TRUE 2 BEAUTY, INC.

INTERIM REPORT

September 30, 2014

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**TRUE 2 BEAUTY, INC. AND SUBSIDIARY**
**CONDENSED CONSOLIDATED BALANCE SHEETS**

| | September 30, 2014 (Unaudited) | March 31, 2014 |
|---|---|---|
| **ASSETS** | | |
| CURRENT ASSETS: | | |
| Cash | $ 17,994 | $ 9,345 |
| Prepaid expenses | 28,445 | 18,225 |
| Security deposit | — | 636 |
| Total Current Assets | 46,439 | 28,206 |
| TOTAL ASSETS | $ 46,439 | $ 28,206 |
| **LIABILITIES AND STOCKHOLDERS' DEFICIT** | | |
| CURRENT LIABILITIES: | | |
| Loans payable | $ — | $ 20,000 |
| Deferred revenue | — | 327 |
| Accounts payable and accrued expenses | 35,301 | 33,575 |
| Accrued officer salary and director fees | 35,550 | 21,250 |
| Advances for common stock purchases | — | 113,525 |
| Due to shareholders | 4,947 | 8,218 |
| Due to officer | 310 | 508 |
| Advances for convertible notes purchases | 55,000 | — |
| Total Current Liabilities | 131,108 | 197,403 |
| COMMITMENTS (Note 11) | | |
| STOCKHOLDERS' DEFICIT: | | |
| Preferred stock ($0.001 par value; 10,000,000 shares authorized; No share issued or outstanding at September 30, 2014 and March 31, 2014) | — | — |
| Common stock, ($0.001 par value; 190,000,000 shares authorized; 36,951,165 and 31,601,531 shares issued and outstanding at September 30, 2014 and March 31, 2014, respectively) | 36,951 | 31,601 |
| Additional paid-in capital | 8,332,206 | 8,042,803 |
| Accumulated deficit | (8,453,826) | (8,243,601) |
| TOTAL STOCKHOLDERS' DEFICIT | (84,669) | (169,197) |
| TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT | $ 46,439 | $ 28,206 |

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



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**TRUE 2 BEAUTY, INC. AND SUBSIDIARY**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

| | For the Six Months Ended September 30, | |
|---|---|---|
| | 2014 | 2013 |
| REVENUE, NET | $ 358 | $ 35,825 |
| COST OF REVENUE | 1,536 | 33,109 |
| GROSS (LOSS) PROFIT | (1,178) | 2,716 |
| OPERATING EXPENSES | | |
| Compensation and related taxes | 86,562 | 65,204 |
| Professional fees | 94,264 | 105,065 |
| Other selling, general and administrative | 22,711 | 28,829 |
| TOTAL OPERATING EXPENSES | 203,537 | 199,098 |
| LOSS FROM OPERATIONS | (204,715) | (196,382) |
| OTHER INCOME (EXPENSE) | | |
| Loss on settlement of loans | (5,510) | — |
| TOTAL OTHER INCOME (EXPENSE) | (5,510) | — |
| NET LOSS | $ (210,225) | $ (196,382) |
| NET LOSS PER COMMON SHARE | | |
| Basic and diluted | $ (0.01) | $ (0.01) |
| WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING: | | |
| Basic and diluted | 35,340,520 | 28,495,569 |

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



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**TRUE 2 BEAUTY, INC. AND SUBSIDIARY**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

