ITONIS INC.

A NEVADA COMPANY

QUARTERLY REPORT

As of May 31, 2015

Item 1: The exact name of the issuer and its predecessors.

The exact name of the Issuer is Itonis, Inc.

Name Change history:

- *Itonis, Inc. as of December 2, 2005*
- *Kenchou, Inc. as of July 5, 2005*

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Item 2: The address of its principal executive offices:

22951 Mill Creek Drive
Suite A-1
Laguna Hills, CA 92653
Phone: (949) 200-8887

Email: mark@itonisholdings.com Website: www.itonisholdings.com

Item 3: Security Information.

A. Par or Stated Value for each class of Securities

Security Symbol:	ITNS
CUSIP Number	465733103
Common Stock:	1,000,000,000 authorized, Par Value $0.001
Preferred Stock:	5,000,000 authorized, Par Value $0.001

NO CUSIP number for the preferred.

B. Number of shares or total amount of securities outstanding for each class of securities outstanding

Period end date: May 31, 2015
Authorized Shares: 1,000M Common Shares, 5M Preferred Shares
Outstanding Shares: 979,955,289 Common Shares, 0 Preferred Shares
Public Float: Approx 569,631,717
Number of Beneficial Shareholders: Approx 1
Total number of Shareholders: Approx 662

Period end date: May 31, 2014
Authorized Shares: 1,000M Common Shares, 5M Preferred Shares
Outstanding Shares: 930,377,519 Common Shares, 0 Preferred Shares
Public Float: Approx 551,162,197
Number of Beneficial Shareholders: Approx 1
Total number of Shareholders: Approx 662

Period end date: November 30, 2014
Authorized Shares: 1,000M Common Shares, 5M Preferred Shares
Outstanding Shares: 961,155,289 Common Shares, 0 Preferred Shares
Public Float: Approx 569,631,717
Number of Beneficial Shareholders: Approx 1
Total number of Shareholders: Approx 662

Period end date: November 30, 2013
Authorized Shares: 1,000M Common Shares, 5M Preferred Shares
Outstanding Shares: 902,044,186 Common Shares, 0 Preferred Shares
Public Float: 154,828,864
Number of Beneficial Shareholders: Approx 1
Total number of Shareholders: 662

Period end date: November 30, 2012
Authorized Shares: 1,000M Common Shares, 5M Preferred Shares
Outstanding Shares: 777,044,186 Common Shares, 0 Preferred Shares
Public Float: 74,201,087
Number of Beneficial Shareholders: Approx 2
Total number of Shareholders: 662

C. Transfer Agent

Justeene Blankenship
Action Stock Transfer Corp.
2469 E. Fort Union Blvd.
Suite 214
Salt Lake City, UT 84121
(801) 274-1088

This Transfer Agent is registered under the Exchange Act. The regulatory authority of the

Transfer Agent is the United States Securities and Exchange Commission.

Item 4: Issuance History

The following shares were issued during the twelve month period ending November 30, 2014 and the six month period ending May 31, 2015:

Common Stock

2014:

- The Company issued 106,333,333 shares for $31,500 in debt
- Executives of the Company returned 80,000,000 shares of stock with a value of $177,200.
- One of the principals of Paramount Discoveries Inc. returned 28,000,000 share of common stock for failure to meet certain development milestones.
- The Company issued 80,000,000 shares with a value of $176,000 for consulting services.
- Executives of the Company returned another 19,222,230 shares of stock with a value of 151,586.
- The Company issued 50,000,000 shares of stock to a related party for services with a value of $395,000.

2015:

- The Company issued 18,800,000 shares of stock for services with a value of $109,040.
- The Company issued 18,000,000 shares of stock for services with a value of $142,200.

Item 5: Financial Statements

(i) The Annual financial statements are incorporated by reference.

(ii) The following Annual financial statements are incorporated by reference.

- Balance Sheet for May 31, 2015 and 2014.
- Statement of Income for the quarters ended May 31, 2015 and 2014.
- Statement of changes in stockholders' equity as of May 31, 2015.
- Statement of cash flows for the quarter ended May 31, 2015.
- Financial Notes as of May 31, 2015.

