

REVIEWED FINANCIAL STATEMENTS

As of and for the three and six months ended
September 30, 2014 and 2013

THE MARKETING ALLIANCE, INC.

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UHY LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Board of Directors and Shareholders
The Marketing Alliance, Inc.

Report on the Financial Statements

We have reviewed the accompanying consolidated balance sheets of The Marketing Alliance, Inc. and subsidiaries (the Company) as of September 30, 2014 and 2013, and the related consolidated statements of operations for the three and six month periods then ended, and the related consolidated statements of shareholders' equity and cash flows for the six month periods then ended.

Management's Responsibility

The Company's management is responsible for the preparation and fair presentation of the interim financial information in accordance with accounting principles generally accepted in the United States of America; this responsibility includes the design, implementation, and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of interim financial information in accordance with accounting principles generally accepted in the United States of America.

Auditor's Responsibility

Our responsibility is to conduct our review in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim consolidated financial information. A review of interim consolidated financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the consolidated financial information. Accordingly, we do not express such an opinion.

Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim consolidated financial information for it to be in accordance with accounting principles generally accepted in the United States of America.

UHY LLP

Albany, New York
December 19, 2014

THE MARKETING ALLIANCE, INC.
CONSOLIDATED BALANCE SHEETS
As of September 30, 2014 and 2013
Unaudited – See Independent Auditor's Review Report

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 5,543,421	$ 6,188,064
Investments	5,223,543	4,410,931
Accounts receivable	7,943,674	9,131,867
Inventory	17,203	45,671
Current portion of notes receivable	414,033	227,940
Prepaid income taxes	818,543	180,924
Prepaid expenses	204,881	242,221
Total current assets	20,165,298	20,427,618
PROPERTY AND EQUIPMENT, net	1,579,025	1,551,023
OTHER ASSETS		
Notes receivable, net of current portion	772,268	614,121
Deposits and other assets	132,241	135,851
Goodwill	554,100	554,100
Intangible assets, net	229,685	344,893
Total other assets	1,688,294	1,648,965
	$ 23,432,617	$ 23,627,606
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 5,709,461	$ 5,920,901
Lines of credit payable	2,125,000	800,000
Deferred taxes	188,400	17,700
Current portion of notes payable	600,000	774,691
Total current liabilities	8,622,861	7,513,292
LONG-TERM LIABILITIES		
Notes payable	1,200,000	2,095,055
Deferred taxes	305,000	227,800
Interest rate swap liability	7,705	20,616
Total long-term liabilities	1,512,705	2,343,471
Total liabilities	10,135,566	9,856,763
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Preferred stock, no par value, 10,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, no par value; 50,000,000 shares authorized, 6,024,200 shares issued and outstanding	903,023	903,023
Retained earnings	12,394,028	12,867,820
Total shareholders' equity	13,297,051	13,770,843
	$ 23,432,617	$ 23,627,606

See notes to consolidated financial statements.

THE MARKETING ALLIANCE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
Three and Six Months Ended September 30, 2014 and 2013
Unaudited–See Independent Auditor's Review Report

	Three Months Ended September 30		Six Months Ended September 30	
	2014	**2013**	**2014**	**2013**
Commission revenue	**$ 5,513,621**	$ 5,293,052	**$ 11,183,502**	$ 11,068,259
Construction revenue	**360,526**	660,498	**915,921**	1,560,524
Family entertainment revenue	**362,288**	307,886	**686,550**	621,714
Total revenues	**6,236,435**	6,261,436	**12,785,973**	13,250,497
Distributor related expenses:				
Distributor bonuses and commissions	**3,705,731**	3,634,177	**7,333,463**	7,469,852
Business processing and distributor costs	**447,987**	389,373	**924,582**	813,207
Depreciation	**2,711**	3,219	**5,378**	5,688
	4,156,429	4,026,769	**8,263,423**	8,288,747
Costs of construction:				
Direct and indirect costs of construction	**208,751**	372,259	**462,255**	852,669
Depreciation	**84,045**	89,443	**170,524**	179,032
	292,796	461,702	**632,779**	1,031,701
Family entertainment costs of sales:	**64,873**	51,851	**142,220**	98,816
Total costs of revenues	**4,514,098**	4,540,322	**9,038,422**	9,419,264
Net operating revenue	**1,722,337**	1,721,114	**3,747,551**	3,831,233
General and administrative expenses:				
Compensation	**669,258**	767,361	**1,106,695**	1,414,612
Administrative and other	**214,655**	167,174	**422,534**	405,028
Rent and occupancy	**122,220**	122,313	**245,721**	244,538
Professional fees	**145,329**	90,632	**271,112**	201,543
Office	**79,888**	79,465	**150,845**	181,181
Insurance	**75,872**	67,931	**151,323**	140,718
Depreciation and amortization	**68,530**	68,667	**144,496**	128,333
Technology	**63,041**	87,261	**142,610**	140,065
Payroll related	**39,906**	35,127	**64,832**	84,773
Travel and meetings	**35,364**	30,987	**48,357**	57,738
Telephone	**14,599**	14,702	**29,412**	31,642
Postage	**12,245**	13,320	**25,124**	28,438
Licenses and dues	**1,438**	4,225	**11,165**	12,570
Telemarketing, advertising and promotional	**2,025**	351	**7,732**	5,114
Total general and administrative expenses	**1,544,370**	1,549,516	**2,821,958**	3,076,293
Operating income	**177,967**	171,598	**925,593**	754,940
Other income (expense):				
Investment gain (loss), net	**(247,256)**	148,104	**(134,079)**	29,950
Interest expense	**(28,872)**	(21,791)	**(58,391)**	(50,645)
Gain (loss) on disposal of assets	**8,738**	11,380	**8,541**	11,380
Interest rate swap, fair value adjustment	**5,744**	(2,024)	**6,051**	15,305
Income (loss) before provision for income taxes	**(83,679)**	307,267	**747,715**	760,930
Provision for income taxes (benefit)	**(46,753)**	119,790	**256,890**	283,111
Net income (loss)	**$ (36,926)**	187,477	**$ 490,825**	$ 477,819

