

Quarterly Report

For the Quarterly Period ended June 30, 2015

Trading Symbol: **"CFSU"**

CUSIP Number: **204535108**

COMPLETE FINANCIAL SOLUTIONS INC.

QUARTERLY REPORT

For the Three-month and Six-month Period Ended June 30, 2015

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Item 1 Name of the Issuer and its Predecessors (if any)

Complete Financial Solutions Inc., a Nevada corporation (referred to as "CFSI" or the "Company")

Item 2 Address of the Issuer's Principal Executive Offices

Complete Financial Solutions Inc.
113 East Magnesium Rd., Suite D
Spokane, WA 99208
Telephone: 509-928-1123
Website: www.cfsi.biz

IR Contact:
Allen Ringer
Telephone: 866-928-1123
aringer@cfsi.biz

Item 3 Security Information

Trading Symbol:	**CFSU**
Title and class of securities outstanding:	**Common Stock**
CUSIP:	**204535108**
Par Value:	**$.001 per share**
Total shares authorized:	**75,000,000** as of June 30, 2015
Total shares outstanding(1)	**34,501,756** as of June 30, 2015

Additional classes of securities:

Trading Symbol:	**None**
Title and class of securities outstanding:	**Series B Preferred Stock**
CUSIP:	**None**
Par Value:	**$.001 per share**
Total shares authorized:	**2,000,000** as of June 30, 2015
Total shares outstanding	**2,000,000** as of June 30, 2015

Trading Symbol:	**None**
Title and class of securities outstanding:	**Series C Preferred Stock**
CUSIP:	**None**
Par Value:	**$.001 per share**
Total shares authorized:	**3,000,000** as of June 30, 2015
Total shares outstanding	**1,319,700** as of June 30, 2015

(1) Excludes 7,000,000 shares of common stock held by subsidiary ACMC which are not reflected as outstanding shares in the consolidated financial statements.

Transfer Agent:

Columbia Stock Transfer Company
1869 E. Seltice Way, Suite 292
Post Falls, ID 83854
Phone: (208) 664-3544
Fax: (208) 777-8998
www.columbiastock.com

Is the Transfer Company registered under the Exchange Act? Yes ☒ No ☐

List any restrictions on the transfer of security:

Shares previously issued in private placements or through our employee stock incentive plan ("restricted securities"), and shares held by affiliates such as officers, directors or large shareholders ("control securities") are subject to the applicable resale conditions of Rule 144. Rule 144 requires a holding period for restricted and control securities of at least twelve (12) months after acquisition, before open market sales can be made. Affiliates are subject to additional requirements for market sales, including current public information, volume limitation on sales, manner of sale requirements, and the filing of a Form 144.

Describe any trading suspension orders issued by the SEC in the past 12 months: None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

On June 27, 2014 the Company purchased a 23.3% interest in American Patriot Bank (the "Bank"), a subsidiary of American Patriot Financial Group, Inc. The Company paid initial consideration of $395,000. Under the terms of the purchase agreement, within nine months of receipt of approval of a change in control by applicable banking regulatory authorities, the Company will purchase a controlling interest in the Bank for an additional investment totaling $1,050,000. During the pendency of the change in control application, the Company has made quarterly capital infusions in the Bank, consisting of $200,000 on September 30, 2014, $55,000 on December 31, 2014, and $120,000 on March 31, 2015.

Item 4 Issuance History

During the quarter ended June 30, 2014, 50,000 shares were sold to two individuals upon the exercise of warrants for an aggregate consideration of $5,000 ($0.10 per share), payable in cash. During the quarter ended September 30, 2014, 117,500 shares were sold to two individuals upon the exercise of warrants for an aggregate consideration of $11,750 ($0.10 per share), payable in cash. During the quarter ended March 31, 2015, 468,753 shares were sold to two individuals for an aggregate consideration of $46,875 ($0.10 per share), payable by conversion of debt. The purchasers had long-standing business relationships with the Company, had access to all material information concerning the Company, and made representations to us as to their investment intent and financial sophistication. The purchasers received restricted securities and appropriate legends were affixed to the certificates issued in the transaction. The issuance was deemed to be exempt from registration under the Securities Act of 1933, as amended ("Securities Act") in reliance on Section 4(2) of the Securities Act and Regulation D promulgated thereunder.

Item 5 Financial Statements

The unaudited consolidated financial statements for the quarters ended June 30, 2015, and June 30, 2014, are attached, starting on page 12.

Item 6 Description of Business, Products and Services

a. Description of the issuer's business operations:

Complete Financial Solutions Inc. is an emerging financial services company, currently primarily engaged in mortgage services. Through our subsidiary Acceptance Capital Mortgage Corporation ("ACMC"), we are currently licensed in 27 states to service the borrowing and refinancing needs of individual home buyers and owners. As an independent residential mortgage broker and lender, ACMC originates mortgages in approximately 55 branch offices utilizing about 170 employees. We have access to the products and services of over sixty lenders, including five mini-correspondent banking lines, and are eligible to underwrite loans in our own name. Although we currently focus on mortgage solutions, we are developing additional financial product and service offerings for our mortgage customers and the real estate community, such as insurance services, credit repair services, loan servicing and banking services.

b. Date and State (or Jurisdiction) of Incorporation:

Nevada; incorporated July 7, 2006

c. Issuer's primary and secondary SIC Codes:

The Standard Industrial Code for our principal line of business is: 6162

d. Issuer's fiscal year end date:

December 31

e. Principal products or services, and their markets:
Loan Originations

We are an independent residential mortgage broker and lender. A significant portion of our originations are single-family mortgage loans that are eligible for FHA mortgage insurance, which represented about 43% of our originations in 2014. ACMC is an FHA Title II approved mortgage lender (mortgagee), with HUD Direct Endorsement approval, allowing it to underwrite, originate, fund, service and own FHA insured single-family mortgages. Qualified mortgage lenders are sometimes known as "Full-Eagles" (full-fledged FHA participating lenders) in the industry because they can perform any lender function on a FHA loans. ACMC is a "nonsupervised" lender, meaning it is not a financial institution (such as a bank, savings association, or a credit union) that is a member of the Federal Reserve System, or with accounts insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA). "Nonsupervised" mortgage lenders are regulated by the states. As a mortgage lender, we must acquire and maintain a license from each state in which we operate, obtain a separate agents' licenses where required, purchase bonds, and comply with state annual maintenance requirements.

