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

The following discussion and analysis provides information which management believes is relevant for an assessment and understanding of the results of operations and financial condition. Expectations of future financial condition and results of operations are based upon current business plans and may change. The discussion should be read in conjunction with the audited financial statements and notes thereto.

Results of Operations Three Months Ended June 30, 2015

The following table presents the Company's Statements of Operations for the three months ended June 30, 2015 and 2014

	2015	2014
Revenue, net	$ -	$ -
Operating expenses:		
Selling, general and administrative	608,684	2,484,147
Total operating expenses	608,684	2,484,147
Loss from operations	(608,684)	(2,484,147)
Net loss	$ (608,684,)	$(2,484,147)

Operating expenses

The Company incurred $608,684 in selling, general and administrative expenses for the three months ended June 30, 2015, a $1,875,463 decrease from $2,484,147 incurred during the three months ended June 30, 2014. Selling, general and administrative expenses consist of expenses the Company incurs during day to day operations.

During the three months ended June 30, 2015, operating expenses consisted of $225,572 of professional fees, $46,050 of travel expenses, $22,000 of warehouse expenses and $1,800 of marketing expenses all related to the redevelopment of the business plan. During the three months ended June 30, 2014, operating expenses consisted of $528,779 of professional fees and $6,162 of travel expenses.

During the three months ended June 30, 2015, the Company recognized expense in the amount of $113,003 related to the revaluation of the derivative liability.

During the three months ended June 30, 2015 and 2014, the Company recorded $10,794 and $6,685 of interest expense related to the convertible debentures, respectively. During the three months ended June 30, 2014 the Company recorded the initial derivative interest expense of $500,842.

Additionally, during the three months ended June 30, 2015, the Company recorded $180,000 of compensation related to the issuance of preferred A stock. This is in comparison to the $1,412,110 of compensation related to the issuance of common stock during the three months ended June 30, 2014.

Net loss

The Company had a net loss for the three months ended June 30, 2015 of $608,684, a $1,875,463 decrease from $2,484,147 incurred during the three months ended June 30, 2014. The decrease in net loss was primarily due to the value of non-cash compensation paid in the three months ended June 30, 2014 offset by Company's efforts to begin the new line of business and restate its filing with the Securities and Exchange Commission.

Results of Operations Six Months Ended June 30, 2015

The following table presents the Company's Statements of Operations for the six months ended June 30, 2015 and 2014

	2015	2014
Revenue, net	$ -	$ -
Operating expenses:		
Selling, general and administrative	1,454,121	2,484,150
Total operating expenses	1,454,121	2,484,150
Loss from operations	(1,454,121)	(2,484,150)
Net loss	$(1,454,121,)	$(2,484,150)

Operating expenses

The Company incurred $1,454,121 in selling, general and administrative expenses for the six months ended June 30, 2015, a $1,030,029 decrease from $2,484,150 incurred during the three months ended June 30, 2014. Selling, general and administrative expenses consist of expenses the Company incurs during day to day operations.

During the six months ended June 30, 2015, operating expenses consisted of $246,542 of professional fees, $51,046 of travel expenses, $22,000 of warehouse expenses and $3,050 of marketing expenses all related to the redevelopment of the business plan. During the six months ended June 30, 2014, operating expenses consisted of $528,779 of professional fees and $6,162 of travel expenses.

During the six months ended June 30, 2015, the Company recognized expense in the amount of $913,963 related to the revaluation of the derivative liability.

During the six months ended June 30, 2015 and 2014, the Company recorded $24,826 and $6,685 of interest expense related to the convertible debentures, respectively. During the six months ended June 30, 2014 the Company recorded the initial derivative interest expense of $500,842.

Additionally, during the six months ended June 30, 2015, the Company recorded $180,000 of compensation related to the issuance of preferred A stock. This is in comparison to the $1,412,110 of compensation related to the issuance of common stock during the six months ended June 30, 2014.

Net loss

The Company had a net loss for the six months ended June 30, 2015 of $1,454,121 a $1,030,029 decrease from $2,484,150 incurred during the six months ended June 30, 2014. The decrease in net loss was primarily due to the value of non-cash compensation paid in the six months ended June 30, 2014 offset by Company's efforts to begin the new line of business and restate its filing with the Securities and Exchange Commission.

Liquidity and capital resources

The Company had accumulated deficit at June 30, 2015 of $11,305,153 The Company has incurred a loss of $1,454,121 in the six months ended June 30, 2015 and has negative working capital of $1,510,675 as of June 30, 2015. The Company's continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis, to obtain additional financing or refinancing as may be required and, ultimately, to attain profitable operations. Management's plans to eliminate the going concern situation include, but are not limited to, the raise of additional capital through issuance of debt and equity, improved cash flow

management. Failure to raise additional capital or improve its performance in the next 12 months will cause the Company to significantly curtail its business activities and expansion plans within the next twelve months.

The Company has $116,543 in cash as of June 30, 2015 compared to $10,009 as of December 31, 2014 as a result of stock subscriptions issued during the six months ended June 30, 2015 offset by the payment of operating expenses.

Critical Estimates and Judgments

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management evaluates its estimates and judgments, including those related to receivables and accrued expenses. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable based on the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The most significant accounting estimates inherent in the preparation of the Company's financial statements include estimates as to the appropriate carrying value of the Company's intangible assets, the amount of stock compensation, and the amount of accrued liabilities that are not readily attainable from other sources. These accounting policies are described at relevant sections in this discussion and analysis and in the notes to the consolidated financial statements.

The discussion in this report contains forward-looking statements that involve risks and uncertainties. The Company's future actual results may differ materially from the results discussed herein, including those in the forward-looking statements.