

# **WORLD ASSURANCE GROUP, INC.**

**A Nevada Corporation Listed on the OTC Pink Market**

**Current Trading Symbol: WDAS.PK**

**CUSIP Number: 98143F 20 7**

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## **Quarterly Report**

**For the Three and Nine Months Ended September 30, 2014 and 2013**

**Including Financial Statements and Disclosures**

**Prescribed by OTC Pink Market for**

**Alternative Reporting Standards.**

**Filed on November 19, 2014**

### 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.

**World Assurance Group, Inc. (09/12/2008 – present)**  
**Asset Realization, Inc. (11/8/2006 – 09/11/2008)**

### 2) Address of the issuer's principal executive offices

#### Company Headquarters:

Address 1: 375 Park Ave., Suite 2607  
New York, NY 10152  
Phone: 212-634-7489  
Email: info@worldassurancegroup.com  
Website(s): www.worldassurancegroup.com

### 3) Security Information

Trading Symbol: Pinksheets: WDAS

Exact title and class of securities outstanding:

#### Common Stock:

CUSIP: 98143F 20 7  
Par or Stated Value: \$0.001  
Total shares authorized: 100,000,000 as of: September 30, 2014  
Total shares outstanding: 72,240,093 as of: September 30, 2014

In June of 2014 the Company effected a 1-for-50 reverse stock split of the Company's issued, outstanding and total authorized common stock. All share numbers reflect this reverse stock split.

During the nine months ended September 30, 2014, 2 million shares of common stock were returned to the Company; these 2 million shares will be cancelled and returned to the total authorized but unissued shares once the appropriate medallion guarantee and original stock certificate has been received by the transfer agent. The total shares outstanding figure in the Company's Balance Sheet has been stated to reflect the cancellation of these 2m shares.

#### Preferred Stock:

Par or Stated Value: \$0.001  
Total shares authorized: 50,000,000 as of: September 30, 2014  
Total shares outstanding: Series A 0 as of: September 30, 2014  
Total shares outstanding: Series B 0 as of: September 30, 2014  
Total shares outstanding: Series C 0 as of: September 30, 2014

#### Transfer Agent

Name: ClearTrust, LLC  
Address 1: 16540 Pointe Village Dr., # 206  
Address 2: Lutz, FL 33558  
Address 3:  
Phone: 813-235-4490  
Web: www.cleartrustonline.com

Is the Transfer Agent registered under the Exchange Act?\* **Yes**

\*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:

**NONE.**

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

**NONE.**

#### **4) Issuance History**

Listed below are any events that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period.

**During the three months ended September 30, 2014, the Company issued 36,987,273 shares of restricted common stock to World Payment Solutions, Ltd., its majority shareholder, in exchange for the conversion of 3,172,750 shares of Series A Convertible Preferred Stock and 320,000 shares of Series C Convertible Preferred Stock.**

**During the three months ended June 30, 2014, the Company issued 29,802,080 shares of restricted common stock to World Payment Solutions, Ltd., its majority shareholder, in exchange for the conversion of 80 shares of Series B Convertible Preferred Stock.**

**Also, on June 16, 2014 the Company effected a 1-for-50 reverse stock split of the Company's issued, outstanding and total authorized common stock.**

**During the three months ended March 31, 2014, 1,000,000 new shares of restricted common stock were issued for the acquisition of World Global Assets Pte. Ltd, an entity under common control with our CEO, (See Financial Footnote 6: Completion of Acquisition of World Global Assets Pte. Ltd. for more detail) and 2,000,000 shares of restricted common stock were returned to the Company pursuant to a settlement agreement with Andrew Austin; these 2,000,000 shares will be cancelled and returned to the total authorized but unissued shares once the appropriate medallion guarantee has been received by the transfer agent.**

**During the year ended December 31, 2013, the Company issued a total of 5,120,000 shares of common stock. Of this amount, 2,000,000 shares of restricted common stock were issued to one of our board members, Mr. Austin, as part of a settlement agreement (See Financial Footnote 11: Related Party Transactions for more detail); 500,000 shares of restricted common stock were issued in exchange for services rendered; 2,420,000 shares of unrestricted common stock were issued for the conversion of 327,250 shares of Series A Convertible Preferred Stock, and the balance, or 200,000 shares of restricted common stock were issued to settle a total of \$24,000 in debt. In addition, in August of 2013 we issued 320,000 shares of Series C Convertible Preferred Stock pursuant to a Settlement Agreement with Creative Gaming Consultants, Inc. Finally, in February of 2013 we issued 80 shares of Series B Convertible Preferred Stock pursuant to a definitive Contribution Agreement with Cellad, Inc. dated January 31, 2013 under which agreement we acquired, through our wholly owned subsidiary, World Acq, Inc., substantially all of the assets and liabilities of Cellad, Inc.**

**During the year ended December 31, 2012 and 2011, the Company had not issued any securities, because the Company's share issuance history begins as of February of 2013, when WDAS acquired substantially all of the assets and liabilities of Cellad in exchange for a total of 80 shares of WDAS's Series B Convertible Preferred Stock pursuant to a definitive Contribution Agreement dated January 31, 2013 by and among WDAS, a wholly owned subsidiary, and Cellad, Inc. (the "Contribution Agreement"). Although WDAS is the legal acquirer, for accounting purposes Cellad is the accounting acquirer and the transaction was accounted for as a reverse merger.**

**Each of the above securities offerings or transactions was made by officers and directors of the issuer and was not a registered offering. The offerings relied upon an exemption under Regulation S or Rule 4(2) of the Securities Act of 1933, as amended. The shares in these offerings or transactions were restricted (i.e., not freely tradable), where indicated above; and the certificates evidencing such shares contained a legend (1) stating that the shares have not been registered under the Securities Act of 1933, as amended, and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act of 1933, as amended.**

## **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 Company's unaudited financial statements, are prepared by outside consultants with sufficient accounting expertise, for its three and nine months ended September 30, 2014, and are attached hereto and incorporated herein as part of the Company's Quarterly Report, and filed herewith at the end of this Report.**

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

## **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;

**World Assurance Group Inc. (WDAS) is a holding company that currently operates through three wholly owned subsidiaries: WOR(l)D Global Group Inc. (WGG), World Global Assets (WGA) and Cellad, Inc. (Cellad), further described below, and one majority owned subsidiary, Halton Universal Brand, Inc. (HNVB). WGG, based in Miami, Florida is the group's research center. WGA is an intellectual property licensing company based in Singapore and it owns the Wor(l)d Global Network Pte Ltd brands, trademarks, technology and IP. CellAd ([www.cellad.com](http://www.cellad.com)), based in Dublin, Ireland, operates in the global mobile advertising industry and has developed a revolutionary new cloud based advertising platform and AdKoin app that delivers full screen advertisements every time a subscriber receives an inbound call or text message in return for AdKoins. HNVB is a public company listed on the OTCQB and has licensed the SPACE technology and other intellectual property from WGA and intends to commercialize and sell the SPACE technology.**