Brokered Loans. Brokered loans do not involve the use of our own funds and rely on the lender to make the final funding decision. As a mortgage broker, we process and sell a lender's mortgage product to a borrower and receive an origination fee from either the borrower or the lender. If paid by the lender, the fee is typically fixed in advance of the transaction by the lender and is based on a percentage of the loan amount. If paid by the borrower the fee amount is more flexible. For FHA lending, originators can earn money based on the origination fee (maximum 1%) and discount points (maximum 2%) charged to the borrower. From the loan fee proceeds, we withhold an administration and a loan processing fee, and credit the balance to our originating branch office. Administration fees range from a low of $350 to a $1,000 cap on our largest brokered loans. Brokered loans represented about 7% of our mortgage originations in 2014.

Correspondent Lender Loans. With correspondent loans we originate loans utilizing a warehouse line of credit from a lender, and then sell the loans after settlement in the secondary market. Typically, the lender makes the funding decision for the loan, based on the lender's underwriting criteria. The advantage of this type of loan origination is that it allows us to control the yield spread premium ("YSP"). YSP is the dollar amount, expressed as a percentage of the loan amount that a lender is willing to pay for a particular piece of business. YSP can range from 0% (par rate) to several percentage points. Three percent (3.0%) is a typical YSP in our case. The loan typically is assigned to the lender to be sold directly to the secondary market. A correspondent loan typically includes the right to service the loan and a "servicing release premium" (SRP) is collected by the lender upon resale of the mortgages to the final investor. The lender typically pays us a portion of the SRP, usually between .375% and .75% of the loan amount, which we receive in addition to our standard administration and loan processing fees. Correspondent loans represented about 93% of our mortgage originations during 2014.

ACMC Underwritten Loans. In February 2013, ACMC earned its HUD Direct Endorsement approval, allowing it to originate, underwrite, fund and close its own FHA loans. We have since secured warehouse line of credit facilities that allow us to do this, and in March 2014, after completing our test-case phase with FHA, we began to underwrite our own loans in a measured approach for both FHA and USDA loans. Underwriting is largely managed by our Evansville Regional Office, a branch and operations center that we acquired earlier in 2014, and we have recently begun to accept loan origination from third party mortgage retailers (TPOs) providing them with wholesale underwriting and purchasing of loans.

ACMC Secondary Market Activity. As part of the acquisition of our Evansville regional office, we also entered into a management services agreement with an outside firm that specializes in the sale of mortgage loans into the secondary market. This firm, under contract with ACMC, provides best practices underwriting oversight to insure our mortgage loans meet the requirements for sale into the secondary market. In addition the firm manages warehouse lines that it uses to fund loans that are originated by both ACMC and TPOs. Finally, the firm has procured agreements with several companies that purchase our loans. As a result of this relationship, ACMC is now able to generate additional revenues from underwriting, funding, and selling its loans, as well as new revenues generated by the TPO relationships.

Loan Products. We have the ability to offer a wide selection of mortgage products, including conventional, FHA-insured, fixed and adjustable rate mortgages, with different maturities. Like conventional mortgages, there are several different types of FHA mortgages, including both fixed rate and adjustable rate products. We offer these loan products for both conforming loans (loans of $417,000 or less) and non-conforming loans (loans over $417,000). We also offer a variety of other loan products, including second trust deed loans, as needed to effectively compete with other loan originators. All of our loan products are designed according to standards required either for

participation in FHA mortgage insurance programs, or as required by secondary market investors to ensure liquidity. Our policy is not to engage in predatory lending or to provide high cost loans which feature either an interest rate or points and fees charged in connection with loans that exceed certain thresholds prescribed by federal or state law or local ordinances. We follow the Mortgage Bankers Associations' "Best Practices Statement" as part of our fair lending policy.

Processing Services

Mortgage loans funded in the U.S. must be processed according to the lender's specifications ("underwriting conditions") in order to be approved and funded. Our loan processing services are provided by ACMC. Another subsidiary, AlliancePro Processing, Inc. provides the internally developed, proprietary technology platform for our business. The loan processing procedure includes gathering written verification of borrower's documentation and credit worthiness, reviewing conditions imposed by the lender to close the loan, ordering settlement services from third-party vendors (e.g. appraisal, flood and title reports and mortgage insurance), funding any impounds required (taxes and insurance) and paying closing costs, and submitting the completed loan package to the underwriting department of the chosen lender where it is either approved, rejected, or "approved with conditions." If the result is approval "with conditions," then the loan processor must work with the loan originator and the borrower to conform the application to the lender's underwriting conditions. The processing portion of the mortgage origination process can take as little as a week or as long as several months.

Ancillary Services

We are seeking revenue growth by developing additional financial product and service offerings for our mortgage customers and the real estate community. Ancillary services currently do not constitute a material portion of our total revenues.

Accounting Services. We intend to offer accounting services to our mortgage customers through our subsidiary, Accounting Solutions, Inc. In January 2015, we entered into an agreement to acquire the assets of Emery Accounting, and have integrated its team of six full time employees and two part-time associates. Accounting Solutions, Inc. will offer personalized accounting, tax and bookkeeping services to individuals and small businesses in the U.S. and internationally.