See notes to consolidated financial statements.

THE MARKETING ALLIANCE, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
Six Months Ended September 30, 2014 and 2013
Unaudited – See Independent Auditor's Review Report

	Common Stock		Retained	
	Shares (a)	Amount	Earnings	Total
Balances at April 1, 2013	6,024,200	$903,023	$12,390,001	$13,293,024
Net income	-	-	477,819	477,819
Balance at September 30, 2013	6,024,200	$903,023	$12,867,820	$13,770,843
Balances at April 1, 2014	**6,024,200**	**$903,023**	**11,903,203**	**$12,806,226**
Net income	**-**	**-**	**490,825**	**490,825**
Balance at September 30, 2014	**6,024,200**	**$903,023**	**$12,394,028**	**$13,297,052**

(a) Amounts have been retrospectively adjusted for the 6 for 5 stock split that was effective July 26, 2013 and the 2 for 1 stock split that was effective February 28, 2014.

See notes to consolidated financial statements.

THE MARKETING ALLIANCE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Six Months Ended September 30, 2014 and 2013
Unaudited – See Independent Auditor's Review Report

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 490,825**	$ 477,819
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**320,397**	313,053
Loss on disposal of assets	**(8,541)**	(11,380)
Realized and unrealized investment (gains) losses	**174,778**	21,606
Deferred taxes	**(100,600)**	(163,700)
Interest rate swap adjustment	**(6,051)**	(15,305)
Changes in operating assets and liabilities:		
Accounts receivable	**(336,610)**	120,012
Inventory	**26,454**	38,328
Prepaid expenses and other assets	**590,791**	53,596
Deposits and other assets	**(16)**	-
Accounts payable and accrued expenses	**43,631**	(788,887)
Net cash provided by operating activities	**1,195,058**	45,142
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	**(391,493)**	(186,358)
Disposal of property and equipment	**42,498**	47,600
Proceeds from sale of investments	**298,218**	306,132
Purchases of investments	**(451,034)**	(501,644)
Principal payments received on promissory notes	**169,047**	118,100
Advances under promissory notes	**(324,933)**	(52,940)
Net cash used in investing activities	**(657,697)**	(269,110)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayments under lines of credit	**(225,000)**	800,000
Repayments on long-term debt	**(300,000)**	(395,254)
Net cash (used in) provided by financing activities	**(525,000)**	404,746
Increase in cash and cash equivalents	**12,361**	180,778
Cash and cash equivalents, beginning of period	**5,531,060**	6,007,286
Cash and cash equivalents, end of period	**$ 5,543,421**	$ 6,188,064
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION		
Cash paid during the period for:		
Interest	**$ 62,335**	$ 50,645
Income taxes	**$ -**	$ 978,837

See notes to consolidated financial statements.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies

Organization

The Marketing Alliance, Inc. (the Company) is a consortium of independent life insurance general agents located throughout the United States. Headquartered in St. Louis, Missouri, the Company provides the benefits of pooled production and resources, including access to carriers and services, that otherwise may not be available to the agencies.

In September 2012, the Company, through two subsidiaries, began providing family entertainment in Illinois and Missouri.

In July 2011, the Company, through a subsidiary, began providing construction, heavy equipment and trenching services in Iowa.

In September 2014, the Company, through a subsidiary, purchased real property for use as an office and warehouse by its construction, heavy equipment and trenching services company.