Management's Discussion and Analysis of Plan of Operation

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the financial statements and notes thereto included in this report. The statements contained in this report that are not purely historical are forward-looking statements which would include, but not be limited to, statements regarding our expectations, hopes, intentions or strategies regarding the future. Forward-looking statements include statements regarding: future product or product development; future research and development spending on our product development strategies, and are generally identifiable by the use of the words "may", "should", "expect", "anticipate", "estimates", "believe", "intend", or "project" or the negative thereof or other variations thereon or comparable terminology. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause out actual results, performance or achievements (or industry results, performance of achievements) expressed or implied by these forward-; looking statements to be materially different from those predicted. The factors that could affect our actual results include, but are not limited to, the following: general economic and business conditions, both nationally and in the regions in which we operate; competition' changes in business strategy or development plans; our inability to retain key employees; our inability to obtain sufficient financing to continue to expand operations; and changes in demand for products by our customers.

***Plan of Operation*:**

Itonis, Inc. was originally incorporated in 2005 under the name of Kenshou, Inc. Later that year in December of 2005, the company changed its name to Itonis, Inc.

The Company had focused its acquisition and business development efforts in the homeopathic pharmaceuticals industry. More recently, the Company has also pursued a technological project revolving around the licensing of an e-check mobile app from MyECheck, Inc.

In the Summer of 2012, Itonis announced its formation of an Itonis Pharmaceuticals division headed by Dr. Charles Hensley, Ph.D., who had created

the Zicam® cold remedy. Dr. Hensley and his team has developed an anti-nausea remedy called Emesyl™. As of the filing of this report, the Emesyl™ product has been produced and is available for retail sale at www.Amazon.com, and the Company is in the process of developing a television commercial for airing.

The Company has also announced a signed agreement with MyECheck, Inc. to license a mobile app to facilitate point of purchase transactions in the medical marijuana, gambling and general retail sectors. MyECheck is developing the app for delivery to the Company.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The Company is presently focused on marketing its Emesyl™ homeopathic anti-nausea product for retails sale via Hensley Brothers Distribution, LLC and other channels. The product is presently offered for sale online at www.Amazon.com and at select retail locations in California. The Company is engaged in efforts to expand all marketing and sales.

The Company is also positioning itself to receive the final mobile app from MyECheck, Inc. The companies have been in communications to coordinate the delivery of the mobile app to Itonis, Inc.

Results of Operations:

Itonis is a development stage company. The operating expenses occurred during the year ended November 30, 2014 and 2013 were $554,258 and $193,543 respectively for an increase of $360,715. The increase was mainly a decrease of $315,322 in executive compensation.

In August 2012, the Company launched a new Itonis Pharmaceuticals division headed by Dr. Charles Hensley, Ph.D. to produce and market over the counter and prescription homeopathic preparations to treat both common ailments and chronic diseases. The Company has launched the retails sale of the Emesyl™ nausea relief product, beginning with availability at www.Amazon.com.

In March 2014, the Company signed a licensing agreement with MyECheck, Inc. for the Company to implement a mobile app for point-of-purchase sales transactions in the medical marijuana, gambling, and general retail sectors. The Company is awaiting the final delivery of the app from MyECheck, Inc.

Off-Balance Sheet Arrangements

There are no off balance sheet arrangements.

Legal Proceedings

First Capital filed a claim against Itonis in Miami Dade County, Florida on January 12, 2012 for breach of contract relating to an agreement entered into for shareholder relations. Itonis was not served and therefore did not respond. A default judgment was entered into against Itonis on March 6, 2012. Nothing has happened as of August 31, 2013. Itonis has been reviewing its options in this matter.

Item 6 Issuer's Business, Products and Services

A. a description of the issuer's business operations;

The Company operates as a holding company and has embarked upon an aggressive plan to acquire high growth entrepreneurial companies that have established or are expected to establish themselves as leaders and successful enterprises in various market niches.

B. Date and State of Incorporation;

The issuer is a Nevada Corporation Incorporated on July 5, 2005.

C. the issuer's primary SIC code:

Primary	*6719*
Secondary	*6141*

D. the issuer's fiscal year end date;

November 30

E. principal products or services, and their markets;

In August 2012, the Company launched a new Itonis Pharmaceuticals division headed by Dr. Charles Hensley, Ph.D. to produce and market over the counter and prescription homeopathic preparations to treat both common ailments and chronic diseases. The Company has launched the retails sale of the Emesyl™ nausea relief product. The Company has identified the market for its Emesyl™ product line as the general public who suffers from nausea.