| | For the Six Months Ended September 30, | |
|---|---|---|
| | 2014 | 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net loss | $ (210,225) | $ (196,382) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Stock-based compensation and fees | 68,508 | 29,754 |
| Loss on settlement of loans | 5,510 | — |
| Changes in operating assets and liabilities: | | |
| Prepaid expenses | 3,095 | 24,520 |
| Prepaid salary to officer | — | 26,166 |
| Security deposit | 636 | — |
| Inventories | — | 29,282 |
| Accounts payable and accrued expenses | 3,726 | (720) |
| Deferred revenue | (327) | — |
| Accrued officer salary and director fees | 14,300 | 3,000 |
| Due to shareholders | (3,271) | 2,763 |
| Due to officer | (198) | (142) |
| Net cash used in operating activities | (118,246) | (81,759) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds received from common stock subscriptions | — | 46,725 |
| Proceeds received from convertible notes advances | 55,000 | — |
| Proceeds received from sale of stock | 71,895 | 18,000 |
| Net cash provided by financing activities | 126,895 | 64,725 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 8,649 | (17,034) |
| CASH AND CASH EQUIVALENTS - beginning of period | 9,345 | 19,621 |
| CASH AND CASH EQUIVALENTS - end of period | $ 17,994 | $ 2,587 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | |
| Cash paid for: | | |
| Interest | $ — | $ — |
| Income taxes | $ — | $ — |
| NON-CASH INVESTING AND FINANCING ACTIVITIES: | | |
| Stock issued for future services | $ 33,060 | $ 82,650 |
| Stock issued for accounts payable | $ — | $ 82,650 |
| Stock issued for loans' principal | $ 20,000 | $ — |
| Stock issued for accrued interest | $ 2,000 | $ — |
| Stock issued for common stock subscription advances | $ 113,525 | $ — |

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NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

True 2 Beauty, Inc. (the "Company") was originally incorporated as Burrow Mining, Inc., a Nevada corporation, on December 11, 2006. In February 2010, the Company shifted its focus to the beauty industry and later amended its Articles of Incorporation and changed its name to its current name, True 2 Beauty, Inc., to better reflect its then new business focus.

On July 10, 2012, the Company formed a new wholly owned subsidiary True2Bid, Inc. ("True2Bid") which was incorporated in the state of Nevada. This subsidiary's name was changed to LegacyXChange, Inc. in December 2014. The Company continued to sell existing inventory of beauty products through May 2013 when the final inventory was sold. True2Bid operates an online e-commerce platform focus on delivering users a wide array of sports and entertainment related products that can be won in an action packed environment of a live auction.

In addition to its e-commerce platform, the Company has recently signed an agreement with Applied DNA to work together, in good faith, on a business partnership focused on using Applied DNA Sciences' unique SigNature© DNA taggant platform, digitalDNA © software platform and other products as required for DNA marking, tracking and authentication of sports collectibles and sports memorabilia uniquely and authentically identified to an athlete ("Goods") and offered either within a True2Bid online auction exchange environment or through other means of sale.

NOTE 2 – BASIS OF PRESENTATION, GOING CONCERN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

Management acknowledges its responsibility for the preparation of the accompanying unaudited condensed consolidated financial statements which reflect all adjustments, consisting of normal recurring adjustments, considered necessary in its opinion for a fair statement of its consolidated financial position and the consolidated results of its operations for the periods presented. The accompanying unaudited condensed consolidated financial statements include the financial statement of its wholly-owned subsidiary, True2Bid, Inc. All intercompany accounts and transactions have been eliminated in consolidation. The accompanying unaudited condensed consolidated financial statements for True 2 Beauty Inc. and its subsidiary have been prepared in accordance with accounting principles generally accepted in the United States of America (the "U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 8-03 of Regulation S-X. Operating results for interim periods are not necessarily indicative of results that may be expected for the fiscal year as a whole. These unaudited condensed consolidated financial statements should be read in conjunction with the summary of significant accounting policies and notes to consolidated financial statements included in the report elsewhere for the years ended March 31, 2014 and 2013.

Going concern

These unaudited condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates, among other things, the realization of assets and the satisfaction of liabilities in the normal course of business.

As reflected in the accompanying unaudited condensed consolidated financial statements, the Company had a net loss of $210,225 and $196,382 for the six months ended September 30, 2014 and 2013, respectively, and net cash used in operations of $118,246 and $81,759 for the six months ended September 30, 2014 and 2013, respectively, and an accumulated deficit and stockholders' deficit of $8,453,826 and $84,669, respectively, at September 30, 2014, and has a gross loss for the six months ended September 30, 2014 and minimal gross profit for the six months ended September 30, 2013. These matters raise substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company's ability to raise additional capital, implement its business plan, and generate significant revenues. The unaudited condensed consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. The Company plans on raising capital through the sale of equity or debt instruments to implement its business plan. There is no assurance these plans will be realized.