Insurance Services. Currently inactive, Insurance Solutions Inc. offered several mortgage protection products on an agency basis from 2011 to 2014, including plans that provide return of premium, living benefits and cash to survivor, as well those that pay the balance of the mortgage upon death. We intend to utilize Insurance Solutions in the future to offer life and medical related insurance products to ACMC mortgage customers at the point of mortgage sale.

Credit Repair Services. Mortgage customers that need to rehabilitate their credit in order to qualify for a loan are currently referred to a reputable third-party credit restoration company. We may opt to offer this service in the future.

Loan Servicing. As we underwrite our own residential mortgage loans, we may retain the servicing rights. Loan servicing primarily involves the calculation, collection and remittance of principal and interest payments, the administration of mortgage escrow accounts, the collection of insurance claims, the administration of foreclosure procedures, the management of real estate owned (REO) property, and the disbursement of required protective advances. Loan servicers typically receive recurring, fee-based revenues based upon contractually established servicing fees, as well as interest income on

amounts deposited in collection accounts and amounts held in escrow to pay property taxes and insurance.

Bank Affiliation. Part of our plan of operation has been to acquire an interest in a commercial bank for several potential benefits, including potentially being exempt from certain state licensing, bonding, and reporting requirements, providing our loan originators with additional products, and providing a funding source for the loans we underwrite. On June 27, 2014, we acquired 23.3% of a state-chartered bank, and agreed to purchase the remaining equity after approval by the applicable federal banking regulators of our change in control application. See Note 4 — Investment in American Patriot Bank, included in the "Notes to Consolidated Financial Statements," Item 5 — Financial Statements.

Forward-Looking Statements

In addition to current and historical information, this Quarterly Report contains forward-looking statements. These statements relate to our future operations, prospects, potential products, services, developments, business strategies or our future financial performance. Forward-looking statements reflect our expectations and assumptions only as of the date of this report and are subject to risks and uncertainties. Actual events or results may differ materially. We have included a detailed discussion of certain risks and uncertainties that could cause actual results and events to differ materially from our forward-looking statements in the section titled "Risk Factors," filed with our Annual Report, posted with the OTC Disclosure and News Service on April 18, 2015 ("Annual Report"). We undertake no obligation to update or revise publicly any forward-looking statement after the date of this report, whether as a result of new information, future events or otherwise.

Risk Factors

The above summary description of our business should be read in conjunction with the more extensive disclosure contained in Item 6 of our Annual Report, which contains additional information related to the mortgage industry, the mortgage origination process, recent industry trends, competition, and government regulation. In addition, material risk factors are contained in the Annual Report related to the industry and our business which may affect our future prospects, performance and results. Some of the risk factors that investors or potential investors in our securities should consider are summarized as follows:

- We need additional capital and may not be able to access financing sources on favorable terms, or at all, which could adversely affect our ability to implement and operate our business as planned
- Future revenue growth and profitability remain uncertain
- Mortgage lending volume was significantly lower in 2014 than in 2013, and may decrease further in 2015 and future years, which would adversely affect our business
- Events similar to, and lingering effects from, the extreme turmoil in the mortgage industry and mortgage credit market that occurred from 2007 to 2009 could adversely affect our business
- Deteriorating mortgage market conditions or a continued delay in recovery of the residential mortgage market may continue to have a material adverse effect on our earnings and financial condition
- The potential limitation or wind-down of, the role Ginnie Mae, Fannie Mae and Freddie Mac play in the residential mortgage industry could disrupt the mortgage market and have a material adverse effect on our business
- There is recent litigation in the mortgage industry related to securitizations against issuers, sellers, originators, underwriters and others that may adversely affect our business operations; We may become a defendant in lawsuits, and we may not prevail in these matters

- Competition in the residential mortgage industry is intense and may adversely affect our business operations and financial performance; the dominance of a limited number of companies may affect our ability to operate and compete effectively
- The mortgage industry is heavily regulated and changes in current legislation or new legislation could adversely affect our business
- Violation of various federal, state and local laws may result in financial losses
- Our long-term success is primarily dependent on our ability to increase our mortgage origination volumes and revenues and to a lesser extent develop our ancillary service revenues
- We depend on the accuracy and completeness of information about borrowers and counterparties and any misrepresented information could adversely affect our business, financial condition and results of operations
- Our business may be adversely affected if we lose our FHA-approved lender status
- Representations and warranties made by us in our loan origination, financing or sales agreements may subject us to liability or require us to repurchase mortgage loans
- We may be limited in the way in which we market our business or generate revenue by U.S. federal law prohibiting referral fees in real estate transactions, and if we are found to be in violation of such laws we would be subject to significant liability
- We may be unable to effectively manage our desired growth, which could ultimately strain our financial, personnel and technical resources
- If we fail to maintain an effective system of internal controls, we may not be able to detect fraud or report our financial results accurately, which could cause current and potential stockholders to lose confidence in our financial reports and have an adverse effect on our stock price
- We depend on key and highly skilled personnel to operate our business, and if we are unable to retain our current or hire additional personnel, our ability to develop and successfully market our business could be harmed
- Our business is subject to online security risks, including security breaches and identity theft; Our failure to protect the personal and financial information of borrowers could result in liability and harm our reputation
- Unplanned system interruptions or system failures could harm our business and reputation
- Our principal shareholder owns a significant percentage of our voting shares and is able to exercise significant influence over our corporate decisions
- We do not expect to pay dividends in the foreseeable future and we may be restricted in paying dividends on our common stock
- Our stock price may be volatile and the trading of our shares may be limited, which may make it difficult for you to sell shares when you want at prices you find attractive
- Issuances of additional shares of our common stock may adversely affect its market price and significantly dilute stockholders
- If we are forced to liquidate, we may have few unpledged assets for distribution to unsecured creditors or equity holders
- Alliances, mergers and acquisitions could result in operating difficulties, dilution and other harmful consequences

