American Diversified Holdings Corporation
Notes to Financial Statements
April 30, 2015

Note 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Business

American Diversified Holdings Corporation, formerly Lasik America, Inc. (the "Company"), was incorporated in the State of Nevada on March 21, 2001. The Company operated an ophthalmic laser vision correction center in Albuquerque, New Mexico. On August 5, 2004, Lasik America, Inc. consummated its merger with Salus Holding, Inc. On October 26, 2004, the company changed its name to Critical Care, Inc. On May 11, 2006, the Company sold all of its property and equipment to facilitate the Company's migration out of the Lasik business into a dialysis services company. On October 2, 2007 the Company changed its name to American Diversified Holdings Corporation.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company had a net loss of ($176,725) for the nine months ending April 30, 2015, and a working capital and shareholders' deficiency of ($134,695) as of April 30, 2015, which raises substantial doubts about the Company's ability to continue as a going concern. The financial statements do not include adjustments that might result from the outcome of this uncertainly.

Management believes that actions are presently being taken to revise the Company's operating and financial requirements in order to improve the Company's financial position and operating results. However, given the levels of its cash resources and working capital deficiency at April 30, 2015, anticipated cash to be generated by operations will be insufficient to meet anticipated cash requirements for operations, working capital, and capital expenditures during 2015 and there beyond. Therefore, the Company is seeking additional equity or debt financing, but there can be no assurance that sufficient additional financing will be available.

Financial Instruments

Statement of Financial Accounting Standards No. 107 "Disclosure about Fair Value of Financial Instruments" requires disclosures of information about the fair value of certain financial instruments for which it is practicable to estimate the value. For purposes of this disclosure, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced sale of liquidation. The carrying amounts reported in the balance sheet for cash, cash overdraft, accounts receivable, accounts payable, accrued liabilities, taxes payable and patient deposits approximate fair value due to the immediate short-term maturity of these financial instruments.

The fair value of the Company's long-term debt approximates the carrying amount based on the current rates offered to the Company for debt of the same remaining maturities with similar collateral requirements.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is calculated on a straight-line basis over the estimated useful lives of the depreciable assets which range from three to five years. As of April 30, 2015, the Company has no existing property and equipment nor any significant leases on property and equipment.

Revenue Recognition

Revenues were generated by the vision correction procedures performed at the Company's laser center. Follow-up corrective procedures for customer satisfaction, consisting of re-treatment, were performed when necessary. Facility fees were derived from the use of the Company's then equipment by affiliate doctors who paid the Company a standard fee per procedure. The Company recognized revenues when the vision correction procedures were performed. As of April 26, 2006, the Company discontinued the Lasik clinic operation.

Earnings (Loss) Per Share

In 1997, the FASB issued SFAS No. 128, "Earnings per Share", which specifies the computation, presentation and disclosure requirements for earnings per share for entities with publicly held common stock. SFAS No. 128 supersedes the provisions of APB No. 15, and requires the presentation of basic earnings per share and diluted earnings per share. The Company has adopted the provisions of SFAS No. 128 effective March 21, 2001.

Basic earnings (loss) per share is calculated by dividing the earnings net (loss) available to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings (loss) per share are calculated assuming the issuance of common shares resulting from the exercise of stock options and warrants. Dilutive securities are not included in the calculation of loss per share because their effect would have been anti-dilutive.

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Stock-Based Compensation

The Company has adopted Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS No.123"), which establishes a fair value method of accounting for stock-based compensation. The provisions of SFAS No. 123 allow companies to either expense the estimated fair value of stock options or to continue to follow the intrinsic value method set forth in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees", but to disclose the pro forma effect on net loss and net loss per share had the fair value of the stock options been exercised. The Company has elected to continue to account for stock-based compensation plans utilizing the intrinsic value method. Accordingly, compensation cost for stock options is measured as the excess, if any, of the fair market price of the Company's common stock at the date of the grant above the amount an employee must pay to acquire the common stock.

In accordance with SFAS No. 123, with respect to stock-based employee compensation, the value of the stock-based award is determined using the Black-Scholes option pricing model, whereby compensation cost is the fair value of the award as determined by the pricing model at the grant date or other measurement date. The resulting amount is charged to expense on the straight-line method.