Use of estimates

The preparation of the unaudited condensed consolidated financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates during the six months ended September 30, 2014 and 2013 include the valuation of deferred tax assets and the valuation of stock-based compensation and fees.



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NOTE 2 – BASIS OF PRESENTATION, GOING CONCERN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value of financial instruments and fair value measurements

The Company adopted the guidance of Accounting Standards Codification ("ASC") 820 for fair value measurements which clarifies the definition of fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value as follows:

* Level 1-Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

* Level 2-Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

* Level 3-Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The carrying amounts reported in the unaudited condensed consolidated balance sheets for cash, loans payable, accounts payable and accrued expenses, accrued officer salary and director fees, advances from common stock purchases, due to shareholders, due to officer and advances for convertible notes purchases approximate their fair market value based on the short-term maturity of these instruments. The Company did not have any non-financial assets or liabilities that are measured at fair value on a recurring basis as of September 30, 2014 and March 31, 2014.

ASC 825-10 "Financial Instruments", allows entities to voluntarily choose to measure certain financial assets and liabilities at fair value (fair value option). The fair value option may be elected on an instrument-by-instrument basis and is irrevocable, unless a new election date occurs. If the fair value option is elected for an instrument, unrealized gains and losses for that instrument should be reported in earnings at each subsequent reporting date. The Company did not elect to apply the fair value option to any outstanding instruments.

Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term highly liquid investments purchased with original maturities of three months or less. There were no cash equivalents at September 30, 2014 and March 31, 2014.

Inventories and cost of revenue

Inventories are stated at the lower of cost or market value. Cost is determined using the cost to acquire inventory and is valued using the first-in, first-out method. Any inventory adjustments are based upon management's review of inventories on hand compared to estimated future usage and sales. The Company has no inventory on hand as of September 30, 2014 because after May 2013 products sold are drop shipped from the Company's vendors to the Company's customers.

Deferred revenue

Deferred revenue represents revenue collected from the sale of bid packages for the Company's online auctions but not earned as of the report date. Deferred revenue totaled $0 and $327 as of September 30, 2014 and March 31, 2014, respectively.

Advances for common stock purchases

Advances for common stock purchases consist of prepayments from investors for the purchase of common stock prior to the signing of a stock subscription agreement which was signed after the period end. The Company reclassified to equity the advances for common stock purchases at the time the stock subscription was signed. At September 30, 2014 and March 31, 2014, the Company had advances for common stock purchases of $0 and $113,525, respectively.



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NOTE 2 – BASIS OF PRESENTATION, GOING CONCERN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the purchase price is fixed or determinable and collectability is reasonably assured. The Company's specific revenue recognition policies are as follows:

- Product sales from the sale of beauty products by the parent company (which ceased in May 2013) and sales of products through the subsidiary auction web-site are recognized when the product is shipped to the customer and title is transferred.

- To participate in the Company's auction program, consumers are required to purchase bid packages directly from the Company. Proceeds from the sales of bid packages are recorded as deferred revenue until recognizable as discussed below. In connection with the sale of bid packages, the Company utilized the User-based Revenue Model ("UBRM"). The UBRM is based on the presumption that the period of delivery for the bid package is the estimated average user life which was estimated by the Company to be 60 days. Consequently, revenue from the sale of bid packages is recognized ratably over the estimated user life of 60 days.

Stock-based compensation

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment Topic of ASC 718 which requires recognition in the financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

Pursuant to ASC Topic 505-50, for share-based payments to consultants and other third-parties, compensation expense is determined at the "measurement date." The expense is recognized over the service period of the award. Until the measurement date is reached, the total amount of compensation expense remains uncertain. The Company initially records compensation expense based on the fair value of the award at the reporting date.