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

**World Assurance Group, Inc. (WDAS) was originally incorporated on January 1, 2000 in the State of Colorado.**

**WDAS was reorganized and incorporated on November 8, 2006 in the State of Nevada.**

**Cellad, Inc. was originally incorporated under the laws of Delaware on December 11, 2012.**

**Effective February 1, 2013, WDAS acquired substantially all of the assets and liabilities of Cellad in exchange for a total of 80 shares of WDAS's Series B preferred stock pursuant to a definitive Contribution Agreement dated January 31, 2013 by and among WDAS, WDAS's wholly owned subsidiary, World Acq, Inc. (which subsequently changed its name to Cellad, Inc.), and Cellad (the "Contribution Agreement"). Although WDAS is the legal acquirer, for accounting purposes Cellad is the accounting acquirer and the transaction was accounted for as a reverse merger.**

**Effective March 5, 2014, World Payment Solutions, Ltd. ("WPS") acquired a controlling interest in WDAS through the purchase of 80 shares of Series B Convertible Preferred Stock from Cellad pursuant to a Stock Purchase Agreement.**

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

D. the issuer's fiscal year end date;

**December 31<sup>st</sup>**

E. principal products or services, and their markets;

**Digital Media; Global Mobile Advertising; Technology and brand licensing**

## **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 Company leases office space for its headquarters on a month-to-month basis; headquarters are located at 375 Park Ave, Suite 2607, New York, NY 10152.**

**The Company leases office space for its subsidiary, Cellad, Inc. operations on a month-to-month basis; its office is located at 13 Classon House, Dundrum Business Park, Dundrum, Dublin, 14 Ireland.**

**The Company leases office space for its subsidiary, World Global Group, Inc. (WGG) operations on a month-to-month basis; its office is located at 200 S Biscayne Blvd., Suite 2790, Miami, Florida, 33131.**

**WGG has also leased office space for itself and for another WDAS subsidiary, Halton Universal Brands, for a term of 5 years; its new office is located at 600 Brickell World Plaza, Suite 1775, Miami, Florida 33132.**

**The Company leases office space for its subsidiary, World Global Assets Pte. Ltd. operations on an annual basis; its office is located at 20 Cecil St., #04-05 Equity Plaza, Singapore 049705.**

## **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.

<b>Chief Executive Officer, Corp. Sec. and Chairman:</b>	<b>Fabio Galdi</b>
<b>Chief Financial Officer and Director:</b>	<b>Alfonso Galdi</b>
<b>Chief Operating Officer and Director:</b>	<b>Alessandro Senatore</b>

<b>Control Person:</b>	<b>World Payment Solutions, Ltd. (Controlled by Fabio Galdi)</b>
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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);

**No**

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;

**No**

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

**No**

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.

**No**

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.

**World Payment Solutions, Ltd.**

**Ownership: 66,789,355 Shares of restricted common stock = 90% Beneficial Shareholder**

**100% Controlled by Fabio Galdi**

**Address: 375 Park Ave., Suite 2607, New York, NY 10152**

**Resident Agent: Loyal Agency and Trust Corp.  
Cedar Hill Crest  
PO Box 1825  
Villa, St. Vincent**

**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:

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

Name: Tali Durant  
Firm: DART Business Services, LLC  
Address 1: 16192 Coastal Highway  
Address 2: Lewes, DE 19958  
Phone:  
Email: [tali@dart-services.com](mailto:tali@dart-services.com)

**10)** I, Alfonso Galdi, certify that:

1. I have reviewed this Quarterly Report of World Assurance Group, Inc.;
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.

November 19, 2014

/s/ Alfonso Galdi  
Alfonso Galdi  
Chief Financial Officer

I, Fabio Galdi, certify that:

1. I have reviewed this Quarterly Report of World Assurance Group, Inc.;
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.

November 19, 2014

/s/ Fabio Galdi  
Fabio Galdi  
Chief Executive Officer



**WORLD ASSURANCE GROUP INC.  
AND SUBSIDIARIES**

**FINANCIAL STATEMENTS**

**AS OF AND FOR THE THREE AND NINE MONTHS  
ENDED**

**SEPTEMBER 30, 2014 AND 2013**

**WORLD ASSURANCE GROUP INC.**  
**AND SUBSIDIARIES**  
**(A Development-Stage Company)**

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**WORLD ASSURANCE GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

	September 30, 2014	December 31, 2013
<b>ASSETS</b>		
<b>Current Assets</b>		
Total cash and cash equivalents	4,291,050	-
Trade receivables	2,317,275	-
Current Assets	6,608,325	-
<b>Fixed Assets</b>		
Furniture & Fittings	150,000	-
Property Plant & Equipment	1,500	-
Total fixed assets	151,500	-
<b>Total Assets</b>	<b>\$ 6,759,825</b>	<b>\$ -</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>Payables within 1 year</b>		
Accounts payable and Accrued Liabilities	421,276	15,485
Loans from Officers and Directors	-	253,539
<b>Total Liabilities</b>	421,276	269,024
<b>Stockholders' Equity</b>		
Series A preferred shares, \$.001 par value; 50,000,000 shares authorized, zero shares and 3,172,500 shares issued and outstanding as of September 30, 2014 and December 31, 2013 respectively.	-	3,172,750
Series B preferred shares, \$.001 par value; 80 shares authorized, zero shares and 80 shares issued and outstanding as of September 30, 2014 and December 31, 2013 respectively.	-	80
Series C preferred shares, \$.001 par value; 320,000 shares authorized, zero shares and 320,000 shares issued and outstanding as of September 30, 2014 and December 31, 2013 respectively.	-	320,000
Net Common stock, \$.001 par value; 5,000,000,000 shares authorized, 45,174,317 and 6,450,520 shares issued and outstanding as of September 30, 2014 and December 31, 2013 respectively.	72,216	6,452
Additional paid in capital	1,133,943	(2,532,241)
Accumulated surplus (deficit)	5,132,390	(1,236,065)
<b>Total Shareholders' Equity</b>	6,338,549	(269,024)
<b>Total Liabilities and Stockholders' Deficit</b>	<b>\$ 6,759,825</b>	<b>\$ 0</b>