In December 2004, the FASB issued FASB Statement No. 123 (revised 2004), "Share-Based Payment" ("FAS 123 (R)"). FAS 123 (R) replaces FASB Statement No, 123, Accounting for Stock-Based Compensation", and supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees". FAS 123(R) requires that the compensation cost relating to share-based payment transactions be recognized in the financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. The provisions of this Statement are effective for the First interim or annual reporting period that begins after December 15, 2005. The Company has evaluated the impact of FAS 123(R) and has determined that the adoption of FAS 123(R) does not have a material impact on its financial statement presentation or disclosure of the Company. To date no options to employees or non-employees have resulted in compensation.

Recent Accounting Pronouncements

The Financial Accounting Standards Board has recently issued several Statements of Financial Accounting Standards.

In May 2005, the FASB issued SFAS 154 that establishes new standards on accounting for changes in accounting principles. Pursuant to the new rules, all such changes must be accounted for by retrospective application to the financial statements of prior periods unless it is impracticable to do so. SFAS No. 154 completely replaces Accounting Principles Bulletin (APB) Opinion 20 and SFAS 3, though it carries forward the guidance in those pronouncements with respect to accounting for changes in estimates, changes in the reporting entity, and the correction of errors made in fiscal years beginning after December 15, 2005.

The Company does not expect that the adoption of this pronouncement will have a material effect on the Company's financial position or results of operations.

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of July 31, 2007 and 2008:

	2007	2008
Medical equipment		
Assets obtained through capital lease obligation Leasehold improvements		
Office equipment, furniture and fixtures		
	$0	$0
Less accumulated depreciation		
Net property and equipment		
	$0	$0

Depreciation expense for the years ended July 31, 2006
And 2007, were $53,003 and $0, respectively
As of May 11, 2006, all the assets have been sold as part of the discontinued operation. The property and equipment was sold for $159,500 resulting in a gain of $15,442

As of April 30, 2015, the Company has no existing property and equipment nor any significant leases on equipment.

NOTE 3 LONG-TERM DEBT

Long-term debt consists of the following as of October 31, 2014 and 2013:

	April 30, 2015	2014
Note made by the Company to the CEO, Ernest Remo	$570,000	-$575,514
Current liabilities of discontinued operations	$0	$0
Long Term Note due Officer	$123,304	$123,304
Loan payable to Officer	$15,234	$161,110
Accrued Directors Fees	$616,960	$495,000
As of April 30, 2015 the long term debt is:	$1,325,998	$1,336,405

NOTE 4 COMMITMENTS AND CONTINGENCIES

Delinquent Payroll and Gross Receipts Taxes

The Company was delinquent on employment taxes payable to the Internal Revenue Service and on gross receipts taxes payable to the State of New Mexico. On April 26, 2006 the Company discontinued operations of the Lasik clinic and on May 11, 2006 the property and equipment were sold for $119,500. These proceeds were paid directly to the State of New Mexico. As of July 31, 2007 there were no unpaid liabilities on these taxes. As of April 30, 2015, there are no unpaid tax liabilities existing within the Company.

Litigation

On March 31, 2003, a former employee of the Company filed a complaint that she was fired as an employee in spite of an employment contract that she had with the Company. The Company has responded to the complaint stating that she violated her contract through non-performance and dishonesty. On February 9, 2005, the complaint was settled in favor of the employee. The Company was obligated to pay $1,000 per month beginning March 1, 2005 for the sum of $13,500, and to issue $10,000 worth of restricted stock (100,000 shares) at 10 cents based on a share value date February 20, 2005. On July 28, 2006 the Company issued the 60,000 shares of stock in full settlement of the liability.

On June 23, 2006, the Company made a claim settlement agreement in favor of the former CEO to transfer to the Company all of its right, title and interest in its ownership of 950,000 shares of Lasik common stock in return for 3,000,000 shares of Critical Care common stock. The shares were valued at the fair market value of $0.17 per share. In addition, the Company executed a promissory note in favor of the former CEO in the amount of $140,000 in satisfaction of repayment of loans, interest earned and attorneys' fees incurred to date. This liability is currently in litigation in which the Company believes that because of certain factors which have come to light regarding the circumstances leading up to this settlement, there will be no liability to the Company.