In March 2014, the Company signed a licensing agreement with MyECheck, Inc. for the Company to implement a mobile app for point-of-purchase sales transactions in the medical marijuana, gambling, and general retail sectors. The Company is awaiting the final delivery of the app from MyECheck, Inc.

Item 7 Issuer's Facilities

The Company's corporate headquarters are located in approximately 2,383 square feet of leased office space in Laguna Hills, California pursuant to a lease that expires in August 2018. In the opinion of management, the Company's current space is adequate for its operating needs.

Item 8 Officers, Directors and Control Persons

A. Officers, Directors and Control Persons. In responding to this item, please provide the following information for each of the issuer's executive officers, directors, general partners and control persons, as of the date of this information statement.

A. Officers and Directors

The Management of the Issuer is described in detail and incorporated herein by reference to financial statements filed with the pink sheets

Mark Cheung, CEO/President and Director.

Business Address: 22951 Mill Creek Drive, Suite A, Laguna Hills, CA 92653.

Employment History: (Apr 2002 – present) Attorney. Mr. Cheung has more than 20 years of business law and entrepreneurial experience in the legal fields of business litigation and appeals. He has been a name partner at his Irvine, California law firm that has handled numerous business litigation and intellectual property matters, including a trademark case that ended favorably in the U.S. Supreme Court. Through years of litigation matters, Mr. Cheung has confronted unprecedented business operational disputes and relationship issues, providing industry opportunities to enhance and apply problem-solving skills at all levels.

(Jan 2005 – present) Adjunct Professor of Law at Chapman University School of Law.

Board Memberships/Affiliations: Board Member, Consumer Credit Counseling Service of Orange County (2001 – present), which is a non-profit organization.

Compensation: In June 2012, the Company authorized the following compensation: For the 24 months from July 1, 2012 thru June 30, 2014: 61,000,000 shares of common stock restricted per SEC Rule 144, plus $100,000.

Steve Pidliskey, Vice President/ Secretary

Business Address: 22951 Mill Creek Drive, Suite A, Laguna Hills, CA 92653.

Employment History: (Aug 1978 – Jan 2011) Project Executive – TSO Alliance Delivery, National Competency Center, Global Technology Services at IBM Corporation (last position held). Mr. Pidliskey has had a 32 ½ year career with IBM where he has held numerous management positions. He has been responsible for business functions that included regional sales operations, global customer delivery, service support, project management, product planning, complex solution development, and technical sales support.

Compensation: In June 2012, the Company authorized the following compensation: For the 24 months from September 1, 2012 thru August 30, 2014: 32,000,000 shares of common stock restricted per SEC Rule 144.

Donald Jolly, Ph.D., Chief Financial Officer/ Treasurer

Business Address: 22951 Mill Creek Drive, Suite A, Laguna Hills, CA 92653.

Employment History: (Jan 2010 – present) Director of Hyperbaric Medicine at the Center for New Medicine. He operates the hyperbaric treatment and financial aspects of the Center, and also conduct hyperbaric research.

(July 1999 – Jan 2010) Director of Back to Health Program and Director of Hyperbaric Medical Department at the Whitaker Wellness Institute. His responsibilities included hyperbaric therapy orientation and treatment, patient education, and hyperbaric research.

(prior history) Mr. Jolly has more than 20 years' experience in the Finance Industry. He has served at both the board and executive levels within the banking community, holding numerous executive positions ranging from the Vice President of Marketing to the President/CEO of several California banks. His wide array of corporate and retail experience include all aspects of banking operations, loans, marketing, personnel, and customer relations. His founding of a local California bank provided him valuable experience in managing the early developments of a business.

Board Memberships/Affiliations: Chairman, Richard A. Neubauer Research Institute, a 501(c)(3) non-profit organization established to further research, medical improvements, and education in hyperbarics. Chairman, Holy Family Institute, a non-profit organization.

Compensation: In June 2012, the Company authorized the following compensation: For the 24 months from September 1, 2012 thru August 30, 2014: 20,000,000 shares of common stock restricted per SEC Rule 144.

Sam Joudeh, Director

Business Address: 22951 Mill Creek Drive, Suite A, Laguna Hills, CA 92653.