See accompanying notes to the financial statements

**WORLD ASSURANCE GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
	<i>Restated</i>		<i>Restated</i>	
<b>Revenues</b>	\$ 2,197,535	\$ -	\$ 9,634,500	\$ -
<b>Cost of revenues</b>	(231,709)	-	(522,266)	-
<b>Gross profit (loss)</b>	1,965,826	-	9,112,234	-
<b>Operating expenses</b>				
Sales and general administrative	554,516	71,499	982,069	198,542
Earnings before interest, tax, depreciation and amortization (EBITDA)	1,411,310	(71,499)	8,130,166	(198,542)
<b>Operating Income</b>	1,411,310	(71,499)	8,130,166	(198,542)
<b>Other (income) expense</b>				
Loss on settlement of debt	-	130,743	-	130,743
Interest received	(938)	-	(1,493)	-
Loss on conversion of Series C preferred shares to common	1,814	-	1,814	-
Loss on conversion of Series A preferred shares to common	-	-	-	799,394
Loss on Derivative Valuation	-	38,594	-	38,594
<b>Net Profit (loss)</b>	<b>\$1,410,434</b>	<b>\$(240,836)</b>	<b>\$8,129,845</b>	<b>\$(1,167,273)</b>
<b>Net profit (loss) attributable to common stockholders</b>	<b>\$1,410,434</b>	<b>\$(240,836)</b>	<b>\$8,129,845</b>	<b>\$(1,167,273)</b>
<b>Earnings (loss) per share - basic and diluted</b>	<b>\$0.02</b>	<b>(\$0.04)</b>	<b>\$0.30</b>	<b>(\$0.19)</b>
<b>Weighted average shares outstanding</b>	<b>66,611,595</b>	<b>6,050,520</b>	<b>27,199,925</b>	<b>6,050,520</b>

*The results for the three and nine months ending September 30, 2013 have been restated from the results filed in November 2013 to include changes resulting from the audit for the year ended December 31, 2013.*

See accompanying notes to the financial statements.

**WORLD ASSURANCE GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)**  
**AND OTHER COMPREHENSIVE LOSS**  
**(Unaudited)**

	Preferred Shares		Common stock issued		Common stock returned (not yet received)		Additional paid-in Capital	Accumulated Surplus (Deficit)	Total
	Total Shares	Total Amount	Shares	Amount	Shares	Amount			
<b>Balance at December 31, 2013</b>	3,492,830	\$3,492,830	6,450,520	\$6,452	-	\$ -	\$(2,532,241)	\$(1,236,065)	\$(269,024)
Acquisition of World Global Assets Pte. Ltd			1,000,000	1,000			(1,000)		-
Cancellation of common stock from A. Austin - Stock value March 05, 2014					(2,000,000)	(2,000)	2,000		-
Cancellation of debt by related parties							267,539		267,539
Net operating profit for period								3,446,433	3,446,433
<b>Balance at March 31, 2014</b>	<b>3,492,830</b>	<b>\$3,492,830</b>	<b>7,450,520</b>	<b>\$7,452</b>	<b>(2,000,000)</b>	<b>\$(2,000)</b>	<b>\$(2,263,702)</b>	<b>\$2,210,368</b>	<b>\$3,444,948</b>
Conversion of Series B Preferred Stock to common stock	(80)	(80)	29,802,080	29,802			(29,722)		-
Purchase of shares as part of approved share purchase program				(25)			(30,210)		(30,235)
Net operating profit for period								3,272,978	3,272,978
<b>Balance at June 30, 2014</b>	<b>3,492,750</b>	<b>\$3,492,750</b>	<b>37,252,600</b>	<b>\$37,229</b>	<b>(2,000,000)</b>	<b>\$(2,000)</b>	<b>\$(2,323,634)</b>	<b>\$5,483,345</b>	<b>\$6,687,690</b>
Conversion of Series C Preferred Stock to common stock	(320,000)	(320,000)	727,273	727			319,273		-
Conversion of Series A Preferred Stock to common stock	(3,172,750)	(3,172,750)	36,260,000	36,260			3,136,490		-
Loss on conversion of Series A Preferred Shares							1,814		1,814
Dividends declared and paid								(1,761,390)	(1,761,390)
Net operating profit for period								1,410,434	1,410,434
<b>Balance at September 30, 2014</b>	<b>-</b>	<b>\$ -</b>	<b>74,239,873</b>	<b>\$74,216</b>	<b>(2,000,000)</b>	<b>\$(2,000)</b>	<b>\$ 1,133,943</b>	<b>\$ 5,132,390</b>	<b>\$ 6,338,549</b>

See accompanying notes to financial statements

**WORLD ASSURANCE GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOW**  
(Unaudited)

	For the Nine Months Ended	
	September 30, 2014	September 30, 2013
		<i>Restated</i>
<b>Cash Flows from Operating Activities:</b>		
Net profit (loss) for the period	\$8,129,845	\$(1,167,273)
<i>Adjustments to reconcile net loss to net cash used in operations</i>		
Loss on conversion of Series C preferred shares to common	1,814	-
Loss on fair value of derivative liability	-	38,594
Loss on conversion of Series A preferred shares to common stock		799,394
Loss on settlement of debt	-	130,743
<i>Changes in assets and liabilities, net of acquisition and disposals:</i>		
Accounts receivable	(2,317,275)	-
Accounts payable & accrued liabilities	419,791	12,625
<b>Net cash generated from operating activities</b>	<b>6,234,175</b>	<b>(185,917)</b>
<b>Cash Flows from Investing Activities:</b>		
Purchases of plant and machinery	(150,000)	-
Purchases of furniture and fittings	(1,500)	-
<b>Net cash used in investing activities</b>	<b>(151,500)</b>	<b>-</b>
<b>Cash Flows From Financing Activities:</b>		
Purchase of common shares under approved share purchase scheme	(30,235)	-
Dividends paid	(1,761,390)	-
Proceeds from loans from officers and directors	-	185,917
<b>Net cash provided by financing activities</b>	<b>(1,791,625)</b>	<b>185,917</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,291,050</b>	<b>-</b>
Cash and cash equivalents, beginning of the period	-	-
<b>Cash and cash equivalents, end of the period</b>	<b>4,291,050</b>	<b>-</b>
<b>SUPPLEMENTAL CASH FLOW DISCLOSURE:</b>		
Cash paid for interest	\$-	\$-
Cash paid for taxes	\$-	\$-
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES:</b>		
Debt forgiven by officers	\$ 267,539	\$ -
Conversion of Series A Preferred shares in to common stock	\$ 3,172,750	\$ 327,250
Conversion of Series B Preferred shares in to common stock	\$ 80	\$ -
Conversion of Series C Preferred shares in to common stock	\$ 320,000	\$ -
Cancellation of officer stock under settlement agreement	\$ 2,000	\$ -
Settlement of derivative liability to APIC	\$ -	\$ 235,408
Series C Convertible Preferred Shares issued in settlement of \$112,000 convertible debt	\$ -	\$ 320,000