Significant Accounting Policies

Basis of accounting and principles of consolidation:

The Company's policy is to prepare its financial statements on the accrual basis. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries:

TMA Marketing, Inc. ("Marketing")
Empire Construction and Trenching, Inc. ("Empire")
TMA Technologies, Inc. ("Technologies")
Felton McCrary Brokerage, Inc. ("Felton")
TMA Play MO, Inc. and TMA Play IL, Inc. ("Monkey Joes")
TMA Realty, Inc. ("Realty")

Marketing began operations during 2004. Empire began operations in July of 2011. Monkey Joes began operations in September 2012.Technologies and Felton are inactive. Realty began operations in September 2014. All significant intercompany accounts and transactions have been eliminated.

Revenue recognition:

Commission income from insurance companies, including production bonuses, is recorded when earned. Deferred first year commissions (commissions associated with policy dates prior to September 30, 2014) are recorded in the period earned or in the period received when such amounts cannot reasonably be estimated. Distributor commissions and bonuses are governed by individual distribution agreements and revenue is recorded in the period that the related commission income is earned.

Empire recognizes revenue from long-term contracts on the percentage-of-completion method of accounting for fixed price construction contracts or on the cost-plus fee contract method. Under the fixed price method, revenue is determined by applying the percentage-of-completion of contracts in each year to estimated final revenue on a ratio of costs incurred to date to total estimated costs. That method is used because management considers total cost to be the best available measure of progress on the contracts. Because of inherent uncertainties in estimating costs, it is at least reasonably possible that the estimates used will change within the near term.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

Revenue recognition: (continued)

Costs of construction include all direct material and labor costs and those indirect costs related to contract performance. Provisions for estimated losses on uncompleted contracts, if any, are made in the period in which such losses are determined. Revenues recognized in excess of amounts billed are included in accounts receivable and at September 30, 2014 and 2013 those amounts were not material. There were no billings in excess of revenues recognized.

Monkey Joes revenues are recognized on a cash basis, net of sales taxes.

Cash and cash equivalents:

The Company considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents. From time to time, the Company has on deposit with certain banks and brokerage firms, cash and cash equivalents which exceed the amount subject to Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC) limits. The Company attempts to mitigate this risk by depositing its cash and cash equivalents with high credit quality institutions.

Inventory:

Inventory is stated at the lower of cost or market using the first-in first-out method. Inventory consists primarily of drainage tile raw materials used by Empire.

Investments:

Investments consist principally of common stocks, preferred stocks, mutual funds, fixed income securities, limited partnership interests, and notes receivables. Investments are classified as trading securities and are stated at fair value. Net realized gains and losses from the sales of investments, as well as unrealized gains and losses, are reflected in the statement of operations.

Fair value measurements:

The Company follows the accounting for fair value measurements and disclosures for financial assets and liabilities, which defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles, and requires disclosures about fair value measurements. Fair value is a market-based measurement, not an entity-specific measurement, and fair value measurements should be determined based on assumptions that market participants would use in pricing an asset or liability.

The accounting for fair value measurements and disclosures for financial assets and liabilities establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The hierarchy is broken down into three general levels: Level 1 inputs are quoted prices in active markets for identical assets or liabilities; Level 2 inputs include data points

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

Fair value measurements: (continued)

that are observable such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) such as interest rates and yield curves that are observable for the asset and liability, either directly or indirectly; Level 3 inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

Income taxes:

The Company follows guidance issued by the Financial Accounting Standards Board ("FASB") regarding accounting for uncertainty in income taxes. This guidance clarifies the accounting for income taxes by prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the financial statements and applies to all income tax positions.

Each income tax position is assessed using a two-step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement.

None of the Company's federal or state income tax returns is currently under examination by the Internal Revenue Service ("IRS") or state authorities. However, years 2011 and later remain subject to examination by the IRS and respective states.

Deferred taxes are provided on the asset and liability method whereby deferred taxes are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. A tax valuation allowance is established as needed, to reduce net deferred tax assets to the amount expected to be realized.

Swap agreement:

The Company entered into interest rate swap agreements to reduce the impact of changes in interest rates on its variable rate term loans (Note 11). The swap agreements are contracts to exchange the debt obligations' variable rate interest payments for fixed rate interest payments on certain notional amounts expiring at various dates. The notional amounts of the interest rate swap agreements are used to measure amounts to be paid or received and does not represent the amount of exposure or credit loss. The differential paid or received under the interest rate swap agreements is recognized as an adjustment to interest expense. The actual market or credit exposure of this type of financial instrument is significantly less than the notional amount. The primary risk associated with the swap is the inability of the counterparty to meet the terms of the contract. The Company does not expect the counterparty to fail to meet its respective obligations. The agreements mature in March 2017 and March 2018.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

Swap agreement: (continued)

FASB ASC 815, *Derivatives and Hedging*, requires the Company to recognize all derivatives as either assets or liabilities in the consolidated balance sheet and measure those instruments at fair value. It further provides criteria for derivative instruments to be designated as fair value, cash flow, or foreign currency hedges, and establishes accounting standards for reporting changes in the fair value in the consolidated balance sheet and recognizing the offsetting gains or losses as adjustments to be reported in net income or other comprehensive income as appropriate. The interest rate swap is considered a free standing derivative.