Employment History:

(Jan 2011 – present) President of Sam's Tailoring.Com, Inc. He owns and operates an on-line virtual store for the retail sale of designer brand men's wear. This is an offshoot of his family-operated men's wear business that was originally established in 1950.

(1995 – 2011) President of Sam's European Tailoring, Inc. He owned and operated a retail men's wear store.

(1983 – 2011) President of Sam's Tailoring, Inc. He owned and operated a retail men's wear store.

(May 2000 – 2010) President of The Suit Gallery Five Star Men's Wear, Inc. He owned and operated a retail men's wear store.

Board Memberships/Affiliations: None other than his membership on the boards of his other businesses identified above.

Compensation: In June 2012, the Company authorized the following compensation: For the 24 months from July 1, 2012 thru June 30, 2014: 32,000,000 shares of common stock restricted per SEC Rule 144.

B. Legal - Disclaimer History.

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other misdemeanor offenses);

None.

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None.

3. 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; or

None.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

None.

C. Beneficial Shareholders

Name of Beneficial Owner	Shares of Common Stock Owned	%
Mark Cheung	70,183,775	7.3**

(** Mark Cheung has been authorized by the Board of Directors to hold a controlling block of 51% of the voting power in the Company.)

Item 9 Third Party Providers

The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to the operations, business development and disclosure:

1. Investment Banker:
None.

2. Promoters:
None.

3. Counsel:
Owen Naccarato, Esq.
Naccarato & Associates
18881 Von Karman Avenue
Suite 1440
Irvine, CA 92612
(949) 851-9261

Owen@owenn.com

4. **Accountant or Auditor:**
Michael Berg, CPA
1562 Portola Drive
San Francisco, CA 94127
(415) 515-4090

5. Public Relations Consultant:
None

6. Investor Relations Consultant:
None

7. Advisory:
None

Item 10 Issuer's Certificate

I, Mark Cheung, certify that:

1, I have reviewed this quarterly disclosure statement of Itonis, Inc.

2, Based upon my knowledge, this disclosure statement does not contain an untrue statement of a material fact of 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 upon 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

August 12, 2015

/s/ Mark Cheung
_____
Mark Cheung
President

I, Donald Jolly, certify that:

1, I have reviewed this quarterly disclosure statement of Itonis, Inc,

2, Based upon my knowledge, this disclosure statement does not contain an untrue statement of a material fact of 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 upon 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

August 12, 2015

/s/ Donald Jolly

_____

Donald Jolly
Chief Financial Officer

Itonis Inc.

(formerly "Kenshou Inc.")

Financial Statements and Footnotes

For the Six Months Ended

May 31, 2015

Itonis Inc.
(formerly "Kenshou Inc.")
Balance Sheets
(unaudited)

	May 31, 2015	November 30, 2014
Current assets		
Cash	$ 12,816	$ 2,707
Prepaid expenses	-	-
Other Assets	2,086	2,086
Total current assets	14,902	4,793
Fixed Assets, net of depreciation	1,062	1,766
Inventory	18,000	18,000
Capitalized License Fees	324,000	300,000
Total assets	$ 357,964	$ 324,559
Liabilities and stockholders' deficit		
Current liabilities		
Accounts payable and accrued liabilities	$ 140,386	$ 141,729
Accounts payable - related parties	81,097	84,086
Derivative liability	8,160	9,480
Loan payable	537,287	464,388
Income taxes payable	4,000	4,000
Total current liabilities	770,930	703,683
Total liabilities	770,930	703,683
Stockholders' deficit		
Preferred stock; no par; $.001 par; 5,000,000 authorized; and 0 and 0 issued and outstanding for the periods ended May 31, 2015 and November 31, 2014	-	-
Common stock; $.001 par; 1.000,000,000 authorized; 997,955,289 and 961,155,289 issued and outstanding for the periods ended May 30, 2015 and December 31, 2014	997,955	961,155
Additional paid-in capital	13,447,429	13,232,989
Accumulated deficit	(14,858,350)	(14,573,268)
Total stockholders' deficit	(412,966)	(379,124)
Total liabilities and stockholders' deficit	$ 357,964	$ 324,559

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

Itonis Inc.
(formerly "Kenshou Inc.")
Statements of Opeations
(unaudited)