As of April 30, 2015, there is no litigation pending or filed against the Company, nor is the Company considering filing any litigation against any party.

NOTE 5 BUSINESS COMBINATIONS

On August 5, 2004, the Company consummated its merger with Salus Holding, Inc. ("Salus"). Pursuant to the merger agreement, the shareholders of Salus have been issued 2,000,000 shares of common stock of the Company. The sole shareholder of Salus, Homeland Security Technology, Inc. was issued 2,000,000 shares of Critical's Common Stock that approximated 43.7 percent of the outstanding shares of Critical calculated on a fully diluted basis at the date of issuance.

Salus was the sole shareholder in Icon Salus S.r.L, a company formed under the laws of Italy ("Icon Salus"). Salus was constructing a dialysis facility in Amaseno, Italy. Following the Company's acquisition of Salus, the Company experienced difficulties in the development of the Amaseno Clinic and was unable to obtain the requisite permits and licenses from the Italian government, provincial and local. Thus on October 31, 2004, the Company abandoned the development of the Amaseno Clinic and recorded $360,000 loss on this investment.

On October 28, 2004, the Company entered into an agreement to purchase certain rights to acquire a group of five dialysis clinics from Icon Veneto srl ("Icon Veneto55), an Italian company, pursuant to a rights purchase agreement. The rights purchased consist of a binding letter of intent assigned to the Company pursuant to the agreement.

Pursuant to the rights purchase agreement the Company issued to Icon Veneto 100,000 shares of preferred stock of the Company. The preferred stock was convertible into 10,000,000 shares of common stock of the Company. The five dialysis clinics which are the subject of the rights purchase agreement had established revenues of over Euro 4,000,000 (US$5,250,000). On February 1, 2005, the Company and Icon Veneto entered into a settlement agreement whereby the rights purchase agreement was terminated void ab initio, as if it never existed, as a result of a dispute between Icon Veneto and the Company with respect to representations of Icon Veneto with respect to the rights. Consequently, the Company Preferred Stock issued to Icon Veneto was cancelled.

On June 17, 2011, the Company announced that it has completed the acquisition of Mississauga, Ontario based cloud computing company Rebel Networks. While the Company announced its acquisition of Rebel Networks in June 2011, the finalization of the transaction did not occur until December 2011. The Company has made all necessary payments to Rebel Networks as per their agreement, and is working to integrate the operations and financial records of Rebel Networks with those of the Company and anticipates having this integration completed in time for its next quarterly filing. As of the date of this filing, the Company abandoned any transaction with Rebel Networks and has written off any expenses and investments made therein.

NOTE 6 SHAREHOLDERS' EQUITY

On October 10, 2005, the Company issued 2,000,000 shares of common stock to the Chief Executive Officer of the Company having a fair value of $160,000, in payment for director fees for services provided to the Company.

On January 25, 2006, the Board authorized the increase of the Company's authorized common stock from 25,000,000 shares to 100,000,000 shares.

On March 23, 2006, the Company issued 450,000 shares of common stock to Directors of the Company having a fair value of $108,000, in payment for being board members of the Company.

On March 23, 2006, the Company issued 350,000 shares of common stock having a fair value of $84,000, in payment for legal services provided to the Company.

On March 23, 2006, the Company issued 50,000 shares of common stock having a fair value of $12,000, in payment for consulting services provided to the Company.

On March 23, 2006, the Company issued 6,600,000 shares of common stock in conversion to the unpaid Directors1 fee from the period starting November 1, 2004 to January 31, 2006 representing fifteen (15) months of continuous service to the Company.

On April 7, 2006, the Company issued 7,271,263 shares of common stock to the Chief Executive Officer of the Company in conversion for a note originally valued at $363,563.

On July 28, 2006, the Company issued 60,000 shares of common stock to a former employee in full settlement of the claim.

On July 31, 2006, the Company authorized to issue 1,000,000 shares of common stock to a consultant of the Company having a fair value of $170,000 for consulting services provided for the Company. The value of this transaction is included within stock payable.

On July 31, 2006, the Company authorized to issue 100,000 shares of common stock to a consultant of the Company having a fair value of $17,000 for investment banking services provided for the Company. The value of this transaction is included within stock payable.