*The results for the three and nine months ending September 30, 2013 have been restated from the results filed in November 2013 to include changes resulting from the audit for the year ended December 31, 2013.*

See accompanying notes to financial statements

**WORLD ASSURANCE GROUP INC. AND SUBSIDIARIES**  
**Notes to Financial Statements**  
**(Unaudited)**

**1. Organization and Formation**

World Assurance Group, Inc. (formerly Asset Realization, Inc.) (“We” or the “Company” or “WDAS”) was incorporated in the State of Colorado on January 1, 2000, then reorganized as a Nevada corporation on November 8, 2006. On September 11, 2008 the corporation changed its name from Asset Realization, Inc. to World Assurance Group, Inc. On November 16, 2006, A Alpha Bail Bonds LLC, a limited liability company organized in the State of Colorado on August 11, 2005, was acquired by WDAS in a transaction classified as a reverse acquisition. On October 1, 2009, ANAV Holdings Company acquired World Assurance Group Inc. for an exchange of 40,000 shares of the combination of WDAS and ANAV Holdings Company. The assets and liabilities of the bail bonds company were then purchased by management of the bail bonds company, the principal selling shareholders of WDAS, and spun out as a privately held company.

Effective February 1, 2013, WDAS acquired, through its wholly owned subsidiary, World Acq, Inc., substantially all of the assets and liabilities of Cellad, Inc., a Delaware corporation, in exchange for a total of 80 shares of WDAS’s Series B Convertible Preferred Stock pursuant to a definitive Contribution Agreement dated January 31, 2013 by and among WDAS, World Acq., Inc. and Cellad Inc. Although WDAS was the legal acquirer, for accounting purposes Cellad is the accounting acquirer and the transaction was accounted for as a reverse merger. See Footnote 4 for more details. Subsequently, World Acq. Inc., the wholly owned subsidiary of WDAS incorporated in Nevada that acquired the Cellad Delaware assets, changed its name to Cellad, Inc.

Effective March 5, 2014, World Payment Solutions, Ltd. (“WPS”) acquired a controlling interest in WDAS through the purchase of 80 shares of Series B Convertible Preferred Stock from Cellad pursuant to a Stock Purchase Agreement. These 80 shares of Series B Convertible Preferred Stock represents an 80% beneficial ownership interest in WDAS and 80% of the total issued and outstanding common shares on a fully diluted, as-converted basis. As a result of this acquisition, WPS became the majority shareholder of the WDAS. See Footnote 5 for more details.

On March 11, 2014, WDAS incorporated World Global Group, Inc. (“WGG”) in Florida. WGG develops and acquires innovative technologies that are disruptive to existing processes.

Effective March 27, 2014, WDAS acquired World Global Assets Pte. Ltd. (“WGA”), a Singapore private limited company, through a stock purchase agreement by and among WDAS, WGA and World Global Cash Pte. Ltd. (“WGC”), a Singapore company and the sole stockholder of WGA. See Footnote 7 for more details.

On October 29, 2014, pursuant to the terms of the Stock Purchase Agreements (“Stock Purchase Agreements”) between Mrs. Elena Shmarihina, Mr. Alexander Averchenko and WDAS, WDAS purchased a combined total of 4,000,000 shares of the Company’s common stock from Mrs. Elena Shmarihina and Mr. Alexander Averchenko, former stockholders and officers of the Company, for cash consideration of \$60,000. Additionally, WDAS entered into and closed on various other stock purchase agreements with certain other of the Company’s shareholders to purchase a total of 3,095,000 shares of common stock of the Company in exchange for \$318,000. As a result of the transactions, WDAS became the Company’s largest stockholder with approximately 99% of the total issued and outstanding shares of the Company’s common stock.

World Assurance Group Inc. (WDAS) is a holding company that currently operates through three wholly owned subsidiaries: WOR(l)D Global Group Inc. (WGG), World Global Assets (WGA) and Cellad, Inc. (Cellad), further described below, and one majority owned subsidiary, Halton Universal Brand, Inc. (HNVB). WGG, based in Miami, Florida is the group’s research center. WGA is an intellectual property licensing company based in Singapore and it owns the Wor(l)d Global Network Pte Ltd brands, trademarks, technology and IP. CellAd ([www.cellad.com](http://www.cellad.com)), based in Dublin, Ireland, operates in the global mobile advertising industry and has developed a revolutionary new cloud based advertising platform and AdKoin app that delivers full screen advertisements every time a subscriber receives an inbound call or text message in return for AdKoins. HNVB is a public company listed on the OTCQB and has licensed the SPACE technology and other intellectual property from WGA and intends to commercialize and sell the SPACE technology.

On June 16, 2014 the Company effected a 1-for-50 reverse stock split of the Company's issued, outstanding and total authorized common stock.

The Company has elected a calendar accounting period beginning on January 1 and ending on December 31 of each year.

## **2. Basis of Presentation**

The accompanying financial statements have been prepared by us, without audit and in accordance with US GAAP. The balance sheet of World Assurance Group, Inc. has been prepared on the accrual basis of accounting. Under this method, certain revenues are recognized when earned and certain expenses and purchases of assets are recognized when the obligation is incurred.

### *Use of Estimates*

The preparation of financial statements in conformity with GAAP 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### *Basis of Consolidation*

The consolidated financial statements include 100% of the assets, liabilities, revenues, expenses and cash flows of World Assurance Group Inc. and its wholly owned subsidiaries as of September 30, 2014: Cellad Inc., World Global Group, Inc. and World Global Assets Pte. Ltd. All intercompany accounts and transactions have been eliminated in consolidation. The results of subsidiaries acquired or disposed of during the respective periods are included in the consolidated statements of operations from the effective date of acquisition or up to the effective date of disposal, as appropriate.

### *Property and equipment*

Property and equipment are recorded at cost and depreciated under straight-line methods over each item's estimated useful life, generally seven years for furniture and fixtures and five years for office equipment.

## **3. Going Concern**

The financial statements at September 30, 2014 and 2013 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of our business. As reflected in the accompanying financial statements, we had a net profit of \$1,410,434 and a net loss of \$248,836 for the three months ended September 30, 2014 and 2013, respectively. We had a net profit of \$8,129,845 and a net loss of \$1,167,273 for the nine months ended September 30, 2014 and 2013, respectively; and we had accumulated stockholder's equity of \$6,338,549 and a working capital surplus of \$6,187,049 as of September 30, 2014.

On March 5, 2014, a change of control of the Issuer was made when World Payment Systems Ltd ("WPS") acquired 80 shares of WDAS Series B Convertible Preferred Stock from Cellad Inc., which represents an 80% beneficial ownership interest in WDAS and 80% of the total issued and outstanding common shares on a fully diluted, as-converted basis. As a result of this acquisition, WPS became the majority shareholder of the WDAS. The comparative results for the prior year period show the results for WDAS for the respective period and not of WPS. It is expected that the audited results for the full year ending December 31, 2014 will show comparatives related to WPS.