	For the Quarter Ended May 31,	
	2015	**2014**
Revenues	$ -	$ -
OPERATING EXPENSES		
Legal and professional fees	5,550	4,500
Executive compensation	0	45,875
General and administrative	235,066	23,736
Total operating expenses	240,616	74,111
OTHER (INCOME) EXPENSE		
Interest expense	60	-
Gain on Debt Forgiveness	-	-
Loss on Investment in Paramount	-	-
(Gain) loss on derivative liability	(1,440)	7,320
Total other (income) expense	(1,380)	7,320
Net loss before taxes	(239,236)	(81,431)
Income tax expense	0	0
Net loss	$ (239,236)	$ (81,431)
Basic loss per common share	($0.00)	($0.00)
Basic weighted average common shares	973,421,956	852,044,186

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

Itonis Inc.
(formerly "Kenshou Inc.")
Statements of Opeations
(unaudited)

	For the Six Months Ended May 31,	
	2015	**2014**
Revenues	$ -	$ -
OPERATING EXPENSES		
Legal and professional fees	5,550	6,586
Executive compensation	0	245,083
General and administrative	278,846	34,748
Total operating expenses	284,395	286,416
OTHER (INCOME) EXPENSE		
Interest expense	1,006	-
Loss on Paramount		608,400
(Gain) Loss on derivative liability	(1,320)	6,360
Total other (income) expense	(314)	614,760
Net loss before taxes	(284,081)	(901,176)
Income tax expense	0	0
Net loss	$ (284,081)	$ (901,176)
Basic loss per common share	($0.00)	($0.00)
Basic weighted average common shares	970,421,956	850,655,297

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

Itonis Inc. (formerly "Kenshou Inc.")
Statement of Stockholders' Deficit
(unaudited)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balance as of November 30, 2012	-	$ -	777,044,186	$ 777,044	$ 13,154,747	$ (12,630,758)	$ 1,301,033
Net loss for the period						(773,151)	(773,151)
Shares issued for debt and accrued interest			75,000,000	75,000	(2,761)		72,239
Stock Refund					$ (21,000)		(21,000)
Balance as of November 30, 2013	-	$ -	852,044,186	$ 852,044	$ 13,130,986	$ (13,403,909)	$ 579,121
Net loss for the period						(1,169,359)	(1,169,359)
Shares issued for debt			106,333,333	106,333	(75,833)		30,500
Return of Paramount shares			(28,000,000)	(28,000)	(33,600)		(61,600)
Return of executive shares			(80,000,000)	(80,000)	(97,200)		(177,200)
Shares issued for services			80,000,000	80,000	96,000		176,000
Return of executive shares			(19,222,230)	(19,222)	(132,364)		(151,586)
Shares issued for services			50,000,000	50,000	345,000		395,000
Balance as of November 30, 2014	-	$ -	961,155,289	$ 961,155	$ 13,232,989	$ (14,573,268)	$ (379,124)
Net loss for the period						(285,082)	(285,082)
Shares issued for services			36,800,000	36,800	214,440		251,240
Balance as of May 31, 2015	-	$ -	997,955,289	$ 997,955	$ 13,447,429	$ (14,858,350)	$ (412,966)

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

Itonis Inc.
(Formerly "Kenshou Inc.")
Cash Flow Statements
(unaudited)

	For the Six Months Ended May 31, 2015	For the Year Ended November 30, 2014
Cash flows from operating activities:		
Net loss	$ (285,082)	$ (1,169,359)
Depreciation	704	1,048
Adjustments to reconcile net loss to net cash in operating activities:		
Increase (decrease) in derivative liability	(1,320)	6,240
Stock issued for services	251,240	
Changes in operating assets and liabilities		
Current Assets	-	(18,000)
Prepaid Expenses	-	246,283
Other Assets	-	30,000
Intangible Assets	-	340,000
Accounts Payable	(1,343)	(3,460)
Accounts Payable Retated Party	(2,989)	5,697
Income Taxes Payable	0	800
Net cash used in operating activities	(38,790)	(560,751)
Cash flows from investing activities:		
Capitalized License Fees	(24,000)	
Purchase of Fixed Assets	(24,000)	-
Cash flows from financing activities:		
Loans	72,899	349,934
Stock Refund		-
Stock for Debt		30,500
Executive Stock returned to Treasury		(328,786)
Stock Returned by Paramount		(61,600)
Shares Issued for Consulting Services	-	571,000
Sale of stock	-	-
Net cash provided by financing activities	72,899	561,048
Net change in cash	10,109	297
Cash, beginning of period	2,707	2,410
Cash, end of period	$ 12,816	$ 2,707

Supplementary disclosure of cash flow information:

NOTE 1. DESCRIPTION OF BUSINESS AND ACCOUNTING POLICIES

Description of Business – Itonis, Inc. (formerly Kenshou Inc.) (the "Company" or "Itonis") was incorporated on July 5, 2005 as Kenshou Inc. under the laws of the State of Nevada. On December 2, 2005, the Company changed its name to Itonis Inc.