Item 7 Description of Facilities

Our principal administrative facilities are located in approximately 4,000 square feet of office space in Spokane, Washington pursuant to a month-to-month rental agreement. Our branch offices are located throughout the 27 states in which we operate, and are comprised of a number of commercial lease locations and home offices. The Company is a party to approximately 22 commercial leases in branch

locations and is obligated to make all lease payments. Management believes the commercial lease rates were competitive for the local commercial real estate market at the times of agreement. Management believes our facilities are adequate for our present needs.

Item 8 Officers, Directors, and Control Persons

A. Officers and Directors

The following table sets forth certain information about our executive officers and directors as of June 30, 2015:

Name and Address[(1)]	Age	Current Principal Occupation or Employment and Five-Year Employment History	Director Since
Allen Ringer	75	Chief Executive Officer and Chief Financial Officer (2012-present; and 2006-2009); former director of the Company (2006-2009); founder, President and Director of predecessor MortgageZone Inc., (2003-2007); President and Director of Mortgage Processor Plus Inc., (2000-2004), and Cheetah Settlement Services Inc. (2002-2008); founder, CEO and Director of LION, Inc., a public company providing wholesale mortgage information (1989-1999)	--
Franklin Taylor	53	Director and President (2009-present); President and Director of Acceptance Capital Mortgage Corporation (2007-present); founder and President of Taylor Made Mortgage Corp. (2004-2007)	2009
Craig Benson	56	Director, Secretary and Treasurer (2009-present); VP-Marketing of Insurance Solutions, Inc. (2011-present); Insurance Agent with All Medicare Solutions LLC (2008-present).	2009

(1) Except as noted above, the business address of the current directors and executive officers is c/o Complete Financial Solutions Inc., 113 East Magnesium Rd., Suite D, Spokane, WA 99208.

B. **Legal/Disciplinary History.**

During the last five years, none of the foregoing officers or directors has been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
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;
3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, 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

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.

C. Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information that has been provided to the Company regarding the beneficial ownership as of June 30, 2015 of the Company's common stock by (a) each person who is known by the Company to be a beneficial owner of more than five percent of the outstanding common stock of the Company, (b) each director of the Company, (c) each of the executive officers, and (d) all directors and executive officers of the Company as a group.

Name and Address Of Beneficial Owner	**Shares [1] Beneficially Owned**	**Percent [2] of Voting Shares**
Current Directors and Executive Officers:		
Allen Ringer [3]	31,081,207	49.8%
Franklin Taylor	1,391,828	2.2%
Craig Benson	863,599	1.4%
All current directors and executive officers as a group (4 persons)	33,336,634	53.4%
Other Beneficial Owners:		
Dennis Postma [4]	5,045,000	8.1%
Acceptance Capital Mortgage Corp. [5]	7,000,000	11.2%
Arlan Van Wyk [6]	4,507,000	7.2%

(1) To our knowledge, except as indicated in the footnotes to this table and subject to applicable community property laws, the stockholders named in the table have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them.

(2) Percentage of beneficial ownership is based upon the following voting shares outstanding as of March 31, 2015: 41,033,003 shares of common stock outstanding (including shares of unvested restricted stock and shares held by ACMC); 2,000,000 shares of Series B Preferred Stock outstanding (with 10 votes per share); and 1,319,700 shares of Series C Preferred Stock outstanding (with 1 vote per share), for a total of 62,352,703 voting shares.

(3) Includes 2,000,000 shares of Series B Preferred Stock, representing 20,000,000 votes. Also included are 2,749,800 shares owned by Choctaw Development, Inc., for which Mr. Ringer serves as an officer and may be deemed to have voting or investment control; and 7,000,000 shares owned by ACMC, for which Mr. Ringer as principal shareholder may be deemed to have voting or investment control. Includes 676,000 shares owned by Dutchman Irrevocable Trust, of which his wife Marilyn Ringer serves as trustee, and 45,407 shares owned by his wife, as to which Mr. Ringer disclaims beneficial ownership.

(4) Includes 1,539,000 shares of common stock and 655,000 voting shares of Series C preferred stock owned by Dana LLC., for which Mr. Postma may be deemed to have voting or investment control.

(5) These shares held by subsidiary ACMC are not reflected as outstanding shares in the consolidated financial statements.

(6) Includes 663,700 voting shares of Series C preferred stock. Also includes 1,539,000 shares of common stock and 655,000 voting shares of Series C preferred stock owned by Dana LLC., for which Mr. Van Wyk may be deemed to have investment control.

