

FIDELITY HOLDING CORP.
ANNUAL REPORT
Annual Report for the Year Ending December 31, 2014

Item 1. Name of the Issuer and its Predecessors:

Fidelity Holding Corp. was originally incorporated under the laws of the state of Colorado on January 12, 1998 as Thor Management Group, Inc., (TMPG). On June 18, 1998, the name of the Company was changed to AXYN Corporation (AXYN). On April 9, 2004, the name of the Company was changed to Chef Selections, Inc., (CFSC). On January 12, 2010, the name of the Company was changed to Talisman Holdings, Inc. (TMHO). On August 20, 2014, the name of the Company was changed to the present Fidelity Holding Corp. (FDHC) to more accurately reflect current business activities.

Item 2. Address of the Issuer's Principal Executive Offices:

(i) Company Headquarters

Fidelity Holding Corp.
6955 N. Durango Drive Ste 1115-#321
Las Vegas, NV 98149
Telephone: (307)350-2339
Facsimile: (307)350-2339
Email: mbozner@fidelityholdingcorp.com
Company Website:

(ii) IR Contact

Michael Bozner
6955 N Durango Drive Ste 1115-#321
Las Vegas, NV 89149
Telephone: (307)350-2339
Facsimile: (307)350-2339
Email: mbozner@fidelityholdingcorp.com
Website:

Item 3. Security Information

- (i) Trading Symbol: FDHC
- (ii) Exact Title and Class of Securities Outstanding: Common Stock
- (iii) CUSIP: 31618P 103
- (iv) Par or Stated Value: \$0.0001 per value
- (v) Total Shares Authorized: 1,000,000,000 as of 12/31/2014
- (vi) Total Shares Outstanding: 3,293,754 as of 12/31/2014

Transfer Agent

Quick Silver Stock Transfer
6623 Las Vegas Blvd. South #255
Las Vegas, NV 89119
Telephone: (702)629-1883
Facsimile: (702)562-9791

Quick Silver Stock Transfer is currently registered under the Exchange Act and is an SEC regulated and approved transfer agent.

Restrictions

List any restrictions on the transfer of the security: There are no restrictions on transfer.

Trading Suspension Orders: There have been no trading suspension orders issued by the SEC in the past 12 months.

Item 4. Issuance History

The following list indicates all offerings of securities, public or private, within the last two years.

- (i) The nature of each offering: No offerings. Not applicable.
- (ii) Any jurisdictions where the offering was registered or qualified: Not applicable.
- (iii) The number of shares offered: No offerings. Not applicable.
- (iv) The number of shares sold: Not applicable.
- (v) The price at which the shares were offered, and the amount actually paid to the issuer: Not applicable.
- (vi) The trading status of the shares: Not applicable.
- (vii) Whether the certificates or other documents that evidence the shares contain a legend 1) stating that the shares have not been registered under the Securities Act, and 2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act: Not applicable.

Likewise, no shares, other securities or options to acquire any such securities have been issued for services in the past two fiscal years, and any interim period.

Item 5. Financial Statements

Financial Statements for the year ending December 31, 2014 are separately attached at the end of this Report, marked Exhibit A, and incorporated herein by reference. The statements include:

1. Balance sheet;
2. Statement of income;
3. Statement of cash flows;
4. Statement of changes in stockholders' equity; and
5. Financial Notes

Item 6. Description of the Issuer's Business, Products and Services

(i) Description of the issuer's business operations.

The Company is structured as a holding company with long-term growth strategy predicated on creating or acquiring operating subsidiaries or affiliates, which are owned in whole or part by Fidelity Holding Corp. To that end, the Company intends to actively pursue a course of formation and acquisition of other companies so as to create a coalition of sister companies within the corporate framework which all have a synergy of interest. It is the opinion of management that such an interrelated group of companies provides a strong working foundation, and that this structure maximizes strengths and potential profits. Management also favors the holding company structure because in the long term it provides diversity of risk, while at the same time creating unlimited possibilities for explosive but controlled growth and expansion.

Presently, in furtherance of its business plans, the Company has finalized the acquisition of Rebel Resources, Inc., which will be its flagship subsidiary. Information on that company may be summarized as follows:

Rebel Resources, Inc. is developing proprietary advanced technology which is focused on the recovery of heavy oil from mature onshore U.S. fields. Worldwide, heavy oil is twice the resource of conventional light crude oil, and it is estimated that as much as two-thirds of the oil in mainland U.S. reservoirs has been left behind. Experts believe these abandoned wells could hold 377 billion barrels - more than double the cumulative U.S. production to date. The Rebel thermal technology accesses and unlocks the door to this underexploited resource. It provides an economically friendly, low cost alternate for production without typical exploration and drilling cost. Visit www.rebelresources.com to learn more about this exciting company.