On March 27, 2014, WDAS acquired World Global Assets Pte. Ltd. ("WGA"), a Singapore private limited company, through a stock purchase agreement by and among WDAS, WGA and World Global Cash Pte. Ltd. ("WGC"), a Singapore company and the sole stockholder of WGA.

The completion of this acquisition has brought profitable trading operations to WDAS sufficient to cover all current and expected operating and corporate costs in the future. Whereas no guarantee of continuing operations can be assumed or provided, the current Board of Directors of WDAS are confident that these operations will continue indefinitely, and as a result feel that the Company has the ability to continue as a going concern in the foreseeable future.

## **4. Acquisition of Cellad, Inc.**

Effective February 1, 2013, WDAS acquired, through its wholly owned subsidiary, World Acq, Inc. (now renamed to Cellad, Inc., a corporation incorporated in Nevada), substantially all of the assets and liabilities of Cellad, Inc., a Delaware corporation, in exchange for a total of 80 shares of WDAS's Series B Convertible Preferred Stock (the "Shares") pursuant to a definitive Contribution Agreement dated January 31, 2013 by and among WDAS, World Acq., Inc. and Cellad Inc. (the "Contribution Agreement"). Although WDAS is the legal acquirer, for accounting purposes Cellad (Delaware) is the accounting acquirer and the transaction was accounted for as a reverse merger.



The Series B Convertible Preferred Shares held by Cellad, Inc convert into a total of 80% of the total issued and outstanding common shares at the time of conversion. The Series B Convertible Preferred Shares vote on an as-converted basis with the common stock.

Cellad Inc. is a mobile digital media company formed in Ireland in 2011 and operating in the global ‘mobile advertising’ industry. Cellad has developed, along with its partners, a revolutionary new cloud based advertising platform that allows advertisers and brands to deliver high definition, full screen adverts, coupons and click-through offers to our subscribers every time the subscriber receives an inbound call or text message on their android smartphone. Advertisers can directly manage content, and campaigns to chosen demographic and geographic audiences using advances in location based technologies and smartphone applications. Subscribers are rewarded for every advert displayed on their smartphone once they have registered and downloaded the subscriber application.

The Company issued all of the preferred shares listed above upon the exemption of the registration requirements of the Securities Act of 1933, as amended, afforded the Company under Section 4(2) promulgated thereunder due to the fact that the issuance did not involve a public offering of securities. Each of the stock certificates issued hereunder contained a legend stating that the shares have not been registered under the Securities Act and set forth or refer to the restrictions on transferability and sale of the shares under the Securities Act.

## **5. Controlling Series B Stock Purchase by World Payment Solutions Ltd.**

Effective March 5, 2014, Cellad, Inc., a Delaware corporation and the majority shareholder of World Assurance Group, Inc. (“WDAS” or the “Issuer”), sold 80 shares of WDAS Series B Convertible Preferred Stock to World Payment Solutions Ltd., a corporation incorporated in St. Vincent and the Grenadines (“WPS”) in exchange for \$265,000 in cash.

On March 5, 2014, a change of control of the Issuer was made when WPS acquired 80 shares of WDAS Series B Convertible Preferred Stock from Cellad Inc., which represents an 80% beneficial ownership interest in WDAS and 80% of the total issued and outstanding common shares on a fully diluted, as-converted basis. As a result of this acquisition, WPS became the majority shareholder of the WDAS. Fabio Galdi holds the dispositive voting and investment control of WPS.

On April 23, 2014, WPS converted the 80 shares of WDAS Series B Convertible Preferred Stock into a total of 29,802,080 shares of restricted common stock, which represented 80% of the fully diluted common stock of WDAS on the date of conversion. WPS remains the controlling shareholder of WDAS, and both WPS and WDAS are controlled by Fabio Galdi, WDAS’s CEO and Chairman.

Cellad, Inc., a Nevada corporation, remains an operating subsidiary of WDAS after the stock sales and continues its operations as a digital media company based in Ireland operating in the global mobile advertising industry. Mr. Sean McVeigh remains as Director and CEO of Cellad Inc.

## **6. Series A Stock Purchase by World Payment Solutions Ltd.**

Effective March 5, 2014, WPS entered into four Stock Purchase Agreements with WDAS’s Series A Holders, whereby the Series A Preferred Stock was sold to WPS or its assigns in exchange for varied cash payments over a period of 36 months to be paid to the current Series A shareholders, and the conversion price of the Series A Preferred Stock was amended to a fixed conversion price of \$0.0875 per share, representing the minimum conversion price in the existing designation. As the price of the common stock on March 5, 2014 was lower than the fixed conversion price in the Series A preferred designation, no loss was created on the modification of the Series A shares.

Subsequently, on July 14, 2014, WPS converted all of the WDAS Series A Preferred Stock into 32,260,000 restricted common stock that represented 49% of the fully diluted common stock of WDAS on the date of conversion. This brought the total ownership of WPS of WDAS to 90%. The conversion was completed within the terms of the Series A designation and no loss on conversion was recorded as a result.

## **7. Acquisition of Entity Under Common Control: World Global Assets Pte. Ltd.**

Effective March 27, 2014, WDAS consolidated through the acquisition of World Global Assets Pte. Ltd. (“WGA”), a Singapore private limited company. The transaction was completed through a stock purchase agreement by and among WDAS, WGA and World Global Cash Pte. Ltd. (“WGC”), a Singapore company and the sole stockholder of WGA. Fabio

Galdi, the Issuer's CEO and majority shareholder (through the dispositive voting and investment control of another company, World Payment Solutions, Ltd.), also holds 100% of the voting and investment control of WGC.

WGA was sold to WDAS by WGC in exchange for 1,000,000 shares of restricted common stock of WDAS.

Effective March 27, 2014, WGA, a Singapore company, became a wholly owned subsidiary of WDAS. WGA owns various brands, trademarks, technology and intellectual property, including AdKoin.

## **8. Fixed Assets / Real Property**

As of September 30, 2014 the Company had \$150,000 of Furniture and Fittings and \$1,500 in Plant and Machinery that were purchased throughout the quarter as part of the fit-out of the WGC office in Miami.

As the IP Assets and technology owned by WDAS group companies are not based on registered patents, the company has elected not to carry a value for these assets in the financial statements at this time.