Item 9 Third Party Providers

Legal Counsel

Stephen Tollefsen
Tollefsen Business Law PC
2825 Colby Avenue, Suite 304
Everett, Washington 98201
Telephone (425) 353-8883
Fax (425) 353-9415
Email: st@tbuslaw.com

Accountant or Auditor

Audit of principal subsidiary ACMC:

Thomas J. Harris
Certified Public Accountant
3901 Stone Way N.
Seattle, WA 98103
Telephone: (206) 547-6050
Fax: (206) 548-8132
Email: thomas@tjhcpa.com

Investor Relations Consultant

Richard Inza
RMJ Consulting LLC
2451 SW 126th Way
Miramar, FL 33027
(954) 251-0616
Email: richardinza@gmail.com

Item 10 Issuer Certification

CERTIFICATION OF CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER:

I, Allen Ringer, certify that:

1. I have reviewed this quarterly report of Complete Financial Solutions Inc.
2. Based on my knowledge, this disclosure statement 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: August 21, 2015

/s/ Allen Ringer
Allen Ringer
Chief Executive Officer
Chief Financial Officer

COMPLETE FINANCIAL SOLUTIONS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
June 30, 2015 and December 31, 2014

	Unaudited 30-Jun-15	Restated Unaudited 2014
ASSETS		
Current assets:		
Cash	$ 28,240	$ 533,881
Accounts receivable	347,999	255,459
Loans held for sale	8,327,234	7,927,708
Available for sale security equities recorded at fair market value	-	63,690
Prepaids	210,510	201,018
Total current assets	8,913,983	8,981,756
Property and equipment:		
Equipment	716,436	695,846
Furniture and fixtures	269,649	269,649
	986,085	965,495
Less accumulated depreciation	818,355	771,075
	167,730	194,420
Other assets:		
Deferred tax asset	98,321	98,321
Investment in bank	815,000	640,000
Goodwill	2,641,844	2,500,000
	3,555,165	3,238,321
	$ 12,636,878	$ 12,414,497
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	212,518	114,686
Accrued payroll and payroll taxes	559,859	991,915
Accrued Stock based Compensation	173,177	173,177
Revolving Lines and Line of credit	42,896	34,869
Loan holdback payable	-	55,526
Warehouse line of credit	8,017,991	7,577,212
Current portion of long term debt	126,000	126,000
Total current liabilities	9,132,441	9,073,385
Long-term debt, due after one year	1,153,161	1,362,595
Payable to branches	168,922	110,422
	1,322,083	1,473,017
Total Liabilities	10,454,524	10,546,402
Stockholders' equity:		
Common stock, $0.001 par value, authorized 75,000,000 Issued and outstanding, 34,501,756 and 34,033,003 shares	34,502	34,033
Series A preferred stock, $1.00 par value, authorized 2,000,000 none Issued and outstanding,	-	-
Series B preferred stock, $0.001 par value, authorized 2,000,000 Issued and outstanding, 2,000,000	2,000	2,000
Series C preferred stock, $0.001 par value, authorized 2,500,000 Issued and outstanding, 1,319,700 shares	1,320	1,320
Stock subscription receivable	150,000	(2,000)
Additional paid-in capital	8,218,822	8,172,406
Accumulated other comprehensive income	(2,528,300)	(2,464,610)
Retained earnings (deficit)	(3,695,990)	(3,875,054)
	2,182,354	1,868,095
	$ 12,636,878	$ 12,414,497

These financial statements were not subjected to an audit, review, or compilation engagement, and, accordingly, no opinion or conclusion is expressed, nor any assurance provided on them.

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

COMPLETE FINANCIAL SOLUTIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS AND RETAINED EARNINGS (DEFICIT]
For the three and six months ended June 30, 2015 and 2014

	unaudited Three months ended June 30, 2015	unaudited Three months ended June 30, 2014	Unaudited Six months ended June 30, 2015	Unaudited Six months ended June 30, 2014
Revenues	$ 3,787,328	$ 2,556,148	$ 6,613,356	$ 3,713,781
General and Administrative Expenses:				
Salaries and wages	2,264,083	1,344,989	3,802,826	2,024,326
Payroll taxes	156,926	86,122	310,015	232,506
Loan costs	630,914	269,891	1,180,132	486,603
Advertising costs	68,711	84,426	148,063	211,605
Insurance expense	25,171	36,260	61,372	58,270
Office expenses	54,272	52,591	104,028	51,882
Website expenses	52,054	56,987	111,647	75,318
Postage and delivery	8,371	9,704	21,405	26,752
Rent expense	74,496	63,073	169,532	160,249
Dues and subscriptions	37	2,856	793	275
Professional fees	116,729	85,745	187,003	153,068
Utilities	3,197	4,315	9,004	8,901
Taxes and licenses	14,929	6,668	25,391	15,490
Equipment rentals	3,436	4,636	7,979	12,307
Telephone expenses	35,697	29,108	72,763	66,817
Meals and entertainment	4,008	23,201	10,003	29,912
Travel expense	10,857	2,246	29,564	23,490
Depreciation expense	24,785	21,900	47,280	42,000
Other expenses	43,918	367,915	85,276	30,840
	3,592,591	2,552,633	6,384,076	3,710,611
Income (loss) from operations	194,737	3,515	229,280	3,170
Other income (expense):				
Other income	-	54,755	6	36,681
Interest expense	(25,156)	(14,765)	(50,222)	(15,313)
	(25,156)	39,990	(50,216)	21,368
Income (loss) before income tax	169,581	43,505	179,064	24,538
Provision for income tax benefit (note 10)		-	-	-
Net profit/(loss)	$ 169,581	$ 43,505	$ 179,064	$ 24,538
Weighted average earnings per share	$ 0.00	$ 0.00	$ 0.01	$ 0.00

These financial statements were not subjected to an audit, review, or compilation engagement, and, accordingly, no opinion or conclusion is expressed, nor any assurance provided on them.