Property and equipment:

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is provided utilizing straight line and accelerated methods over estimated useful lives ranging from 5 to 40 years.

Notes receivable:

Notes receivable are stated at unpaid principal balances, less an allowance for uncollectable amounts. Interest is recognized over the term of the note, and is calculated using the simple interest method on principal amounts outstanding. Notes are considered impaired when based on current information or factors, it is probable that the Company will not collect the principal and interest payments according to the loan agreement. Notes are placed on nonaccrual status when management believes, after considering economic conditions, business conditions, and collection efforts, that the notes are impaired or collection of interest is doubtful. At September 30, 2014 and 2013, there were no past due notes receivable, and no allowance was deemed necessary.

Estimates:

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Reclassifications:

Certain items have been reclassified in the 2013 financial statements to conform to the current period's presentation.

Subsequent events:

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through December 19, 2014, the date the financial statements were available for issuance.

NOTE 2 – INVESTMENTS

The cost, fair value and gross unrealized gains and losses of investments by major security type are as follows:

	September 30, 2014			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Common stocks	$ 2,596,917	$ 693,101	$ 173,578	$ 3,116,440
Preferred stocks	377,352	23,010	-	400,362
Fixed income securities	325,162	20,123	100,000	245,285
Mutual funds	57,456	3,775	677	60,554
Limited partnerships	650,000	750,902	-	1,400,902
	$ 4,006,887	$ 1,490,911	$ 274,255	$ 5,223,543

	September 30, 2013			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Common stocks	$ 1,975,864	$ 550,453	$ 131,198	$ 2,395,119
Preferred stocks	346,768	23,030	8,440	361,358
Fixed income securities	371,821	15,444	100,311	286,954
Mutual funds	203,551	-	20,499	183,052
Limited partnership	650,000	534,448	-	1,184,448
	$ 3,548,004	$ 1,123,375	$ 260,448	$ 4,410,931

Proceeds from the sale of investments were $68,038 and $303,228 for the three and six months ended September 30, 2014, resulting in gross realized gains of $16,477 and $62,072 and gross realized losses of $22,614 and $33,870 for the three and six months ended September 30, 2014, respectively.

Proceeds from the sale of investments were $249,002 and $306,132 for the three and six months ended September 30, 2013, resulting in gross realized gains of $44,077 and $51,727 and gross realized losses of $13,777 and $14,665 for the three and six months ended September 30, 2013, respectively.

Investments are pledged as collateral pursuant to margin agreements entered into by the Company. No amounts were outstanding at September 30, 2014 and 2013 under the margin agreements.

Net investment income for the three months ended September 30, 2014 and 2013 is as follows:

	2014	2013
Interest and dividend income	$ 39,795	$ 39,275
Realized gains (losses) on investments, net	(6,137)	30,300
Unrealized gains (losses) on investments, net	(266,107)	91,561
Investment management fees	(14,807)	(13,032)
Net investment income	$(247,256)	$ 148,104

NOTE 2 – INVESTMENTS (Continued)

Net investment income for the six months ended September 30, 2014 and 2013 is as follows:

	2014	2013
Interest and dividend income	$ 81,215	$ 82,138
Realized gains on investments, net	28,202	37,062
Unrealized gains (losses) on investments, net	(202,980)	(58,668)
Investment management fees	(40,516)	(30,582)
Net investment income	$(134,079)	$ 29,950

In connection with the notes receivable due from a private company, the Company received warrants to purchase 300,000 shares of stock in the private company at rates ranging from $1.20 to $5.00 per share or current share price, whichever is lower, depending on when the warrants are exercised. The warrants, 150,000 each, can be exercised at any time through June 18, 2016 and May 31, 2017. The fair value of the warrants was determined to be zero at both the date of receipt and September 30, 2014.

In connection with an investment agreement dated August 2010 with a banking corporation, the Company purchased 5,000 units. A unit consists of 4 shares of common stock and 1 detachable and transferable warrant to purchase 1 share of common stock to be exercised within 3 years of the agreement. In August 2013, the warrants were exercised as detailed in the agreement and the company purchased 5,000 shares of common stock.

NOTE 3 – FAIR VALUE MEASUREMENTS

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at September 30, 2014 and 2013:

Common and preferred stocks, and fixed income securities: Valued at the closing price reported on the active market on which the individual securities are traded. Securities traded on inactive markets are valued by reference to similar instruments are categorized in Level 2. Securities which are not traded on active or inactive markets and no comparable assets exist are categorized in Level 3 and are valued using internal models.

Mutual funds: Valued at the net asset value (NAV) of shares held at year end.

