax assets during the carry forward period.

The Company has not taken a tax position that, if challenged, would have a material effect on the financial statements for the period ended February 28, 2013 or during the prior three years applicable under FASB ASC 740. We did not recognize any adjustment to the liability for uncertain tax position and therefore did not record any adjustment to the beginning balance of accumulated deficit on the consolidated balance sheet. All tax returns for the Company remain open.

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate to income before provision for income taxes. The sources and tax effects of the differences for the periods presented are as follows:

Income tax provision at the federal statutory rate	35%
Effect on operating losses	(35%)
	-

The net deferred tax assets consist of the following:

	2013
Net operating loss carry forward	\$ 7,994,688
Valuation allowance	(7,994,688)
Net deferred tax asset	\$ -

A reconciliation of income taxes computed at the statutory rate is as follows:

	2013	2012	Since Inception
Tax at statutory Rate	\$ 55,775	\$ 54,764	\$ 2,798,141
Increase in valuation allowance	(55,775)	(54,764)	(2,798,141)
Net deferred tax asset	\$ -	\$ -	\$ -

The net federal operating loss carry forward will begin to expire in 2021. This carry forward may be limited upon the consummation of a business combination under IRC Section 381.

DIGITAL UTILITIES VENTURES, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
February 28, 2013 and February 29, 2012

Note 6 – Subsequent Events

The Company evaluated all events or transactions that occurred after February 28, 2013 through the date of this filing. The Company determined that it does not have any other subsequent event requiring recording or disclosure in the financial statements for the year ended February 28, 2013.

Note 7 – Significant Transactions

On February 14, 2013, the Company completed its acquisition of all assets and liabilities of TORQ Communications, LLC, a Utah limited liability company. The assets consisted of cash of \$31,280; net accounts receivable of \$453,206 and notes receivable of \$142,138. The liabilities consisted of accounts payable of \$106,615 and notes payable of \$297,058.

The Company has committed to issuing a total of 167,074,500 shares of our common stock in exchange for the assets and liabilities acquired. These have yet to be issued and are shown as subscribed as of February 28, 2013 as a result.

Note 8 - Restatement

The Company has restated its prior period statements of operations and cash flows to correct a double booked entry recording a stock issuance for services performed on behalf of the company during the nine months ended February 29, 2012. The effects on the balance sheet, statement of operations and the statement of cash flows are:

	<u>Originally Reported</u>	<u>Restated</u>	<u>Change</u>
Balance Sheet			
Common stock	\$ 3,109,655	\$ 2,936,051	\$ (173,604)
Additional paid in capital	2,813,622	2,969,866	156,244
Accumulated deficit	(7,792,435)	(7,775,075)	17,360
Statement of Operations			
Stock based compensation	17,360	-	(17,360)
Net loss	(173,829)	(156,469)	17,360
Statement of Cash Flows			
Cash used in operating activities	(57,531)	(40,171)	17,360
Cash provided by investing activities	-	-	-
Cash provided by financing activities	56,700	56,700	-