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

COMPLETE FINANCIAL SOLUTIONS, INC. AND SUBSIDIARIES
CONSOLDIATED STATEMENT OF CASH FLOWS
For the six months ended June 30, 2015 and 2014

	Unaudited Six months ended June 30, 2015	Unaudited Six months ended June 30, 2014
Cash flows provided (used) by operating activities:		
Net income (loss)	$ 179,064	$ (48,135)
Adjustments to reconcile net income		
to net cash provided (used) by operating activities:		
Depreciation	47,280	43,350
Stock issued for Services and Compensation		
Prior period adjustment	57,041	125,001
Changes in operating assets and liabilities:		
(Decrease)/Increase in assets:		
Accounts receivable	(92,540)	(253,308)
Other assets	(9,492)	(15,011)
Increase (decrease) in liabilities:		
Accounts payable	97,832	(124,803)
Accrued payroll and payroll taxes	(432,056)	177,229
Payable to branches	58,500	(104,139)
Net cash provided (used) by operating activities	(94,371)	(199,816)
Cash flows provided (used) by investing activities:		
Investment in bank		125,000
Investment in American Patriot Bank	(175,000)	
Additions to property and equipment	(20,590)	(4,477)
Net cash provided (used) by investing activities	(195,590)	120,523
Cash flows provided (used) by financing activities:		
(Decrease)/Increase in notes payable	(209,434)	526,265
(Decrease)/Increase in revolving lines	8,027	(5,694)
Decrease/(Increase) in loans held for sale	(399,526)	(3,857,319)
(Decrease)/Increase in warehouse line of credit	440,779	3,857,319
Increase in loan holdback	(55,526)	
Issuance of common stock		-
Net cash provided (used) by financing activities	(215,680)	520,571
Increase (decrease) in cash	(505,641)	441,278
Cash, at beginning of year	533,881	125,258
Cash, at end of year	$ 28,240	$ 566,536
Supplemental Disclosure of Non-cash Investing and Financing Activities:		
Change in Loans Held for Sale and Warehouse Line of Credit	$ 399,526	$ 2,004,755
Increase in Available for Sale Securities and Other Comprehensive Income	$ -	$ -
Conversion of Long-Term Debt to Common Stock through exercise of warrants	$ -	$ -

These financial statements were not subjected to an audit, review, or compilation engagement, and, accordingly, no opinion or conclusion is expressed, nor any assurance provided on them.

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

NOTE 1 – *Organization of Business:*

Complete Financial Solutions Inc. ("CFSI," the "Company," "we" or "us") was incorporated in July 2006 under the laws of the State of Nevada. We are a financial services holding company primarily engaged in mortgage services. Our subsidiary Acceptance Capital Mortgage Corporation ("ACMC") is a residential mortgage broker, lending and processing company that operates and maintains offices throughout the United States.

NOTE 2 – Summary of Significant Accounting Policies:

***Unaudited Interim Financial Information* - -** The accompanying consolidated financial statements were not subjected to an audit, review, or compilation engagement, and, accordingly, no opinion or conclusion is expressed, nor any assurance provided on them. In the opinion of management, the accompanying consolidated financial statements include all adjustments, consisting of normal recurring adjustments and accruals necessary for a fair presentation of our consolidated balance sheets, operating results, and cash flows for the periods presented. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP") have been omitted.

Principles of Consolidation – The consolidated financial statements include the accounts of Complete Financial Solutions Inc. and its wholly-owned subsidiaries ACMC, Accounting Solutions, Inc., Insurance Solutions Inc., and AlliancePro Processing, Inc. All inter-company accounts and transactions have been eliminated in consolidation.

Use of estimates – The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Changes in these estimates and assumptions may have a material impact on our financial statements and notes. Actual results may vary from estimates and assumptions that were used in preparing the financial statements.

Cash and cash equivalents – We consider all highly liquid debt securities purchased with original or remaining maturities of three months or less to be cash equivalents. The carrying value of cash equivalents approximates fair value.

Accounts Receivable - We assess the collectability of accounts receivable based on past collection history and current events and circumstances. Accordingly, we adjust the allowance on accounts receivable to reflect net receivables that we ultimately expect to collect. We consider our current receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded. If amounts become uncollectible, they will be charged to operations when that determination is made.

***Comprehensive income* –** Comprehensive income includes net profits as currently reported by the Company adjusted for other comprehensive income, net of comprehensive losses. Other comprehensive income consists of unrealized gains and losses related to our equity securities accounted for available-for-sale with changes in fair value recorded through stockholders' equity.

***Fair value of financial instruments* -** The financial instruments recognized in our balance sheet include cash, accounts receivable, accounts payable, and notes payable. All instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value

at June 30, 2015 and December 31, 2014. We did not engage in any transaction involving derivative instruments.

Stock Based Compensation – We account for share-based compensation to our employees, contractors and directors and measure the amount of compensation expense for all stock-based awards at fair value on the date of grant and recognition of compensation expense over the service period for awards expected to vest. Restricted stock awards issued to employees, contractors and directors are measured based on the fair market values of the underlying stock on the dates of grant.

Income Taxes – The Company provides for income taxes in accordance with Accounting Standards Codification No. 740 using an asset and liability based approach. Deferred income tax assets and liabilities are recorded to reflect the tax consequences on future years of temporary differences of revenue and expense items for financial statement and income tax purposes.

We have incurred net operating losses over the past several years. As of December 31, 2014, we had a net operating loss carryforward available to offset future taxable income for federal and state income tax purposes.

Net Income Per Share of Common Stock - We prepare our financial statements on the face of the income statement for both basic and diluted earnings per share. Basic earnings per share excludes potential dilution and is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the entity. As of March 31, 2015, we had no contracts to issue common stock, other than warrants outstanding to purchase up to 350,000 shares of common stock.

Property and Equipment - All property and equipment is recorded at cost and depreciated over ten years using the straight-line method. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts, and the resulting gain or loss is recorded. Repairs and maintenance charges that do not increase the useful lives of the assets are charged to operations as incurred.

Depreciation expense for the six months ended June 30, 2015 and 2014 were $47,280 and $42,000, respectively.

Internal Website Development Costs - Under ASC 350-50, website development costs, costs and expenses incurred during the planning and operating stages of our website are expensed as incurred. Under ASC 350-50, costs incurred in the website application and infrastructure development stages are capitalized by the Company and amortized to expense over the website's estimated useful life or period of benefit.