(ii) Date and State of Incorporation:

Fidelity Holding Corp. was originally incorporated under the laws of the state of Colorado on January 12, 1998 as Thor Management Group, Inc., (TMPG). On June 18, 1998, the name of the Company was changed to AXYN Corporation (AXYN). On April 9, 2004, the name of the Company was changed to Chef Selections, Inc., (CFSC). On January 12, 2010, the name of the Company was changed to Fidelity Holding Corp., (TMHO). On August 20, 2014, the name of the Company was changed to Fidelity Holding Corp. to more accurately reflect current business activities.

(iii) The Issuer's Primary and Secondary SIC Codes. The Primary SIC code for the Company is 6719 and the secondary SIC code is 1311.

(iv) The Issuer's Fiscal Year End Date. The Company's fiscal year end date is December 31st.

(v) Principal Products or Services, and Their Markets

The business plan of Fidelity Holding Corp. presently centers on owning, in whole or part, an interest in various subsidiaries or affiliates. Its primary focus, at present, is directed toward the oil and gas industry. It is in the process of finalizing the acquisition of Rebel Resources, Inc. Following is a brief summary of that company.

REBEL RESOURCES, INC.

Company operations are focused and center on the recovery of heavy oil. Heavy oil has more than double the reserves of conventional oil, according to Schlumberger (SLB). Most of the current and historical oil production has come from conventional reservoirs, which contain oil that is sufficiently viscous to be pumped utilizing well pressure and non-specialized pumps. Heavy oil is more viscous (thicker, like molasses) than conventional oil so is much more difficult to extract from the ground. Currently, the volume of heavy oil production is only a fraction of the production from conventional oil. However, going forward, it is almost certain that the world's dependence on heavy oil production will increase due to the massive reserve base of heavy oil and projected increased demand from Asia and developing countries.

The size and the enormous potential of heavy oil is illustrated by the following:

- U.S. heavy oil reserves approach 100 billion+ barrels of original oil-in-place (OOIP)
- Reserves are concentrated in 2480 large reservoirs, holding 80 billion barrels of OOIP
- Numerous states, such as California, Alaska, Wyoming, Arkansas, Louisiana, Mississippi, Kansas, Utah, Oklahoma and Texas contain significant volumes.

Heavy oil is most often found in reservoirs that are relatively shallow, and which contain thick moderately viscous oil. It is interesting to note that stripper wells (those producing less than 10 barrels per day, with an average production of two barrels) account for four to five percent of daily oil consumption in the U.S. and 28-30% of the production in the U.S.

For the past several years the Company has studied and examined various production methods relative to the production of heavy oil. Thermal recovery techniques emerged as the clear "method of choice." Consequently, the Company has worked to refine a second generation unit for enhanced oil recovery which was originally designed, engineered and fabricated in the 1980's. The original prototype was successfully proven, but because of existing oil prices it was not then commercially feasible. Company engineers, using the original system as a model, have finalized and perfected a superheated steam generator which maintains high electrical efficiency.

By utilizing this approach, heavy oil may be recovered by introducing heat into the reservoir through thermally controlled processes. Oil is not found in convenient pools, but rather is held in porous rocks. After primary recovery, and after traditional flushing (secondary recovery), approximately 60% or more of the original oil is still in place stuck to fractured rocks.

The Company intends to utilize its proprietary thermal technology for use in recovering crude oil. Thermal recovery in this instance involves the introduction of steam heat to lower the viscosity, or thin, the heavy oil so as to improve its ability to flow through the reservoir. In simple terms, the Company's machine injects superheated steam into the lowermost confines of an oil well to facilitate subsequent liberation of heavy crude oil. Once sufficient steam has been injected into a well, the reduced viscosity of the resultant substance facilitates pumping through conventional techniques for subsequent refining.

Low permeability heavy oil resources offer potential for adding to U.S. reserves. Diatomite formations in California alone contain 12-80 billion barrels of original-oil-in-place that could be tapped with a successful thermal recovery - primarily steam injection - scheme.