Income taxes

Deferred income tax assets and liabilities arise from temporary differences associated with differences between the financial statements and tax basis of assets and liabilities, as measured by the enacted tax rates, which are expected to be in effect when these differences reverse. Deferred tax assets and liabilities are classified as current or non-current, depending upon the classification of the asset or liabilities to which they relate. Deferred tax assets and liabilities not related to an asset or liability are classified as current or non-current depending on the periods in which the temporary differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company follows the provisions of FASB ASC 740-10 "Uncertainty in Income Taxes" (ASC 740-10). Certain recognition thresholds must be met before a tax position is recognized in the financial statements. An entity may only recognize or continue to recognize tax positions that meet a "more-likely-than-not" threshold. As of September 30, 2014 and March 31, 2014, the Company does not believe it has any uncertain tax positions that would require either recognition or disclosure in the accompanying unaudited condensed consolidated financial statements.

Shipping costs

Shipping costs are included in other selling, general and administrative expense and totaled $115 and $4,010 for the six months ended September 30, 2014 and 2013, respectively.

Advertising

Advertising is expensed as incurred and is included in other selling, general and administrative expense. The Company did not incur any advertising expense for the six months ended September 30, 2014 and 2013.



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NOTE 2 – BASIS OF PRESENTATION, GOING CONCERN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Research and development

Expenditures for research and product development costs are expensed as incurred. The Company did not incur any research and development during the six months ended September 30, 2014 and 2013.

Basic and diluted earnings per share

Pursuant to ASC 260-10-45, basic earnings per common share is computed by dividing income (loss) available to common shareholders by the weighted average number of shares of common stock outstanding for the periods presented. Diluted income per share is computed by dividing net income (loss) by the weighted average number of shares of common stock, common stock equivalents and potentially dilutive securities outstanding during each period. Diluted income (loss) per share reflects the potential dilution that could occur if securities were exercised or converted into common stock or other contracts to issue common stock resulting in the issuance of common stock that would then share in the Company's income (loss) subject to anti-dilution limitations. Potentially dilutive common shares consist of common stock issuable for stock warrants (using the treasury stock method). In period where the Company has a net loss, all potentially dilutive securities are excluded from the computation of diluted shares outstanding as they would have had an anti-dilutive impact. The following table sets forth the computation of basic and diluted earnings per share for the six months ended September 30, 2014 and 2013.

| | Six Months Ended September 30, | |
|---|---|---|
| | 2014 | 2013 |
| Net loss available to common stockholders for basic and diluted net loss per share of common stock | $ (210,225) | $ (196,382) |
| Weighted average common stock outstanding – basic | 35,340,520 | 28,495,569 |
| Effect of dilutive securities: | | |
| Stock warrants | — | — |
| Weighted average common stock outstanding – diluted | 35,340,520 | 28,495,569 |
| Net loss per common share – basic and diluted | $ (0.01) | $ (0.01) |

The Company's aggregate common stock equivalents at September 30, 2014 and 2013 included the following:

| | September 30, 2014 | September 30, 2013 |
|---|---|---|
| Stock warrants | 1,048,315 | 733,609 |
| Total | 1,048,315 | 733,609 |

Related parties

Parties are considered to be related to the Company if the parties, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal with if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. The Company discloses all related party transactions. All transactions are recorded at fair value of the goods or services exchanged.

NOTE 3 – PREPAID EXPENSES

At September 30, 2014 and March 31, 2014, prepaid expenses consisted of the following:

| | September 30, 2014 | March 31, 2014 |
|---|---|---|
| Prepaid consulting fees | $ 28,445 | $ 13,775 |
| Prepaid travel and other expense | — | 4,450 |
| | $ 28,445 | $ 18,225 |



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NOTE 4 – LOANS PAYABLE

On November 4, 2013, the Company and an individual entered into a loan agreement, providing for the issuance of a loan in the principal amount of $10,000. The loan was due on December 31, 2013. On April 8, 2014, the principal amount of $10,000 and all accrued and unpaid interest of the loan were settled for 249,650 shares of the Company's common stock, resulting in a loss on settlement of $2,755.