Impairment of Long-Lived Assets - We evaluate the recoverability of long-lived assets and the related estimated remaining lives at each balance sheet date. We record an impairment or change in useful life whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or the useful life has changed.

Deferred Offering and Acquisition Costs - We defer as other assets the direct incremental costs of raising capital until such time as the offering is completed. At the time of the completion of the offering, the costs are charged against the capital raised. Should the offering be terminated, deferred offering costs are charged to operations during the period in which the offering is terminated.

These financial statements were not subjected to an audit, review, or compilation engagement, and, accordingly, no opinion or conclusion is expressed, nor any assurance provided on them.

Advertising costs – We expense all costs of advertising as incurred. The advertising costs included in general and administrative expenses for the six months ended June 30, 2015 and 2014 were $148,063 and $211,605, respectively.

Recently Issued Accounting Pronouncements **-** As of June 30, 2015 and December 31, 2014, none of the recently issued accounting standards and interpretations are expected to have a material impact on our consolidated financial position, operations or cash flows.

NOTE 3 – Restatement:

The financial statements have been revised to correct an error in accounting for the Company's various balance sheet accounts which includes: accounts receivable, prepaids, deferred tax asset, investment in bank, goodwill, accounts payable, accrued payroll and taxes, long term debt, payable to branches, additional paid in capital, retained deficit, revenue, expenses and earnings per share. In accordance with applicable Generally Accepted Accounting Principles (GAAP), the Company calculated and recognized adjustments accordingly.

	2014		March 31, 2015	
	Restated	Original	Restated	Original
Cash			$ 173,661	$ 190,217
Accounts Receivable	$ 255,459	$ 235,387	$ 397,355	$ 404,960
Notes Receivable			$ 10,897,684	$ 10,527,314
Prepaids	$ 201,018	$ 454,132	$ 192,453	$ 599,222
Net fixed assets	$ 194,420	$ 232,288	$ 192,515	$ 183,142
Deferred tax asset	$ 98,321	$ -	$ 98,321	$ -
Investment in bank	$ 640,000	$ 440,000	$ 695,000	$ 495,000
Goodwill	$ 2,500,000	$ -	$ 2,645,576	
Investment in subsidiary	$ -	$ 2,709,050	$ -	$ 3,012,652
Accounts payable	$ 114,686	$ 159,241	$ 398,247	$ 434,814
Accrued payroll and payroll taxes	$ 706,492	$ 975,908	$ 816,391	$ 840,809
Stock based compensation	$ 173,177	$ 85,460	$ 173,177	$ 85,460
Revolving lines of credit			$ 38,718	$ 63,528
Warehouse line of credit			$ 10,572,794	$ 10,245,937
Long term debt	$ 1,362,595	$ 1,363,388	$ 1,040,357	$ 1,418,388
Payable to branches	$ 110,422	$ 114,922	$ 121,722	$ 120,322
Common stock			$ 34,502	$ 34,033
Stock subscription			$ 150,000	$ (2,000)
Additonal paid in capital	$ 8,172,406	$ 8,692,406	$ 8,218,813	$ 8,692,406
Retained Deficit	$ (3,875,054)	$ (4,104,013)	$ (3,865,571)	$ (4,129,815)
Revenues	$ 10,703,866	$ 10,905,008	$ 2,826,028	$ 2,787,283
Expenses	$ 10,879,805	$ 10,794,937	$ 2,816,545	$ 2,813,085
Net income/(loss)	$ (175,939)	$ 110,071	$ 9,483	$ (25,802)
Earnings per share	$ (0.01)	$ -		

NOTE 4 – Revolving Lines and Line of Credit:

We have a secured line of credit in the amount of $50,000. The balance of this line of credit was $42,896 on June 30, 2015 and $34,869 on December 31, 2014 with interest rates of 1.99% to 24.99%. Accounting Solutions has a line of credit with a current outstanding balance of $32,858.

These financial statements were not subjected to an audit, review, or compilation engagement, and, accordingly, no opinion or conclusion is expressed, nor any assurance provided on them.

NOTE 5 – Investment in American Patriot Bank:

On June 27, 2014, we purchased a 23.3% interest in American Patriot Bank (the "Bank"), a subsidiary of American Patriot Financial Group, Inc. We paid initial consideration of $395,000. Under the terms of the purchase agreement, within nine months of receipt of approval of a change in control by applicable banking regulatory authorities, we will purchase a controlling interest in the Bank for an additional investment totaling $1,050,000. During the pendency of the change in control application, we made quarterly capital infusions in the Bank, consisting of $200,000 on September 30, 2014, $55,000 on December 31, 2014, and a commitment on March 31, 2015 to pay $120,000. The March commitment was paid on April 30, 2015.

NOTE 6 – Investment in Northern Star Bank:

On September 30, 2014, we entered into a letter of intent to acquire the common stock of Northern Star Bank, and made an initial investment of $45,000. Under the terms of the letter of intent, we had the right to purchase a controlling interest in Northern Star Bank upon approval of a change in control application from the appropriate bank regulators. We were unable to complete the acquisition as state banking regulators placed the bank into FDIC receivership in December 2014. We have applied to the FDIC for a return of our initial investment.