Limited partnership investments: There are four limited partnership investments. Three investments are valued using data as provided by the general partner of the limited partnership. These limited partnerships actively trade and invest (by establishing both "long" and "short" positions) in domestic and foreign equity securities and options, equity futures contracts and options, other private placement investments, and securities issued or guaranteed by the United States government and related instruments. The fourth investment is valued using market data for public securities as provided by the general partner of the limited partnership. The partnership actively trades and invests (by establishing "long" positions only) in domestic and foreign equity securities. Securities that are listed on a national securities exchange or NASDAQ or over-the-

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

counter market are valued at the last reported sales price on the last day of the year, or the last reported bid and asked price. Securities for which market quotations are not readily available are valued at their fair value as determined in good faith under consistently applied procedures established by the General Partner, such as pricing models, discounted cash flow methodologies or similar techniques.

Warrants: Warrants are valued using a Black-Scholes model employing estimated share values, interest rates, volatility and term and are categorized in Level 2 of the fair value hierarchy.

Interest Rate Swap: Valued at fair value derived from mid-market values. A single value for each derivative transaction is used, even if compromised by multiple legs. Value has been measured based on estimates of the amount needed to settle the agreement. Such calculations were based on changes in market conditions and/or assumptions underlying valuation models.

The following table presents the fair value hierarchy for the Company's financial assets and liabilities measured at fair value on a recurring basis as of September 30, 2014:

Investments	**Assets at Fair Value**			
	Level 1	**Level 2**	**Level 3**	**Total**
Common stocks	$ 2,796,795	$ 297,000	$ 22,645	$ 3,116,440
Preferred stock	400,362	-	-	400,362
Fixed income	145,285	-	100,000	245,285
Mutual funds	60,554	-	-	60,554
Limited partnerships	-	-	1,400,902	1,400,902
Total assets at fair value	$ 3,402,996	$ 297,000	$1,523,547	$ 5,223,543

Interest Rate Swap Liability	**Liabilities at Fair Value**			
	Level 1	**Level 2**	**Level 3**	**Total**
Interest Rate Swap	$ -	$ 7,705	$ -	$ 7,705
Total interest rate swap	$ -	$ 7,705	$ -	$ 7,705

The following table presents the fair value hierarchy for the Company's financial assets and liabilities measured at fair value on a recurring basis as of September 30, 2013

Investments	**Assets at Fair Value**			
	Level 1	**Level 2**	**Level 3**	**Total**
Common stocks	$ 2,175,874	$ 196,600	$ 22,645	$ 2,395,119
Preferred stock	361,358	-	-	361,358
Fixed income	186,954	-	100,000	286,954
Mutual funds	183,052	-	-	183,052
Limited partnership	-	-	1,184,448	1,184,448
Total assets at fair value	$ 2,907,238	$ 196,600	$1,307,093	$ 4,410,931

Interest Rate Swap Liability	**Liabilities at Fair Value**			
	Level 1	**Level 2**	**Level 3**	**Total**
Interest Rate Swap	$ -	$ 20,616	$ -	$ 20,616
Total interest rate swap	$ -	$ 20,616	$ -	$ 20,616

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The following is a roll-forward of Level 3 fair value instruments for the six months ended September 30, 2014 and 2013:

	Limited Partnership Interests	Common Stocks	Fixed Income
Balance, April 1, 2013	$ 1,148,665	$ 22,645	$100,000
Unrealized losses relating to instruments still held at the reporting date	(64,217)	-	-
Purchases	100,000	-	-
Balance, September 30, 2013	$ 1,184,448	$ 22,645	$100,000
Balance, April 1, 2014	$ 1,369,687	$ 22,645	$100,000
Unrealized gains relating to instruments still held at the reporting date	31,215	-	-
Balance, September 30, 2014	$ 1,400,902	$ 22,645	$100,000

Quantitative information about Level 3 Fair Value Investments:

	Fair Value at September 30, 2014	Valuation Techniques	Unobservable Input
Fixed income securities	$100,000	Discounted expected cash flows	Probability of default (50%) Discount rate 4.5%
Private equity investments	$22,645	Conversion rate of recent private transactions	Recent private transaction rate

The nature and risk of certain investments by major category at September 30, 2014 are presented as follows:

	Fair Value	Unfunded Commitments	Redemption Provisions
Limited Partnerships	$1,400,902	$50,000	Quarterly with 30 days notice

The Company has various processes and controls in place to ensure that fair value is reasonably estimated. The Company's investment committee, which reports to the Board of Directors, sets the valuation policies for investments and is responsible for the determination of fair value.