The Company operates as a holding company and has embarked upon an aggressive plan to acquire high growth entrepreneurial companies that have established or are expected to establish themselves as leaders and successful enterprises in various market niches.

In 2013, the Company relocated its headquarters to an expanded facility within Orange County, California, in conjunction with its development of its pharmaceutical operations.

Use of Estimates and Assumptions - The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

Basis of Presentation - These financial statements present the balance sheets and the related statements of operations, cash flows and stockholders' deficit of Itonis, Inc.

Fiscal Periods – The Company's fiscal year-end is November 30.

Cash and Cash Equivalents - For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. The carrying value of these investments approximates fair value.

Inventory- The Company has capitalized $18,000 in product costs related to Emesyl™. Sales are expected to commence during 2015.

Capitalized License Fees- The Company obtained a license for a mobile payment transfer application from MyECheck, Inc. The $324,000 cost of the license has been capitalized pending commencement of sales

Accounts Payable-Related parties- Amounts have been advanced by related parties to fund the operations of the Company. The advances are non-interest bearing, unsecured, and due on demand.

Derivative liabilities – The Company is contractually obligated to issue 1,200,000 more shares than it currently has issued. The values of these shares were originally recorded at their fair market value to determine the cost basis of the underlying transaction. The share liabilities are revalued at the end of each reporting period and the liabilities are adjusted to reflect current market value. The change in fair value is reflected separately in the Company's Statements of Operations. As of May 31, 2015, the fair value of the obligated shares was $8,160.

Income Taxes - The Company accounts for its income taxes in accordance with FASB Codification Topic ASC 740-10, "*Income Taxes*", which requires recognition of deferred tax assets and liabilities for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Earnings (loss) Per Share - The Company reports earnings (loss) per share in accordance with FASB Codification Topic ASC 260-10 "*Earnings Per Share*", Basic earnings (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted average number of common shares available. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. Diluted earnings (loss) per share has not been presented since the effect of the assumed exercise of options and warrants to purchase common shares (common stock equivalents) would have an anti-dilutive effect.

Fair Value of Financial Instruments - Accounting Standards Codification ("ASC") 820, Fair Value Measurements and Disclosures, requires disclosing fair value to the extent practicable for financial instruments that are recognized or unrecognized in the balance sheet. Fair value of financial instruments is the amount at which the instruments could be exchanged in a current transaction between willing parties. The Company considers the carrying amounts of cash, certificates of deposit, accounts receivable, accounts payable, notes payable, related party and other payables, customer deposits, and short term loans to approximate their fair values because of the short period of time between the origination of such instruments and their expected realization. The Company considers the carrying amount of notes payable to

approximate their fair values based on the interest rates of the instruments and the current market rate of interest.

Recent Accounting Pronouncements-

The Company has evaluated recent pronouncements through Accounting Standards Updates "ASU" 2015-09 and believes that none of them will have a material impact on the Company's financial position, results of operations or cash flows. The Company has elected to adopt 2014-10 "Development State Enterprises" and eliminated all inception to date reporting.

NOTE 2. GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As of November 30 2014 the Company has incurred cumulative net losses of over $14,500,000. Under current operations the Company requires capital for its operational and marketing activities to take place. The Company's ability to raise additional capital through the future issuances of common stock is unknown. The obtainment of additional financing, the successful development of the Company's contemplated plan of operations, and its transition, ultimately, to the attainment of profitable operations are necessary for the Company to continue operations. The ability to successfully resolve these factors raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the company cannot continue in existence.