On November 20, 2013, the Company and an individual entered into a loan agreement, providing for the issuance of a loan in the principal amount of $10,000. The loan was due on December 31, 2013. On April 8, 2014, the principal amount of $10,000 and all accrued and unpaid interest of the loan were settled for 249,650 shares of the Company's common stock, resulting in a loss on settlement of $2,755.

At September 30, 2014 and March 31, 2014, the total principal for the above loans payable amounted to $0 and $20,000, respectively, which amount was included in loans payable in the accompanying consolidated balance sheets. During the six months ended September 30, 2014, the total loss on settlement of the above two loans amounted to $5,510 which was included in loss on settlement of loans in the accompanying unaudited condensed consolidated statements of operations.

NOTE 5 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

At September 30, 2014 and March 31, 2014, accounts payable and accrued expenses consisted of the following:

| | September 30, 2014 | March 31, 2014 |
|---|---|---|
| Accrued interest | $ — | $ 2,000 |
| Accrued professional fees | 12,922 | 12,922 |
| Accrued payroll taxes | 22,379 | 18,653 |
| | $ 35,301 | $ 33,575 |

NOTE 6 - ACCRUED OFFICER SALARY AND DIRECTOR FEES

In January 2012, the Company announced Mr. Christopher Jarvis as a member of the Board of Director. In connection with Mr. Jarvis' employment as a director, the Company has agreed to compensate him as follows: an initial payment of $1,500 and quarterly payments of $1,500 during the term which he serves as a director of the Company. As of September 30, 2014 and March 31, 2014, the amount due to Christopher Jarvis was $9,750 and $6,750, respectively, and was included in accrued officer salary and director fees in the accompanying unaudited condensed consolidated balance sheets.

As of September 30, 2014 and March 31, 2014, the accrued and unpaid CEO's salary was $25,800 and $14,500, respectively, and was included in accrued officer salary and director fees in the accompanying unaudited condensed consolidated balance sheets.

At September 30, 2014 and March 31, 2014, accrued officer salary and director fees consisted of the following:

| | September 30, 2014 | March 31, 2014 |
|---|---|---|
| Accrued director's salary | $ 9,750 | $ 6,750 |
| Accrued officer salary | 25,800 | 14,500 |
| | $ 35,550 | $ 21,250 |

NOTE 7 – DUE TO SHAREHOLDERS

At September 30, 2014 and March 31, 2014, the Company owed two shareholders at the amount of $4,947 and $8,218 for payments made on behalf of the Company and which have been reimbursed by October 2014.



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NOTE 8 – RELATED PARTY TRANSACTIONS

Due to officer

At September 30, 2014 and March 31, 2014, the Company owed Mr. William Bollander, its CEO, $310 and $508, respectively, for payments made on behalf of the Company and which has been included in Due to officer in the accompanying unaudited condensed consolidated balance sheets.

NOTE 9 – STOCKHOLDERS' (DEFICIT) EQUITY

Authorized shares

The Company is authorized to issue 10,000,000 shares of its $0.001 par value preferred stock. As of September 30, 2014 and March 31, 2014, no share was issued and outstanding.

The Company is authorized to issue 190,000,000 shares of its $0.001 par value common stock. As of September 30, 2014 and March 31, 2014, 36,951,165 and 31,601,531 shares of common stock were issued and outstanding, respectively.

Common stock issued for services

During the six months ended September 30, 2014, the Company issued 1,485,000 shares of common stock for services, including 360,000 shares to a board member of the Company. The shares were valued on the grant date at their fair value of $81,824 based on the recent sales price of the common stock of $0.0551 per share. The Company recorded stock-based compensation and fees of $54,733 and had a remaining prepaid expense of $27,091 at September 30, 2014, which will be amortized over the remaining service periods.

Common stock sold for cash

During the six months ended September 30, 2014, the Company sold a total of 3,365,334 shares of common stock at an average price of $0.0551 per common share to investors. During the six months ended September 30, 2014, the Company received cash proceeds of $71,895 from the sale of these shares and decreased advances for common stock purchases of $113,525.