The investment committee, together with independent investment advisors, (1) compares price changes between periods to current market conditions, (2) compares trade prices of securities to fair value estimates, (3) compares prices from multiple pricing sources, and (4) performs ongoing due diligence to confirm that independent pricing services use market-based parameters for valuation. Valuation approaches are reviewed on an ongoing basis and revised as necessary based on changing market conditions to ensure values represent a reasonable exit price.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable at September 30, 2014 and 2013 are as follows:

	2014	2013
Commissions receivable	$1,633,834	$1,396,767
Deferred first year commissions	5,267,878	6,699,073
Construction receivables	197,805	462,138
Other	844,157	573,889
	$7,943,674	$9,131,867

NOTE 5 – NOTES RECEIVABLE

Notes receivable at September 30, 2014 and 2013 are as follows:

	2014	2013
Distributor notes receivable, receivable in aggregate monthly installments of approximately $28,000 including interest at rates ranging from 2.25% to 5.50% per annum, final maturity in May 2021. The notes are generally collateralized by amounts payable pursuant to individual distribution agreements and security interests in certain assets of the distributors. Certain of the notes are personally guaranteed by principals of the distributors.	$1,186,301	$ 842,061
Less current portion	414,033	227,940
Long-term portion	$ 772,268	$ 614,121

Estimated future principal payments to be received as of September 30, 2014 are as follows:

2015	$ 414,033
2016	399,919
2017	117,693
2018	103,693
2019	80,775
Thereafter	70,188
	$1,186,301

NOTE 6 – INTANGIBLE ASSETS AND GOODWILL

Intangible assets consist of a covenant not to compete acquired in July 2011 related to the Empire acquisition, and two covenants not to compete, two franchise agreements, and goodwill acquired in September 2012 related to the Monkey Joe's acquisitions.

	Beginning Balance, April 1, 2014	Additions	Deletions	Ending Balance, September 30, 2014
Covenants Not To Compete	$339,708	$ -	$ -	$ 339,708
Franchise Agreements	181,000	-	-	181,000
Amortization	(239,518)	(51,505)	-	(291,023)
	$281,190	$ (51,505)	$ -	$ 229,685
Goodwill	$554,100	$ -	$ -	$ 554,100

	Beginning Balance, April 1, 2013	Additions	Deletions	Ending Balance, September 30, 2013
Covenant Not To Compete	$339,708	$ -	$ -	$ 339,708
Franchise Agreements	181,000	-	-	181,000
Amortization	(113,909)	(61,906)	-	(175,815)
	$406,799	$ (61,906)	$ -	$ 344,893
Goodwill	$ -	$ 554,100	$ -	$ 554,100

Amortization expense for the three and six months ended September 30, 2014, respectively was $20,552 and $51,505. Amortization expense for the three and six months ended September 30, 2013, respectively was $30,953 and $61,906.

Estimated amortization for the next five years for the covenants not to compete and the franchise agreements is as follows:

2015	$ 81,839
2016	78,555
2017	55,568
2018	12,588
2019	1,135
	$229,685

NOTE 7 – PROPERTY AND EQUIPMENT

Net property and equipment is comprised of the following at September 30, 2014 and 2013:

	2014	2013
Land and building	$ 245,604	$ -
Office equipment	1,801,686	1,465,836
Construction equipment	1,607,782	1,690,952
	3,655,072	3,156,788
Less accumulated depreciation	2,076,047	1,605,765
	$ 1,579,025	$ 1,551,023

Depreciation expense was $134,733 and $268,892 for the three and six months ended September 30, 2014, respectively. Depreciation expense was $130,376 and $251,147 for the three and six months ended September 30, 2013, respectively.

NOTE 8 – LINES OF CREDIT

The Company has five lines of credit available:

The first line of credit borrowing is under a $3,500,000 short-term bank line of credit facility. Borrowings under the line of credit bear interest at the British Banker Association LIBOR rate ('BBA LIBOR') plus 2% (2.1565% at September 30, 2014), and is collateralized by all accounts receivable, inventory and property and equipment. The credit facility contains both financial and non-financial covenants. The credit facility matures September 30, 2015. At September 30, 2014, $1,850,000 was outstanding. At September 30, 2013 none was outstanding.

Under a second line of credit, the Company has available a $750,000 ($500,000 at September 30, 2013) revolving line of credit bearing interest based on changes in an Independent index which is the Highest Wall Street Journal Prime Base Lending Rate. Interest on the unpaid balance of the note will be calculated using a rate of .25 percentage points over the Index. The credit facility requires an annual 30 day clean-up period. The index at September 30, 2014 is 3.25%, resulting in a rate of 3.5%. The note is due on demand. At September 30, 2014, $100,000 was outstanding. At September 30, 2013, $400,000 was outstanding.

Under the third line of credit, the Company has available a $1,000,000 ($500,000 at September 30, 2013) demand grid note credit facility. Borrowings under the note bear interest at prime (with a floor of 4%) and are due on demand. The credit facility is subject to an annual review by the lender. At September 30, 2014 and 2013, $175,000 and $400,000 were outstanding, respectively.

Under the fourth line of credit, the Company has available a $250,000 revolving line of credit facility. Borrowings under the note bear interest at prime plus 1% (with a floor of 4.75%) and is due on demand. The credit facility requires an annual 30 day clean-up period, is subject to an annual review by the lender and requires that the Company maintain a minimum deposit account balance of $250,000 with the lender. At September 30, 2014 and 2013 none was outstanding.