NOTE 3. RELATED PARTY TRANSACTIONS

Management of the Company has made non-interest bearing, unsecured, due on demand cash advances to the Company and has accrued amounts due an officer for services totaling $ 478,587 as of May 31, 2015. The Company issued 145,000,000 common shares to officers under a 2012 share compensation agreement with a value of $942,441, which is earned over periods that range from 12-24 months. The final $45,875 of deferred compensation was expensed during 2014. Also during 2014, officers returned 99,222,230 of these shares with a value of $382,786 to the Treasury. The Company also has accrued $130,000 due an officer for services and issued another related party 50,000,000 shares with a value of 395,000 for services.

NOTE 4. LOANS PAYABLE

Through May 31, 2015, the Company had received $537,287 in short-term loans from related parties. These loans are due on demand and are interest free. During the prior six months, the Company received an additional $72,899 in loans from related parties.

NOTE 5. STOCKHOLDERS' DEFICIT

Preferred Stock:

The Company has authorized 5,000,000 shares of preferred stock none of which are issued and outstanding as of May 31, 2015 and November 30, 2014.

On June 4, 2012, the Board of Directors of the Company approved the designation of Series A preferred shares which provides voting rights equal to the greater of (i) One Thousand (1,000) votes for each share of Series A Preferred Stock or (ii) the number of votes equal to the number of all outstanding shares of Common Stock, plus one additional vote such that the holders of Series A Preferred Stock shall always constitute a majority of the voting rights of the Corporation.

Common Stock:

On May 25, 2012, shareholders of record holding over 50% of the issued and outstanding shares of the Company approved the increase in authorized shares from 300,000,000 to 1,000,000,000 shares. There were 996,955,289 shares of common stock outstanding as of May 31, 2015.

Share Transactions:

Common Stock

2014:

- The Company issued 106,333,333 shares for $31,500 in debt
- Executives of the Company returned 80,000,000 shares of stock with a value of $177,200.
- One of the principals of Paramount Discoveries Inc. returned 28,000,000 share of common stock for failure to meet certain development milestones.
- The Company issued 80,000,000 shares with a value of $176,000 for consulting services.

- Executives of the Company returned another 19,222,230 shares of stock with a value of 151,586.

- The Company issued 50,000,000 shares of stock to a related party for services with a value of $395,000.

2015:

- The Company issued 18,800,000 shares of stock for services with a value of $109,040.

- The Company issued 18,000,000 shares of stock for services with a value of $142,200.

NOTE 6. INCOME TAXES

The provision for income taxes consists of approximately $800 in State taxes for each of the years ended November 30, 2014 and 2013, respectively.

Deferred tax assets are comprised of the benefits of loss carry forwards for the years ended the November 30, 2014 and 2013 of approximately $120,000 and $107,000, respectively. Losses prior to December 1, 2009 were incurred in different industries and in foreign jurisdictions and their use would be limited to offset federal and state income taxes. These losses would also be limited by the change of control provisions in Section 382 and 383 of the Internal Revenue Code.

Management has concluded that the use of these loss carry forwards would be severely restricted and the effect of these losses is not included in this report.

Deferred taxes arise from temporary differences in the recognition of certain expenses for tax and financial reporting purposes. As of November 30, 2014, the company had significant timing differences for tax reporting purposes for the non-cash recognition of liabilities due for committed shares in excess of authorized shares, shares issued for services, and shares issued for compensation. The expenses related to these liabilities are treated as permanent differences between financial and tax reporting.

At November 30, 2014 and 2013, management determined that realization of these loss carry forward benefits is not assured and has provided a valuation allowance for the entire amount of such benefits,

ASC 740 clarifies the accounting for uncertainty in income taxes and prescribes a recognition threshold, measurement attribute for the financial statement recognition

and measurement of a tax position taken, or expected to be taken, in a tax return. Under ASC 740, we are required to recognize in the financial statements the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position. ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods and disclosure. Our policy is to record interest and penalties related to unrecognized tax benefits in income tax expense. There were no unrecognized tax benefits recorded as of November 30, 2014 and 2013.

NOTE 7. PARAMOUNT DISCOVERIES, INC.

During 2014, the Company determined that Paramount Discoveries, Inc. was not meeting its development milestones and decided to stop funding the development of Paramount's technologies. As part of this decision, one of the principals of the Paramount returned 28,000,000 shares of common stock that had been issued when the Company acquired the technologies. The Company concurrently wrote off $640,000 that it had capitalized when Paramount was acquired. The company also abandoned $30,000 in inventory costs related to Paramount.