On July 31, 2006, the Company authorized to issue 100,000 shares of common stock having a fair value of $17,000 in payment for legal services provided for the Company. The value of this transaction is included within stock payable.

On July 31, 2006, the Company authorized to issue 100,000 shares of common stock having a fair value of $17,000 in payment for director's services provided for the Company. The value of this transaction is included within stock payable.

On Jan 27, 2009 the Company authorized to issue 4,800,000 shares of common stock having a fair value of $120,000 in payment for Note Conversion provided for the Company. The value of this transaction is included within stock payable.

On August 1, 2009 the Company authorized to issue 10,000,000 shares of common stock having a fair value of $100,000 in payment for marketing services provided for the Company. The value of this transaction is included within stock payable.

On September 10, 2009 the Company authorized to issue 100,000 shares of common stock having a fair value of $4,300 in payment for a joint venture agreement. The value of this transaction is included within stock payable.

On October 13, 2009 the Company authorized to issue 100,000 shares of common stock having a fair value of $19,000 in payment for consulting services. The value of this transaction is included within stock payable.

On November 4, 2010 the Company issued 87,000,000 shares of common stock to Emry Capital Group,Inc. for a financing for which the Company received a down payment of $25,000 and a balance due of $70,000 when the financing is completed.

On December 21, 2010 the Company issued 3,000,000 shares of common stock to GP Iris LLC at a value of $15,000 for Investment Banking advice.

On December 21, 2010 the Company issued 3,000,000 shares of common stock to Howard McEldowney at a value of $15,000 for Advisory Board Director fees.

On January 7, 2011 the Company issued 25,974,025 common shares to TJ Management for $73,260.

On January 7, 2011 the Company issued 28,000,000 shares to E-Lionheart Associates LLC for $83,000.

On February 8, 2011 the Company issued 30,000,000 shares to Cardona Solutions and 10,000,000 shares to RES Holdings $25,000.

On February 8 The Company issued 1,000,000 shares to Donald Nussbaum at a value of $1000 for consulting.

On February 8, 2011 the Company issued 5,000,000 shares to Nathan Perlmutter at a value of $5000 for consulting.

On February 10, 2011 the Company issued 44,403,576 shares to Far Niente for $20,000.

On February 10, 2011 the Company issued 5,000,000 shares to Carrier Alliance Group valued at $5000 for consulting.

On April 26, 2011 the Company issued 70,000,000 shares to E-Lionheart for $50,000

On September 20, 2011 the Company issued 75,000,000 shares to PMR and Associates valued at $37,500 for consulting

On September 28, 2011, the Company issued 50,000,000 shares to Cardona Solutions Group valued at $25,000 for consulting.

On September 28, 2011 the Company issued 50,000,000 shares to Bellaero, Inc. valued at $25,000 for consulting.

On September 28, 2011 the Company issued 20,000,000 shares to Steve Jaloza value at $10,000 for consulting.

On October 5, 2011. The Company issued 25,000,000 shares to Fairhills Capital for $10,000.

During the quarter ending July 31, 2012, the Company issued 80,500,000 for services valued at $150,000 and issued 167,500,000 shares for $44,965 in cash.

During the quarter ending October 31, 2012, the Company issued 285,000,000 for services valued at $150,000 and issued 20,000,000 shares for $20,000 in cash.

During the year 2013, the Company issued common shares as described below:

The Company issued 140,000 shares for services valued at $166,000.

During the year 2014, the Company issued common shares as described below:

The Company issued 440,000,000 shares for services valued at $440,404.

During the year 2015, the Company issued common shares as described below:

The Company issued 5,000,000 common shares for services valued at $5,000.
The Company issued 180,000,000 common shares in settlement for services rendered.
The Company issued 175,000,000 common shares in exchange for $175,000 in debt of the Company

NOTE 7 TROUBLED DEBT RESTRUCTURING

The Company had a loan secured by the Excimer laser equipment. This laser was included in the sale of assets on May 11, 2006. The loan had an original face value of $200,000. The interest rate of the loan was 8% per annum and the maturity date was on February 1, 2007. The loan was rewritten to become unsecured. The equipment was sold for $40,000 and the sale in 2006 was $160,000. This restructuring facilitated the migration out of the lasik business and into a medical services company.