As of September 30, 2013, the Company owned two lots of development property, Lot 10 and Lot 17, in gated community in Canon City, Colorado. The gated community is known as Sunrise Mesa. The lots were originally purchased in 2010 as part of a larger transaction for the purchase of an upscale home and additional development lots at Sunrise Mesa by the issuance of a \$112,000 Convertible Promissory Note and 3,500,000 Series A convertible preferred shares. In 2011, the home and additional lots were vended out to Praetorian Investments, a non-controlling shareholder on foot of Praetorian assuming agreed liabilities for work undertaken on behalf of the Company that it was unable pay, and also settling various liens against the property and paying past taxes and homeowners fees due on the property. The Company took a charge in the accounts during 2010 to reflect the loss in value of the assets acquired in 2009 as a result of the extremely difficult real estate markets at the time. As at March 31, 2013, the Company has totally written down the value of the property on the balance sheet at and any difference in value from the previous year is either booked as a revaluation of real property assets in the income statement for the respective period or as an impairment charge. In March of 2014, the Company sold the lots to Andrew S. Austin pursuant to a Settlement Agreement. See Footnote 14 for more detailed information on this transaction.

## **9. Accounts Payable**

Accounts payable at September 30, 2014 were \$421,276. 3 vendors accounted for 90% of the payables at September 30, 2014.

Accounts payable at September 30, 2013 were \$11,303. 4 vendors accounted for 90% of the payables at September 30, 2014.

As at September 30, 2013, our previous CEO and CFO were owed \$185,917 for services and amounts advanced to third parties on behalf of the Company. Subsequently, in March of 2014, these accounts payable were settled and the officers waived a total of \$267,539 due to them at that time, pursuant to the Series B Stock Purchase Agreement with World Payment Solutions, Ltd. – See Footnote 5 for more details on this transaction.

Although we believe that we have adequate alternative vendors to purchase services and products, there can be no assurance of comparability, which could have a detrimental effect on the business.

## **10. Convertible Promissory Notes**

On September 19, 2009, Creative Gaming Consultants, Inc ('Creative') was issued a debenture by the Company in the amount of \$250,887 at 16% annual interest and a \$75,000 convertible loan note on foot of signing binding agreements for the acquisition of certain property located at 71 Sunrise Mesa Drive, Canon City, Colorado, 81212. On completion of the property acquisition in July 2010, Creative and the Company agreed to amend the debenture and the loan note into one convertible loan note with principal of \$112,000 accruing no interest and the issuance of 3,500,000 Series A convertible preferred shares.

On August 1, 2013, the Company and Creative Gaming Consultants, Inc. entered into a settlement agreement whereby the \$112,000 owed to Creative pursuant to a promissory note was fully repaid through the issuance of 320,000 shares of Series C Convertible Preferred Stock. The Series C shares carry no voting rights and may be converted into shares of common stock at any time after two years from the Original Issue Date, into that number of fully paid and non-assessable shares of Common Stock as is determined by the Conversion Price in effect at the time of conversion, determined as

hereinafter provided. The Conversion Price shall be Forty Percent (40%) of the VWAP of the four trading days prior to the date of conversion as set forth in Section 5(b) or 5(d) below, as applicable (the “Conversion Price”). Notwithstanding the above, the Conversion Price shall never be below \$0.0875 per share of Common Stock. As the price of the common stock at the time of modification was lower than the fixed conversion price in the Series A preferred designation, no loss was created on the modification of the Series A shares.

On March 5, 2014, WPS entered into a Stock Purchase Agreement with Creative Gaming, whereby the Series C Preferred Stock was sold to WPS or its assigns in exchange for varied cash payments over a period of 36 months, and the conversion price of the Series C Preferred Stock was amended to a fixed conversion price of \$0.0875 per share.

Subsequently, in July of 2014, WPS accelerated the payments under the Stock Purchase Agreement buying out the full amount and subsequently converted all of the Series C Preferred Stock into 727,273 restricted common shares. (See Stockholders Equity FN below for more details). The company recorded a loss of \$1,814 related to the conversion to reflect the fair value of the additional common shares issued in the conversion outside of the terms of the original designation.

#### **Debt Schedule:**

As of September 30, 2014 and 2013, we had (taking into consideration the calculation of debt discounts) zero and \$112,000, respectively, of total principal owed under convertible promissory notes.

### **11. Commitments and Contingencies**

#### ***Litigation***

The Company is not currently involved in any litigation that it believes could have a material adverse effect on its financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of the Company or any of its subsidiaries, threatened against or affecting the Company, our common stock, any of our subsidiaries or of our companies or our subsidiaries’ officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

#### ***Leases***

In September of 2014, one of the Company’s subsidiaries, Word Global Group, Inc. (WGG) entered into a 5 year lease for office space located at 600 Brickell World Plaza, Suite 1775, Miami, Florida 33132, containing 2,915 rentable square feet. Prepaid rent in the amount of \$11,306.56 and a security deposit of \$42,268 was paid upon execution of the lease. During the initial 5 year term, the base rent shall be \$43.75 per square foot of rentable space subject to a 3% annual increase (excluding sales tax) as follows:

<b>Period</b>	<b>Monthly Base Rent</b>
Months 1-3	\$0
Months 4-12	\$10,567
Months 13-24	\$10,936
Months 25-36	\$11,320
Months 37-48	\$11,716
Months 49-60	\$12,126
Months 61-63	\$12,552

See the Subsequent Events Footnote 16 for more details.

### **12. Stockholder’s Equity**

#### **Common Stock:**

As of September 30, 2014 and December 31, 2013, 100,000,000 and 5,000,000,000, respectively, total shares of common stock, par value \$0.001 per share, were authorized, and 72,240,093 (net of 2,000,000 legally returned but yet to be received by the transfer agent for cancellation (see next paragraph) and 6,450,520 shares, respectively, were issued and outstanding. There are no special voting or economic rights or privileges.

During the nine months ended September 30, 2014, the Company issued a total of 66,789,355 shares of restricted common stock to World Payment Solutions, Ltd., including: 29,802,082 shares of restricted common stock in exchange for the conversion of 80 shares of Series B Convertible Preferred Stock, 36,260,000 shares of restricted common stock in

exchange for the conversion of 3,172,750 shares of Series A Convertible Preferred Stock, and 727,273 shares of restricted common stock in exchange for the conversion of 320,000 shares of Series C Convertible Preferred Stock,. Also, 1,000,000 common shares were issued for the acquisition of World Global Assets Pte. Ltd. (see Note 7 for details), and 2,000,000 common shares were returned to the Company as part of a settlement agreement with Andrew S. Austin. These shares will be cancelled and returned to the total authorized but unissued shares once the appropriate medallion guarantee is attached and sent to the Company's transfer agent.

**Share Buyback:**

During the nine months ended September 30, 2014, WDAS repurchased a total of 25,020 shares at an average price of \$1.09 per share. These repurchased shares are currently being held by WDAS in treasury.