The competitive advantages afforded by this system are staggering:

- No exploration risk: The Company's portfolio will be comprised of mature fields with proven reserves - production growth is not dependent on exploration drilling and the high degree of speculation in making new oil discoveries.
- No international or offshore risk: The Company's onshore U.S. operations are not subject to geopolitical uncertainties, dependence on foreign sources and other issues related to overseas operations. There is no safer place to own reserves than onshore U.S.
- Compactness and fabrication costs: The steam generator fits into the back of a long-bed F-350 and currently costs approximately \$50,000 to fabricate.
- Mature oil fields, No drilling costs: The Company's focus on marginally producing small- to mid-sized legacy oil assets faces minimal competition so far. Legacy fields have good production records and data that support the acquisition process and subsequent development.
- Superior technology: Current steam extraction can achieve maximum temperatures of approximately 500 degrees F. The company's steam generator can achieve temperatures of 1200 to 2000 degrees F. Extreme temperatures also improve extraction of heavy oils in surrounding wells.
- No polluting surfactants and no residual toxic solvents: no green-house gases generated.
- No pipelines or injection wells needed to deliver the steam: the superheated steam is delivered down the well bore through our proprietary casing within the existing production casing.
- No insulated pipelines needed to keep produced oil warm: oil is delivered and remains at an extremely high temperature.
- No separation techniques needed: the oil contains no water, solvents or sand.

Rebel believes it has developed a logical and well-defined marketing strategy which will enable it to quickly establish a profitable business base. The Company will structure varying approaches for different market sectors. Rebel's priority strategy is to acquire leases on premier heavy oil reserves and to directly own and operate the recovery facilities and sell the extracted crude oil product.

There will be situations where the owner-operator product strategy either will not work or will not work effectively. In such cases, the Company will market an additional line of "business partnership"

product offerings, with variations, to prospective clients. Circumstances may dictate the prudence of selling a joint business development relationship rather than developing the reserve as an owner-operator. Alternative approaches could include:

- Third parties owning or leasing reserves and desiring to participate with the Company in the recovery process - with desired customer participation ranging from being in total control to being a silent partner.
- License: Cash + Royalty Fee
- Consulting Service: Implementation & Operation
- Operating Contract
- Limited Partnerships

The oil industry has transitioned into an explosive growth cycle, and the forecast for oil prices is very favorable with most analysts suggesting a continued, growing up-surge in prices.

Management believes Rebel has an opportunity to capture a market niche in a fresh way. The opportunity is magnified by the present state of today's economy and the global oil situation. Development of existing oil resources has become of paramount import.

Item 7. Description of Issuer's Facilities

The Company maintains its office at 6955 N. Durango Dr. Ste 1115-321.

Item 8. Officers, Directors and Control Persons

(i) Name of Officers, Directors and Control Persons. The names of the present Officers, Directors and Control Persons are as follows

Michael Bozner, President and Director, Rock Springs, WY. Mr. Bozner attended the University of Utah and the University of Hawaii, graduating with a B.A in Business Management. During his 30 years of experience in the oil and gas industry he has lead and coordinated sales teams, directing new projects and developing successful leaders. Throughout his career he has evaluated hundreds of oil and gas ventures. Mr. Bozner has participated in a wide range of oil and gas exploration and production projects in many different formations and at various depths. He also held senior positions in Strategic Planning, responsible for strategy, financial and economic valuation and Business Development. His extensive experience with oilfield equipment and specialized applications has given him the opportunity to build valuable relationships with many industry leaders. Mr. Bozner has successfully negotiated transactions with major oil and gas companies and both foreign and domestic independent operators. He has been active in his community having been involved with developing character and directing young athletes.

Michael Foudy: Chief Marketing Director, Michael Foudy, born 1951, is the US representative for Aures Systems, Ltd. He has previously served as and Chairman of the Board of Stonehenge Capital Partners, Inc., Toto Communications Inc. Mr. Foudy is also Chief Marketing Officer at Gramercy LLC. Mr. Foudy previously founded and served as Executive Director of For Our Grandchildren, a nonprofit organization dedicated to entitlement reform between 2001 and 2004, and as the Chairman of AIMS