NOTE 8 – LINES OF CREDIT (Continued)

Under the fifth line of credit, the Company has available a $250,000 revolving line of credit facility. Borrowings under the note bear interest based on changes in an Independent index which is the Highest Wall Street Journal Prime Base Lending Rate, and is collateralized by accounts receivable, inventory and property and equipment, subject to a first claim by the bank noted in the first paragraph. Interest on the unpaid balance of the note will be calculated using a rate of .25 percentage points over the Index. The credit facility requires an annual 30 day clean-up period. The index at September 30, 2014 is 3.25%, resulting in a rate of 3.5%. The note is due on demand. At September 30, 2014 and 2013, none was outstanding.

NOTE 9 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at September 30, 2014 and 2013 are summarized as follows:

	2014	2013
Accounts payable	$ 301,327	$ 160,307
Technology benefits	251,042	137,464
Distributor commissions	1,598,201	1,248,250
Deferred first year commissions	2,903,940	3,692,341
Accrued compensation	401,232	457,440
Other	253,719	225,099
	$5,709,461	$5,920,901

Accrued technology benefits represents amounts payable pursuant to the Company's technology and marketing benefit program. The program is designed to encourage its member agencies to invest in technology and marketing by reimbursing the agencies for qualified expenditures. Agencies qualify for benefits based upon attaining annual production levels as defined in the program. Benefits payable under the program are based upon calendar year production and are payable in the calendar year subsequent to meeting production criteria.

NOTE 10 – INCOME TAXES

Income tax expense (benefit) for the three months ended September 30, 2014 and 2013 is summarized as follows:

	2014	2013
Current	$ 108,919	$ 222,890
Deferred	(155,672)	(103,100)
	$ (46,753)	$ 119,790

NOTE 10 – INCOME TAXES (Continued)

Income tax expense (benefit) for the six months ended September 30, 2014 and 2013 is summarized as follows:

	2014	2013
Current	$ 368,962	$ 446,811
Deferred	(112,072)	(163,700)
	$ 256,890	$ 283,111

Deferred tax assets and liabilities at September 30, 2014 and 2013 were attributable to the following:

	2014	2013
Deferred Tax Assets:		
Technology benefits	$ -	$ 4,100
Stock appreciation compensation	126,700	104,400
Intangible assets	55,200	45,600
Capital loss carryforwards	-	10,300
Other	14,000	14,300
Impairment on investment other than temporary	36,000	36,000
Total gross deferred tax assets	231,900	214,700
Deferred Tax Liabilities:		
Unrealized gains on investments	(365,300)	(186,800)
Other	(300)	-
Property and equipment	(359,700)	(273,400)
Total gross deferred tax liabilities	(725,300)	(460,200)
Total deferred taxes	$ (493,400)	$ (245,500)
Deferred Tax Liabilities, Current	$ (188,400)	$ (17,700)
Deferred Tax Liabilities, Long-Term	(305,000)	(227,800)
	$ (493,400)	$ (245,500)

The reconciliation of income taxes calculated at the Federal tax statutory rate to the Company's effective rate is set forth below for the six months ended September 30, 2014 and 2013:

	2014		2013	
	$	%	$	%
Tax at federal statutory rate	$254,223	34%	$258,716	34%
State income taxes	23,179	3%	21,794	3%
Other	(20,512)	-3%	2,601	0%
	$256,890	34%	$283,111	37%

NOTE 11 – LONG-TERM DEBT

Long-term debt as of September 30, 2014 and 2013 is as follows:

	2014	2013
Note payable to a bank, payable in fixed monthly principal payments of $25,000 a month plus interest, payments commenced on April 30, 2012. The interest rate on the note is 2% plus BBA LIBOR (2.1565% at September 30, 2014). The note matures on March 31, 2017. The note is collateralized by all accounts receivable, inventory and property and equipment and contains both financial and non-financial covenants.	$ 750,000	$1,050,000
Note payable to a bank, payable in fixed monthly principal payments of $25,000 a month plus interest, payments commenced on April 30, 2013. The interest rate on the note is 2% plus BBA LIBOR (2.1565% at September 30, 2014). The note matures on March 29, 2018. The note is collateralized by all accounts receivable, inventory and property and equipment and contains both financial and non-financial covenants.	1,050,000	1,350,000
In connection with the acquisition of the assets of JDC Construction, Inc. the Company executed a promissory note of $540,000 due to the former owner of the related assets. The note began to accrue interest on April 1, 2012 at a rate of 5%. Interest only payments were made through April 1, 2013, and thereafter payments of interest and principal of approximately $16,200 were made monthly. The note was scheduled to mature on April 1, 2016. The note was paid in full in February 2014.	-	469,746
Total	1,800,000	2,869,746
Less current portion	600,000	774,691
Long-term portion	$1,200,000	$2,095,055

Future principal maturities at September 30, 2014 are as follows:

Period Ending September 30,	
2015	$ 600,000
2016	600,000
2017	450,000
2018	150,000
	$1,800,000

NOTE 12 – SHAREHOLDERS' EQUITY

In July 2013, the Board of Directors declared a stock split of 6 shares for every 5 shares held by shareholders of record on July 26, 2013, payable on August 9, 2013. As a result, each shareholder received one new share of common stock for every five shares of common stock held as of the record date. All share amounts outstanding prior to July 26, 2013 have been retroactively adjusted for this split.