The Company recorded the amount of $510,000 troubled debt restructuring expenses for the issuance of the 3,000,000 shares of the Company's common stock to a former officer pursuant to the settlement agreement made on June 23, 2006. The shares were valued at the fair market value of $0.17 per share. The value of this transaction is included within stock payable. See Notes 4 and 5.

The Company has a marketing agreement, which was amended with respect to increasing the engagement period, in place that requires payment to a third party. The Company is working with the third party to alleviate this debt. This debt is accounted for in the $330,000 accrued marketing and directors' fees.

As of January 31, 2014, the Company has a consulting agreement that requires payments to the consultant. This consulting agreement started May 1, 2011 and is ongoing in nature. These required payments to the consultant may be made in stock of the Company. Bonus stock may be earned by the consultant. For the year 2013, no shares have been issued to the consultant, although the Company anticipates making stock payments to the consultant later this year.

NOTE 8 RELATED PARTY TRANSACTIONS

On December 31, 2005, the Company issued a Note Payable to the Chief Executive Officer for $363,563 plus 5% interest in exchange for expenses of the Company that were paid by the officer. The note was converted into common stock on April 7, 2006.

During the fiscal year ended July 31, 2006, the Chief Executive Officer loaned the Company $43,805 in the form of payments made on behalf of the Company. Unpaid interest of the loan as of July 31, 2006 was $799 which was included in the current liabilities of discontinued operation.

During the quarter ended October 31, 2012, the CEO exchanged his outstanding debt with the Company for 500,000 preferred class "B" shares. This reclassified $500,000 in debt due to the CEO to Additional Paid in Capital for the Company. As of October 31, 2013, this transaction was reversed and the corresponding changes to Additional Paid in Capital have been made. This reversal was done as the preferred stock was not issued. The note is originally dated November 30, 2004, with a maturation date

of July 27, 2006, face value of $298,921.14, bearing interest at 7.5% per annum. The current booked value of this note is $555,848. As of the date of this filing, the holder of the note is in discussions with a potential purchaser of the note, and further disclosure will be made if purchase of this debt is effectuated.

NOTE 9 STOCK WARRANTS

During the period ended July 31, 2002, the Company issued 125,000 warrants to an existing shareholder. The warrants granted the shareholder the right to purchase, for $7.20, an additional share of common stock for each common share currently owned by the shareholder and expired on July 31, 2006. The value of warrants at the time of issuance was nominal since there was no active market for either the stock or the warrants. As of January 31, 2014 there are no warrants outstanding.

NOTE 10 MATERIAL EVENTS

On September 11, 2006, the Company issued 850,000 shares of common, stock having a fair value of $51,000 in payment for services pursuant to S-8 filing.

On September 12, 2006, the Company issued 150,000 shares of common stock having a fair value of $9,000 in payment for services pursuant to S-8 filing.

On September 12, 2006, the Company issued 1,800,000 shares of common stock to the CEO of the company having a value of $108,000 in payment for director fees.

On September 18, 2006, the Company issued 1,000,000 shares of common stock for the purchase of Body Mass Solutions, Inc. valued at $65,000.

In December, 2012, the Company was notified by DTC that the Company’s common shares would not be accepted by the DTCC depository. However, as of the date of this filing, DTC has accepted certain ADHC common shares for deposit into the DTC depository.

On September 18, 2006, the Company issued 2,000,000 shares of common stock to a consultant of the Company having a fair market value of $130,000 for investment banking services provided for the Company.

On September 28, 2006, the Company issued 3,000,000 shares of common stock having a fair value of $510,000 in favor of the former CEO pursuant to the claim settlement agreement.

On September 28, 2006, the Company issued 666,667 shares of common stock to a creditor of the Company having a fair market value of $133,016 in payment of financing fees pursuant to the executed promissory note.

On December 1, 2006 the Company issued a 2 year convertible note to Brad van Siclen in the amount of $1,000,000.00 with an annual coupon of 10%. This Note is convertible into 4,000,000 shares of the Company's common stock. This note is extinguished and satisfied as of the date of this filing.

In March 2012, the Company effectuated a reverse stock split of its common stock on a 1:1000 basis.

In July, 2013, the Company effectuated a reverse stock split of its common stock on a 1:1000 basis.