Common stock issued for loan settlements

During the six months ended September 30, 2014, the Company issued a total of 499,300 shares of common stock, valued on the grant date at their fair value of $27,510 based on the recent sales price of the common stock of $0.0551 per share. These shares were issued in settlement of $20,000 in principal and $2,000 of interest, resulting in a loss on settlement of $5,510 which is reflected in Other Expense in the accompanying unaudited consolidated statement of operations.

Warrants

The Company issued warrants with common stock during the six months ended September 30, 2014. The warrants have an exercise price of $0.40 per share and expire in 5 years from issuance date. Warrant activities for the six months ended September 30, 2014 was as follows:

| | Number of Warrants | Weighted Average Exercise Price |
|---|---|---|
| Balance at March 31, 2014 | 733,609 | $ 0.40 |
| Issued | 314,706 | 0.40 |
| Exercised/forfeited/expired | — | — |
| Balance at September 30, 2014 | 1,048,315 | $ 0.40 |
| Warrant exercisable at September 30, 2014 | 1,048,315 | $ 0.40 |

There was no intrinsic value of the warrants as of September 30, 2014.

The following table summarizes the shares of the Company's common stock issuable upon exercise of warrants outstanding at September 30, 2014:



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NOTE 9 – STOCKHOLDERS' (DEFICIT) EQUITY (continued)

Warrants (continued)

| Warrants Outstanding | | | | Warrants Exercisable | |
|---|---|---|---|---|---|
| Range of Exercise Price | Number Outstanding at September 30, 2014 | Weighted Average Remaining Contractual Life (Years) | Weighted Average Exercise Price | Number Exercisable at September 30, 2014 | Weighted Average Exercise Price |
| $ 0.40 | 356,250 | 3.0 | $ 0.40 | 356,250 | $ 0.40 |
| 0.40 | 25,000 | 3.1 | 0.40 | 25,000 | 0.40 |
| 0.40 | 25,500 | 3.2 | 0.40 | 25,500 | 0.40 |
| 0.40 | 161,543 | 3.3 | 0.40 | 161,543 | 0.40 |
| 0.40 | 103,438 | 3.4 | 0.40 | 103,438 | 0.40 |
| 0.40 | 46,877 | 3.5 | 0.40 | 46,877 | 0.40 |
| 0.40 | 15,001 | 3.6 | 0.40 | 15,001 | 0.40 |
| 0.40 | 106,912 | 4.6 | 0.40 | 106,912 | 0.40 |
| 0.40 | 205,919 | 4.7 | 0.40 | 205,919 | 0.40 |
| 0.40 | 1,875 | 4.8 | 0.40 | 1,875 | 0.40 |
| | 1,048,315 | 3.6 | $ 0.40 | 1,048,315 | $ 0.40 |

NOTE 10 – CONCENTRATIONS AND COMMITMENTS

Concentrations

Concentration of credit risk

The Company maintains its cash in bank and financial institution deposits that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts through September 30, 2014. There were no balances in excess of FDIC insured levels as of September 30, 2014 and March 31, 2014.

Customers

No customer accounted for 10% or more of the Company's revenue during the six months ended September 30, 2014 and 2013.

Suppliers

No supplier accounted for 10% or more of the Company's purchase during the six months ended September 30, 2014 and 2013.

Commitments

Service contracts

On April 5, 2014, the Company entered into a legal service agreement with Frederick M. Lehrer, Esquire ("FML") who has agreed to perform corporate and securities related legal services for the Company. The agreement expires upon the SEC issuing an effectiveness notice for S-1. In accordance to this legal service agreement, the Company pays FML (a) a cash fee of $10,000 payable as follows (i) $2,000 upon execution of this agreement; (ii) $3,000 upon filing the S-1; (iii) $5,000 upon the SEC issuing an effectiveness notice; and (b) 200,000 shares of the Company's common stock were issued to be issued within 20 days of the execution of this agreement. The Company made the first $2,000 cash payment in May 2014 and issued the 200,000 shares of common stock in April 2014. The common shares were valued at fair value using the recent sale price of the common stock on the date of grant of $0.0551 per common share and the Company recorded stock-based compensation and fees of $11,020 in the six months ended September 30, 2014.