Worldwide Inc., between 1999 and 2007. Until November of 2009, Mr. Foudy served as President of ATB Media, Inc., a wholly owned subsidiary of AIMS that has an interest in KCAA radio. Mr. Foudy was principal founder and managing member of ATB Productions, LLC, which syndicated 49 hours week of radio programming in the mid-90s. In 1974 he cofounded and built WFC/Westcom, which became the largest advertising and PR firm in the Southwest prior to selling his interest in 1987. Michael Foudy has extensive experience as a counselor to financial and real estate companies. Mr. Foudy managed the marketing communications for the liquidation of over 6,000 units of residential property that had been foreclosed on by First City Bank Corporation of Houston, Texas during the 1987/1990 time period. Mr. Foudy also managed the rebranding and relaunch of marketing and sales programs for Fairfield Homes Green Valley, Arizona unit in 1991/1992. Michael Foudy graduated from the University of Arizona in 1973 and received a Juris Doctorate from the University Of Arizona College Of Law in 1976. Between 1972 and 1974 he served as Chairman of the Cochise County Democratic Party and as a member of the Executive Committee of the Arizona Democratic Party. In 1975 Mr. Foudy served as Western Regional Coordinator of the Democratic National Telethon, responsible for volunteer operations in 13 western states. Michael Foudy hosted ATB's "America the Beautiful" nationally syndicated talk radio show from February 1995 until February 1997 and co-hosted "Newsmaker" with Michelle Laxalt, which was broadcast on 119 radio stations by the United Broadcasting Network from September 1996 until March 1999. Mr. Foudy wrote the book Reinventing America that was published by the Institute for American Democracy in 1992. He served on the Board of Directors of AIMS Worldwide Inc., UCI WebAcquisitions Inc., both of which he co-founded and OnLineFocus Inc. Between 1981 and 1992 Mr. Foudy served as Executive Director and as a Board member of the Arizona Public Service Company Shareholder's Association, later the Pinnacle West Capital Corporation Shareholder's Association. Mr. Foudy has been active in a variety of charitable and community organizations including the Tucson Free Clinic, Tucson Community Food Bank, Arizona Opera Company and Southwestern Film Consortium. He served on the Foundation for American Liberty and the American Initiative Committee Boards of Directors and was Editor of the American Initiative Newsletter. Mr. Foudy currently serves on the Board of Philadelphia II, Citizens in Charge Foundation and the Canine Cancer Foundation.

Carlton Hayden, Secretary, Green Valley, Arizona. Born Newport News, VA, Dec 4th 1964, Carl began his investment career in 1993 in where he first worked with Peter Schiff at Europacific Capital, Inc. where the focus has been in the resource sector. 1996 took him to his current place of residence in, Green Valley Arizona. Since that time, he has handled individual as well as institutional accounts in all areas of investing. In the late 90's, into 2010 he continued his career before joining Fidelity Holding Corp. In addition, Carl has been present at many investment conferences discussing the issues surrounding the US and foreign investment markets. He earned his Series 7, 24, 63 registrations. Carl's hobbies include music and occasional sports activities.

(ii) Legal, Disciplinary History

Identify whether any of the foregoing persons have, in the past five years, been the subject of:

- A. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses): None.

- B. 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 persons' involvement in any type of business, securities, and commodities of banking activities: None.
- C. A finding or judgment by a court of competent jurisdiction (in a civil action), the SEC, the CFTC, 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: None.
- D. 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. None.

(iii) Beneficial Shareholders

Shareholders holding more than five percent (5%) of the issued and outstanding common stock of the Company.

<u>Name and Position</u>	<u>Percentage Owned</u>
Michael Bozner 7301 Heggie Ave. Las Vegas, NV 89131 President	67%

Item 9. Third Party Providers

- 1. Counsel: The Company is in the process of designating a corporate counsel.
- 2. Accountant or Auditor: Frederick C. Shaffer, CPA,PC, Tucson, AZ
- 3. Public Relations Consultant: This does not apply to the Company.
- 4. Investor Relations Consultant: This does not apply to the Company
- 5. Any other advisor(s) that assisted, prepared or provided information with respect to this disclosure statement: None.

Item 10. Issuer Certification

I, Michael Bozner, certify that:

- 1. I have reviewed this Year End Report of Fidelity Holding Corp.
- 2. Based on my knowledge, this Quarterly Report 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.

Date: December 31, 2014

/s/ Michael Bozner

Michael Bozner, President

FIDELITY HOLDING CORP.

Exhibit A

Financial Statements

As of December 31, 2014

FIDELITY HOLDING CORP.