In February 2014, the Board of Directors declared a stock split of 2 shares for every 1 shares held by shareholders of record on February 28, 2014, payable on March 28, 2014. As a result, each shareholder received one new share of common stock for every one share of common stock held as of the record date. All share amounts outstanding prior to February 28, 2014 have been retroactively adjusted for this split.

In February 2014, the Company amended its articles of incorporation to increase the number of authorized shares of stock from 10 million shares of common stock to 50 million shares of common stock and 10 million shares of preferred stock.

In November 2014, the Board of Directors authorized a $.21 per share cash dividend for shareholders of record on December 12, 2014. The dividend is to be paid on or about January 30, 2015.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Leases

The Company has noncancellable operating leases for office, administration, processing, and family entertainment space at its St. Louis, Omaha, and Fairview Heights locations. Additionally, the Company leases office equipment under operating leases for use in both its administrative offices and in offices of several of its brokers, pursuant to its technology and marketing benefit program.

Approximate future minimum lease payments required under these operating leases at September 30, 2014 are as follows:

	Office Space	Office Equipment	Total
2015	$ 386,727	$ 52,904	$ 439,631
2016	364,648	7,536	372,184
2017	193,250	877	194,127
2018	161,250	-	161,250
2019	107,500	-	107,500
	$1,213,375	$ 61,317	$1,274,692

Rent expense for office space approximated $112,600 and $225,200 for the three and six months ended September 30, 2014. Rent expense for office space approximated $112,200 and $223,700 for the three and six months ended September 30, 2013. Rent expense for office equipment approximated $19,100 and $35,500 for the three and six months ended September 30, 2014. Rent expense for office equipment approximated $25,300 and $52,400 for the three and six months ended September 30, 2013. A substantial portion of the office equipment operating leases is classified as distributor related expenses in the accompanying consolidated statement of operations.

NOTE 14 – CONCENTRATIONS

During the three and six months ended September 30, 2014, the Company derived approximately 64% of its commission income from three insurance carriers. During the three and six months ended September 30, 2013, the Company derived approximately 61% of its commission income from three insurance carriers.

NOTE 15 – BENEFIT PLANS

Profit Sharing Plan

The Company has a qualified profit sharing plan with 401(k) deferred compensation provisions. Substantially all employees are eligible to participate in the plan. The plan provides for both matching and discretionary contributions determined by the Board of Directors. Contributions under the plan were approximately $17,700 and $23,300 for the three and six months ended September 30, 2014. Contributions under the plan were approximately $14,000 and $34,900 for the three and six months ended September 30, 2013.

Stock Appreciation Plan

The Company maintains a stock appreciation plan (the "SAP") for a member of management. Units of stock are allocated under a compensation agreement at a specified price per unit. The Company recognizes the estimated compensation cost of these stock appreciation units over the vesting term.

The estimated compensation cost is based on the Black-Scholes option model and is re-measured at each financial reporting date. Stock units cliff vest at the end of a five year period. Upon vesting, the value is calculated as the difference between the current value of the stock and the specified price per unit multiplied by the number of shares and paid in cash. Under the agreement, stock appreciation units were granted on April 1, 2010, 2011, 2012, 2013 and 2014.

Additionally, the stock appreciation units, whether vested or not vested, are entitled to receive payment in an amount equal to the actual cash dividends paid on shares of common stock, as of and when such dividends are paid.

NOTE 16 – RELATED PARTY TRANSACTIONS

The Company has entered into a service agreement with an affiliate of one of its brokers/agents for bookkeeping and other administrative services provided for the benefit of the Company. Administrative service fees and rent paid to the affiliated entity approximated $158,600 and $279,900 for the three and six months ended September 30, 2014. Administrative service fees and rent paid to the affiliated entity approximated $123,000 and $165,100 for the three and six months ended September 30, 2013.

The Company compensates its Board of Directors for attendance at its meetings. In addition, the Company compensates its Directors for work performed on behalf of the Company outside of their duties as Board members. Such compensation, which is computed and paid at an hourly rate commensurate with experience and expertise as determined by the Board of Directors, is classified as a component of compensation and net investment income in the accompanying consolidated statement of operations.

The Company previously leased office and warehouse space in Iowa for $60,000 annually from the former owner of JDC Construction, Inc. The lease was terminated April 30, 2014. The Company purchased real property in Iowa for approximately $240,000 to be used as office and warehouse space.