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NOTE 10 – CONCENTRATIONS AND COMMITMENTS (continued)

Commitments (continued)

Service contracts (continued)

On April 28, 2014, the Company entered into a service agreement with CFO Oncall Inc. In accordance to the service agreement, CFO Oncall Inc. provides the Company accounting service and the Company issued CFO Oncall Inc. 100,000 shares of common stock in April 2014. The agreement expired on October 31, 2014. The common shares were valued at fair value using the recent sale price of the common stock on the date of grant of $0.0551 per common share and the Company recorded stock-based compensation and fees of $5,510 in the six months ended September 30, 2014.The Company entered into a new service agreement with CFO Oncall Inc. effective on November 1, 2014. In accordance to the service agreement, the service fee is $5,000 per month which is payable as follows: $3,000 in cash payable in advance of the 1st of each month, and $2,000 payable at the Company's option in cash or the Company's common stock.

In September 2014, the Company signed an eight-month agreement with Applied DNA to work together, in good faith, on a business partnership focused on using Applied DNA Sciences' unique SigNature© DNA taggant platform, digitalDNA © software platform and other products as required for DNA marking, tracking and authentication of sports collectibles and sports memorabilia uniquely and authentically identified to an athlete ("Goods") and offered either within a True2Bid online auction exchange environment or through other means of sale. The agreement requires a cash payment of $35,000, of which $10,000 has been paid and the balance of $25,000 to be paid in two payments of $12,500 each on February 1, 2015 and June 1, 2015.

NOTE 11 – SUBSEQUENT EVENT

On October 29, 2014, the Company entered into a service agreement with CFO Oncall Inc. and the agreement is effective on November 1, 2014. In accordance to the service agreement, the service fee is $5,000 per month which is payable as follows: $3,000 in cash payable in advance of the 1st of each month, and $2,000 payable at the Company's option in cash or the Company's common stock.

In October and November 2014, the Company and 7 investors (the "Investors") entered into convertible promissory note agreements, providing the issuance of a 10% convertible promissory notes (the "Convertible Notes") with an aggregate principal amount of $400,000. The Convertible Notes are due and payable on the third anniversary of the date of issuance through October 2017. The Investors are entitled, at their option, at any time after the issuance of these Convertible Notes, to convert all or any lesser portion of the outstanding principal amount and accrued but unpaid interest into the Company's common stock at a conversion price for each share of common stock equal to $0.02. The conversion price of the Convertible Notes shall be subject to adjustment for issuances of common stock at a purchase price of less than the then-effective conversion price. In the event a registration statement is not filed by either the Company within 60 days following the completion of this Offering, or the full amount of Conversion Shares are not included in the first registration statement filed by either entity, or if such registration statement including the Conversion Shares is not declared effective within 180 days following the completion of the Offering, the Convertible Notes shall then be convertible at the option of the Holder into shares of the common stock, par value $.001 per share, of the Company at a conversion price equal to the lesser of $0.02 per share or a 25% discount to the average closing bid price of the Parent Company's stock for the five days immediately prior to the day upon which the Company receives a written conversion notice from the Holder for any portion of the Notes. The Penalty Conversion shall remain in effect until such time as a registration statement from the Company, including the Conversion Shares is declared effective by the SEC. In connection with the issuance of these Convertible Notes above, the Company determined that the terms of the Convertible Notes include a down-round provision under which the conversion price and exercise price could be affected by future equity offerings undertaken by the Company or contain terms that are not fixed monetary amounts at inception. Accordingly, under the provisions of FASB ASC Topic No. 815-40, "Derivatives and Hedging – Contracts in an Entity's Own Stock", the convertible instruments shall be accounted for as a derivative liabilities at the date of issuance and shall be adjusted to fair value through earnings at each reporting date. On the measurement date, the Company shall record a derivative liability of $388,039.



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