On April 28, 2014, the Corporation's Board approved a stock repurchase program, whereby the Company may repurchase up to 2,000,000 shares of the Corporation's outstanding common stock commencing on April 29, 2014, through April 28, 2015. The purchases may be made from time to time in the open market, or in privately negotiated transactions, subject to availability. Any repurchased shares will have the status of treasury shares and may be used, when needed, for general corporate purposes (the "Stock Repurchase Plan").

Repurchases will be made at management's discretion at prices management considers to be attractive and in the best interests of both the Company and its stockholders, subject to the availability of stock, general market conditions, the trading price of the stock, alternative uses for capital, and the Company's financial performance. Open market purchases will be conducted in accordance with the limitations set forth in Rule 10b-18 of the Securities and Exchange Commission and other applicable legal requirements.

The repurchase program may be suspended, terminated or modified at any time for any reason, including market conditions, the cost of repurchasing shares, the availability of alternative investment opportunities, liquidity, and other factors deemed appropriate. These factors may also affect the timing and amount of share repurchases. The repurchase program does not obligate the Company to purchase any particular number of shares.

**Reverse Stock Split:**

On June 16, 2014 the Company effected a 1-for-50 reverse stock split of the Company's issued, outstanding and total authorized common stock. Shareholders holding less than 50 shares of common stock immediately prior to the reverse split will not receive fractional shares in the reverse stock split, but will instead have their shares converted into the right to receive one whole common share in exchange for the fractional share interests resulting from the reverse stock split. Concurrently with the reverse stock split, the Company's Articles of Incorporation were amended to reduce the total authorized common stock from 5,000,000,000 to 100,000,000.

**Preferred Stock:**

As of September 30, 2014, 50,000,000 total shares of preferred stock, par value \$0.001, were authorized, and zero shares of Series A Convertible Preferred Stock, zero shares of Series B Convertible Preferred Stock and zero shares of Series C Convertible Preferred Stock were issued and outstanding.

During the nine months ended September 30, 2014, no preferred shares were issued.

**Series A Convertible Preferred Stock ("Series A Preferred"):**

In July of 2010, the Company authorized and issued 3,500,000 shares of Series A Preferred. On February 1, 2013 the Series A Preferred were amended and restated. Subsequently, on March 5, 2014 the Series A Preferred were amended and restated. The Series A Preferred, as amended and restated, have a \$0.001 par value per share and are not entitled to any dividends. The Series A Preferred are not redeemable and vote together as a single class with the holders of the Common Stock, on the basis of one vote for each share of Series A Convertible Preferred Stock. The Series A Preferred convert into Common Stock at the Conversion Price of \$0.0875 per share of Common Stock. As the price of the common stock on March 5, 2014 was lower than the fixed conversion price in the Series A preferred designation, the Company did not report a loss on the modification of the Series A shares.

During the nine months ended September 30, 2014, on July 14, 2014, all 3,172,750 outstanding shares of Series A Preferred were converted by World Payment Solutions, Ltd. into 36,260,000 shares of common stock, leaving zero shares of Series A Preferred issued and outstanding. As the conversion was made within the terms of the designation of the Series A, no loss on conversion was recorded.

Series B Convertible Preferred Stock (“Series B Preferred”):

On February 1, 2013 the Company authorized and issued 80 shares of Series B Preferred with \$0.001 par value. The Series B Preferred convert into a total of 80% of the total issued and outstanding common shares at the time of conversion. The Series B Preferred vote on an as-converted basis with the common stock.

On April 23, 2014, all of the Series B Preferred were converted into 29,802,080 shares of restricted common stock. (See FN 5 for more details).

Series C Convertible Preferred Stock (“Series C Preferred”):

In August of 2013, the Company authorized and issued 320,000 shares of Series C Convertible Preferred Stock in settlement of a loan note. The Series C shares carry no voting rights and may be converted into shares of common stock at any time after two years from the Original Issue Date, into that number of fully paid and non-assessable shares of Common Stock as is determined by the Conversion Price in effect at the time of conversion, determined as hereinafter provided. The Conversion Price shall be Forty Percent (40%) of the VWAP of the four trading days prior to the date of conversion as set forth in Section 5(b) or 5(d) below, as applicable (the “Conversion Price”). Notwithstanding the above, the Conversion Price shall never be below \$0.0875 per share of Common Stock.

During the nine months ended September 30, 2014, on July 14, 2014, all 320,000 outstanding shares of Series C Preferred were converted by World Payment Solutions, Ltd. into 727,273 shares of common stock, leaving zero shares of Series C Preferred issued and outstanding. As the conversion was made within the terms of the designation of the Series A, no loss on conversion was recorded.

**Warrants:**

As at September 30, 2014 and 2013, respectively, the Company had no outstanding warrants or active stock plans allowing employees or other individuals or groups to purchase common shares.

**2014 Stock Incentive Plan:**

The Board of Directors of World Assurance Group, Inc. (the “Company”) believes that the attraction and retention of high quality personnel are essential to the Company’s continued growth and success and that a stock plan such as the 2014 Stock Incentive Plan (the “Plan”) is necessary for the Company to be competitive in its compensation practices. Therefore, on April 3, 2014, the Company’s Board of Directors and the shareholders, through the written consent of the holders of a majority of our issued and outstanding voting securities, voted in favor of the Plan. A total of three million (3,000,000) shares of the Company’s common stock has been initially reserved for issuance under the 2014 Stock Incentive Plan, subject to adjustment in the event of a stock split, stock or other extraordinary dividend, or other similar change in the common stock or capital structure of the Company.

Also on April 3, 2014, the Board approved the grant and issuance of a total of 2,073,294 restricted stock units under this 2014 Stock Incentive Plan to 7,114 consultants. As at September 30, 2014, no shares have yet been issued under this plan as they have not yet vested.

**13. Dividend**

The Company paid a dividend of Five Cents (\$0.05) per share on all shares of common stock issued and outstanding to those shareholders that were shareholders of record on June 30, 2014. As at June 30, 2014, there were 35,227,800 shares eligible for dividend and the Company subsequently paid total dividends of \$1,761.390 on August 20, 2014. The Company recorded the dividend as a deduction against retained earnings in the financial statements.

The Company's Board of Directors will evaluate on a quarterly basis the amount and timing of future dividends based on the Company's operating results, financial condition, capital requirements and general business conditions. The amount and timing of dividends may vary, and the payment of any dividend does not assure that the Company will be able to pay or will declare dividends in the future.

Given the current expansion plans of the business into the wearable technology sector and acquisition of Halton Universal Brand, Inc. (HNVB) to further that plan, the Board has decided not to declare a dividend for the quarter ending September 30, 2014.