BALANCE SHEET

As of December 31, 2014

ASSETS

Current Assets	
Checking/Savings	
Chase 5338	<u>18,056.63</u>
Total Checking/Savings	18,056.63
 TOTAL CURRENT ASSETS	 18,056.63
Other Assets	
Goodwill	115,600.00
Loans to Shareholders	
Loans- Dale	130,000.00
Loans- KS	29,289.00
Loans- Mike	60,000.00
Loans to Shareholders-Other	<u>27,289.24</u>
Total Loans to Shareholders	246,587.24
Purchase of KS Company	<u>150,000.00</u>
Total Other Assets	512,187.24
 TOTAL ASSETS	 <u>530,243.87</u>

LIABILITIES

Liabilities	
Current Liabilities	
Other current Liabilities	
Convertible Note	<u>75,000.00</u>
Total Other Current Liabilities	75,000.00
 Total Current Liabilities	 <u>75,000.00</u>
 Total Liabilities	 <u>75,000.00</u>

STOCKHOLDERS DEFICIT

Common Stock	
1,000,000,000 authorized shares, par value &.0001,	
Issued and outstanding 3,293,754	
 Paid in Capital & Subscriptions	 533,484.09
Opening Balance Equity	100.00
Retained Earnings	(78,340.22)
Total Shareholders' Equity	<u>455,243.87</u>
Total Liabilities and Stockholder Equity	<u>530,243.87</u>

*These financial statements and notes thereto present fairly, in all material respects, the financial position of the company and the results of its operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States, consistently applied and hereby certified by Michael Bozner, President and Director for FIDELITYHOLDING CORP.

FIDELITY HOLDING CORP.

STATEMENT OF CASH FLOWS

January 1, 2014 through December 31, 2014

UNAUDITED

For the period
January 1, 2014 to
December 31, 2014

Net Income (Loss)	(78,340.22)
Adjustments to income	0
Change in Notes Payable	0
Change in Assets	0
Cash Used in Operations	78,340.22
Investing Activities	0
Financing Activities	0
Sale of Common Stock	0
Cash Provided by Financing	0
Net Cash or Equivalent	
Beginning Cash or Equivalent	2,000.00
Ending Cash or Equivalent	18,056.63

* These financial statements and notes thereto present fairly, in all material respects, the financial position of the company and the results of its operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States, consistently applied and hereby certified by Michael Bozner, President and Director for FIDELITY HOLDING CORP.

FIDELITY HOLDING CORP.

STATEMENT OF OPERATIONS

January 1, 2014 through December 31,, 2014

UNAUDITED

For the period
January 1, 2014 to
December 31,2014

INCOME:	-0-
EXPENSES:	
Bank Fees	320.41
Gas	2544.88
Investor Relations	4650.00
Marketing	17.80
Meals	1685.12
Miscellaneous	26,597.34
Office Supplies	1159.16
Option Purchase	22,623.00
Purchase of Public Shell	.00
Stock Transfer	3925.00
Telephone	462.50
Travel	11,855.73
Utilities	<u>2,500.00</u>
Total Expenses	78,340.22
Net gain before provision for income taxes	(78,340.22)
Provisions for income taxes	0
Net (Loss)	(78,340.22)
Basic and Diluted Earnings per shares	a
Weighted Average Number of Common Shares	<u>3,293,754</u>

a = less than \$.001 per share

* These financial statements and notes thereto present fairly, in all material respects, the financial position of the company and the results of its operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States, consistently applied and hereby certified by Michael Bozner, President and Director for FIDELITY HOLDING CORP.

FIDELITY HOLDING CORP.

STATEMENT OF STOCKHOLDERS EQUITY

January 1, 2014 through December 31, 2014

UNAUDITED

	Common Stock Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders Equity/Deficit)
Balance forward-Dec. 31, 2013	47,065		0	0	533,484.09
Capital Contributions		75,000			
Net gain for period				(78,340.22)	(78,340.22)
Balance at December 31, 2014	3,293,754	533,484.09	0	(78,340.22)	455,243.87

*These financial statements and notes thereto present fairly, in all material respects, the financial position of the company and the results of its operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States, consistently applied and hereby certified by Michael Bozner, President and Director for FIDELITY HOLDING CORP.

FIDELITY HOLDING CORP.
NOTES TO FINANCIAL STATEMENTS

Note 1 - General Organization and Business

FIDELITY HOLDING CORP. was originally incorporated under the laws of the state of Colorado on January 12, 1998 as Thor Management Group, Inc., (TMPG). On June 18, 1998, the name of the Company was changed to AXYN Corporation (AXYN). On April 9, 2004, the name of the Company was changed to Chef Selections, Inc., (CFSC). On January 12, 2010, the name of the Company was changed to TALISMAN HOLDINGS, INC., (TMHO). On August 20, 2014, the name was changed to the present FIDELITY HOLDING CORP., (FDHC) to more accurately reflect current business activities.

Note 2 - Summary of Significant Accounting Practices

The relevant accounting policies and procedures are listed below.

Accounting Basis

The statements were prepared following generally accepted accounting principles of the United States of America consistently applied.

Management Certification

The financial statements herein are certified by the officers of the Company to present fairly, in all material respects, the financial position, results of operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States of America, consistently applied.

Earnings per Share

The basic earnings (loss) per share are calculated by dividing the Company's net income available to common shareholders by the weighted average number of common shares during the year. The diluted earnings (loss) per share is calculated by dividing the Company's net income (loss) available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted as of the first of the year for any potentially dilutive debt or equity. The Company has not issued any options, warrants or similar securities since inception.

Dividends

The Company has not yet adopted any policy regarding payment of dividends. No dividends have been paid during the periods shown.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivable

The trade accounts receivable and allowances for bad debt are shown below.

	12/31/14
Trade Accounts Receivable	0
Allowances	0
Trade Accounts Receivable, net	0

Furniture and Equipment

The company has not purchased furniture since the changing of ownership to FIDELITY HOLDING CORP.

Revenue Recognition

To date the Company has had no significant revenue. When the Company does have revenue it will follow industry standards in reporting same.

Advertising

Advertising is expensed when incurred. There has been no advertising since inception.

Income Taxes

The provision for income taxes is the total of the current taxes payable and the net of the change in the deferred income taxes. Provision is made for the deferred income taxes where differences exist between the period in which transactions affect current taxable income and the period in which they enter into the determination of net income in the financial statements.

Note 3 - Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. However, the Company has accumulated a loss. This raises substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from this uncertainty.

Note 4— Stockholders' Equity

Common Stock - The Company was organized on January 12, 1998 and has authorized 1,000,000,000 shares of common stock par value \$0.0001 and 10,000,000 shares of preferred stock par value \$.001.

Note 5—Provision for Income Taxes

The Company provides for income taxes under Statement of Financial Accounting Standards NO. 109 accounting for Income Taxes. SFAS No. 109 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect when these differences are expected to reverse.

Note 6— Segment Information

Segment information is presented in accordance with SFAS 131, Disclosures about Segments of an Enterprise and Related Information. This standard is based on a management approach, which requires segmentation based upon the Company's internal organization and disclosure of revenue based upon internal accounting methods. For the period shown there has been no revenue in which to segment.

Note 7— Operating Leases and other Commitments

The Company has no lease obligations.

Note 8— The Effect of Recently Issued Accounting Standards

Below is a listing of the most recent accounting standards and their effect on the Company.

SFAS 148 - Accounting for Stock-Based Compensation-Transition and Disclosure

Amends FASB 123 to provide alternative methods of transition for an entity that voluntarily changes to the fair value based method of accounting for stock-based employee compensation.

SFAS 149 - Amendment of Statement 133 on Derivative Instruments and Hedging Activities

This Statement amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities under FASB Statement NO. 133, Accounting for Derivative Instruments and Hedging Activities.

SFAS 150 - Financial Instruments with Characteristics of both Liabilities and Equity

This Statement requires that such instruments be classified as liabilities in the balance sheet. SFAS 150 is effective for financial instruments entered into or modified after May 31, 2003.

Interpretation No. 46 (FIN 46)

Effective January 31, 2003, The Financial Accounting Standards Board requires certain variable interest entities to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a continuing financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The Company has not invested in any such entities, and does not expect to do so in the foreseeable future. The adoption of these new Statements is not expected to have a material effect on the Company's financial position, results or operations, or cash flows.

Note 9—Reliance on Officers

The officers have experience in multi-company and food operations. If they were no longer able or willing to function in that capacity the Company would be negatively affected.

Note 10 – Long-term Debt

The company has a long-term note in the amount of \$75,000.00 due to Dale Barlage.

Note 11 – Notice of Financial Information

Pertaining to the financial data contained herein, information gathered and compiled is accurate and complete in its reporting, however, there may be changes or modifications needed to adjust these financial records to reflect the exact financial data reported.