## 14. Earnings (Loss) Per Share

We report Basic and Diluted Earnings per Share (EPS) as follows: Basic EPS is computed as net income (loss) divided by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur from common shares issuable through stock options, warrants and other convertible securities. Common equivalent shares are excluded from the computation of net loss per share if their effect is anti-dilutive.

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Net loss attributable to common stockholders	\$1,410,434	\$(240,836)	\$8,129,845	\$(1,167,273)
Net loss per share – basic and diluted	\$0.02	\$(0.04)	\$0.30	\$(0.19)
Weighted average number of shares outstanding – basic and diluted	66,611,595	6,050,520	27,199,925	6,050,520

Since we reported a profit for the three and nine months ended September 30, 2014, no potential shares were included in the shares used to calculate the diluted EPS as their effect is dilutive but there were no potentially issuable securities vested and outstanding.

Since we reported a net loss for the three and nine months ended September 30, 2013, any potential shares were excluded from the shares used to calculate diluted EPS as their effect is anti-dilutive.

## 15. Related Party Transactions

WDAS and Mr. Austin, one of our board members, entered into a settlement agreement effective February 1, 2013 whereby, in exchange for \$25,000 of total accrued but unpaid fees, WDAS agreed to issue to Mr. Austin 2,000,000 shares of WDAS's restricted common stock and Mr. Austin agreed to continue serving as a member of WDAS's Board of Directors for a period of at least one year or until the election of his successor and upon acceptance of election by such successor, for a total salary of \$1.00 (One Dollar) per year.

In February of 2014, WDAS and Mr. Austin entered into another settlement agreement effective March 5, 2014 whereby, Mr. Austin returned 2,000,000 shares of WDAS's common stock and resigned as director of WDAS in exchange for a cash payment of \$10,000 and certain parcels of real estate located in Colorado owned by WDAS (See Subsequent Events FN #13 for more details).

Effective March 27, 2014, WDAS consolidated through the acquisition of World Global Assets Pte. Ltd. ("WGA"), a Singapore private limited company. Fabio Galdi, WDAS's CEO and majority shareholder (through the dispositive voting and investment control of another company, World Payment Solutions, Ltd. (WPS)), also holds 100% of the voting and investment control of WGC. (See FN7 for more details).

On April 23, 2014, WPS converted the 80 shares of WDAS Series B Convertible Preferred Stock into a total of 29,802,080 shares of restricted common stock, which represented 80% of the fully diluted common stock of WDAS on the date of conversion. WPS is controlled by Fabio Galdi, WDAS's CEO and Chairman. (See FN 5 for more details).

On July 14, 2014, WPS converted all of the WDAS Series A Convertible Preferred Stock (3,172,750 preferred shares) and all (320,000) Series C Convertible Preferred Shares into a total of 36,987,273 shares of restricted common stock, which represented 90% of the total issued and outstanding common stock of WDAS on the date of conversion. WPS is and remains the controlling shareholder of WDAS, and both WPS and WDAS are controlled by Fabio Galdi, WDAS's CEO and Chairman.

Also on July 14, 2014, WGA licensed the SPACE technology and Intellectual Property (the "SPACE IP") to World Global Network Pte. Ltd. (WGN), a company owned and controlled by Fabio Galdi, WDAS's CEO, for a one time fee of \$2,000,000 and a fee of \$25 for each unit of Space IP produced and sold by WGN.

Subsequently, on October 29, 2014, as described in *Note 16 –subsequent events* below, the Company entered into a licensing agreement and a real estate lease with certain related parties that contractual commitment the Company to make as yet undetermined future payments to these related parties.

## **16. Subsequent Events.**

In accordance with ASC 855, Subsequent Events, we have evaluated subsequent events through November 17, 2014, the date of available issuance of these unaudited financial statements. During this period, we had the following materially recognizable subsequent events:

### Acquisition of Controlling Interest in Halton Universal Brands, Inc.

On October 29, 2014 (the "Closing Date"), WDAS purchased 7,095,000 shares of Halton Universal Brands, Inc. ("HNVB") restricted common stock for \$378,000 from HNVB's two controlling shareholders, Elena Shmarihina and Alexander Averchenko, and certain other HNVB shareholders. Simultaneously with the Closing, WDAS and two of its wholly owned subsidiaries, World Global Group, Inc. ("WGG") and World Global Assets, ("WGA"), entered into a Purchase And Intercompany License Agreement with HNVB whereby (i) WGA is licensing certain intellectual property related to WGA's 'SPACE' technology and brand to HNVB pursuant to a License Agreement, (ii) WGG is subleasing certain real estate to HNVB, and (iii) WGA is transferring \$2,000,000 to HNVB in exchange for 8,000,000 shares of HNVB restricted common stock.

SPACE is a wearable technology; it is a wearable computer that connects to "Lumina Glasses", which are binocular display glasses. SPACE is wearable because it has micro dimensions of only 3". SPACE is also a brand used for a Cloud Based Media and Communication platform built to provide communication services, such as Video Conference, Webinar, VoIP (IP Telephony) and Media Distribution Content Platform. The SPACE technology has been perpetually licensed to HNVB in exchange for a one-time fee of \$2,000,000 and a fee of \$100 for each unit of Space Computer produced and sold by HNVB.

Additionally, Mr. Fabio Galdi, WDAS's current CEO, Secretary and Chairman, was named as HNVB's Chief Executive Officer, President, Secretary and appointed as Chairman of the Board of Directors of HNVB as of the Closing Date. Alfonso Galdi, WDAS's current CFO and board member, was named to act as the new Chief Financial Officer and Treasurer of HNVB, and appointed as a Member of the Board of Directors of HNVB, and Alessandro Senatore, WDAS's current COO and board member, was named to act as the new Chief Operating Officer of HNVB and appointed as a Member of the Board of Directors of HNVB.

As of the Closing Date and the date of this Report, WDAS owns 15,095,000 shares of HNVB's Common Stock, or approximately 99% of the all of the outstanding shares of HNVB's Common Stock.

### **Exhibits:**

The foregoing descriptions are merely a summary of certain of the terms of the WPS Stock Purchase Agreements, Settlement Agreement, WGA Stock Purchase Agreement and 2014 Stock Incentive Plan. This summary does not purport to be complete and is qualified in its entirety by the complete texts of the previously listed agreements and documents, which are filed as Exhibits to the Company's Supplemental Information Statements filed on March 12, 2014, March 31, 2014 and April 9, 2014, respectively, and are incorporated herein by reference.

The foregoing descriptions are merely a summary of certain of the terms of the HNVB Stock Purchase Agreements and HNVB Purchase and Intercompany License Agreement. This summary does not purport to be complete and is qualified in its entirety by the complete texts of the previously listed agreements and documents, which are filed as Exhibits attached hereto and in HNVB's SEC Current Report on Form 8-K filed on November 4, 2013.