NOTE 7 - Long-term Debt:

Long-term debt at June 30, 2015 is summarized as follows:

	Due Within One Year	Due After One Year	Totals 6/30/2015
Note payable with no set monthly Payments with accrued interest at 24%	-	-	-
Note payable with no set monthly Payments with accrued interest at 12%	-	106,450	106,450
Note payable with no set monthly Payments with accrued interest at 6%	-	-	-
Note payable with no set monthly Payments with accrued interest at 8%	126,000	1,036,961	1,162,961
Note payable with no set monthly Payment and no set interest rate	-	9,750	9,750
	126,000	1,153,161	1,279,161

Future maturities of long-term debt are as follows:

December 31, 2015	63,000
December 31, 2016	120,000
December 31, 2017	120,000
2018 and beyond	976,161
	1,279,161

NOTE 8 - Warehouse line of credit:

We have three warehouse lines of credit, two for $5,000,000 and the other for $2,000,000. Each line bears interest at the Note rate of the loans on the line. The lines of credit are secured by the mortgages loans held for sale. Principal and interest payments are due as mortgage loan sales close. At June 30, 2015 and December 31, 2014, there were $8,017,991 and $ 7,577,212 outstanding under these warehouse lines. All of these loans on the warehouse lines were sold in the normal course of business shortly after the end of the period.

These financial statements were not subjected to an audit, review, or compilation engagement, and, accordingly, no opinion or conclusion is expressed, nor any assurance provided on them.

NOTE 9– Investment in Bank

In October 2007, we tendered $100,000 to a federal charter commercial bank simultaneous with signing a definitive agreement for the purchase of the bank. On May 23, 2008, we tendered an additional $25,000 to the bank in exchange for additional time to complete the transaction. During the first quarter of 2014, the purchase opportunity expired and we recognized a loss of $125,000.

NOTE 10 – Investments

The following is a summary of the investments in available-for-sale securities classified as current assets at June 30 2015:

Available-for-sale Securities	Cost	Unrealized Gain (Loss)	Gross Value	Estimated Fair Market Value
Equity securities	$2,528,300	$(2,528,300)	$ 0	$ 0

The following is a summary of the investments in available-for-sale securities classified as current assets at December 31, 2014:

Available-for-sale Securities	Cost	Unrealized Gain (Loss)	Gross Value	Estimated Fair Market Value
Equity securities	$2,528,300	$(2,464,610)	$ 63,690	$ 63,690

We owned 1,930,000 shares of Hipcricket, Inc. stock on June 30, 2014.

The trading price of this stock was $0.00 on June 30, 2015 and $0.033 on December 31, 2014.

NOTE 11 – Operating Leases:

We conduct our operations from various leased facilities under short-term operating leases that expire at various dates. Aggregate rent for the six months ended June 30, 2015 was $169,532 and $160,249 for the six months ended June 30, 2014.

We are lessee of office equipment and furniture under various operating leases, which expire through October 30, 2015. Equipment rent for the years ended June 30, 2015 was $7,979, and $12,307 for the six months ended June 30, 2014.

These financial statements were not subjected to an audit, review, or compilation engagement, and, accordingly, no opinion or conclusion is expressed, nor any assurance provided on them.

NOTE 12 – Preferred Stock:

We have authorized three classes of Preferred Stock.

SERIES A PREFERRED STOCK. We issued 1.5 million shares of Series A Preferred Stock to the selling shareholders of Acceptance Capital Mortgage Corp and 250,000 shares to a cash investor, at price of $1.00 per share. The shares were convertible to common shares, at the option of the shareholder, after 18 months, at the rate of two common shares for each share of Series A Preferred Stock.

The selling shareholders converted all their Series A preferred into common shares on or before April 1, 2009. The remaining 250,000 issued and outstanding shares of Series A Preferred Stock were converted into shares of Series C Preferred Stock in February 2011.

SERIES B PREFERRED STOCK. In 2001, we granted our founder the option to purchase 2 million shares of Series B Preferred Stock at the purchase price of $0.10 per share. On Dec 31, 2008, the shares were issued in a cashless exercise of the option and subsequently assigned by the founder to Choctaw Development Inc, an affiliated entity.

The Series B Preferred shares have the right to 10 votes for each share, on all matters to come before the shareholders for a vote.

The Series B Preferred shares are convertible to common shares, at the option of the holder, at the rate of one common share for each preferred share converted.

SERIES C PREFERRED STOCK. 480,000 shares at $5.00 per share were issued in December 2010 in exchange for 400,000 common shares of Hipcricket, Inc. At December 31, 2010, the Hipcricket, Inc. shares had a market value of $2.94 per share.

At the option of the holder the Series C Preferred shares can be converted into common shares at a value discount of 50% of the public market value on or after the date 18 months following issuance.

SERIES C PREFERRED: In 2011, four tranches of Series-C preferred shares were issued.

- 213,700 shares at $5.00 per share were issued for debt conversion and the retirement of the remaining Series-A preferred shares.
- 125,000 shares at $5.00 per share were for 100,000 shares of Hipcricket, Inc. stock that had a market value of $425,000 on the date of issue.
- 1,000 shares at $5.00 per share were issued for an operational expense.
- 50,000 shares at $5.00 per share were issued for 80,000 shares of Hipcricket, Inc. stock that had a market value of $100,800 on the date of issue

SERIES C PREFERRED: In 2012, two tranches of Series-C preferred shares were issued.

- 150,000 shares at $5.00 per share were issued for 250,000 shares of Hipcricket, Inc. stock that had a market value of $447,500 on the date of issue.
- 300,000 shares at $5.00 per share were issued for 1,200,000 shares of Hipcricket, Inc. stock that had a market value of $873,600 on the date of issue.

At December 31, 2014 and 2013 there were 1,319,700 shares of Series C Preferred Stock outstanding.

These financial statements were not subjected to an audit, review, or compilation engagement, and, accordingly, no opinion or conclusion is expressed, nor any assurance provided on them.

NOTE 13– Common Stock:

During 2007, we issued 1,423,000 shares at an average price of $0.15. These shares are restricted from trading for a minimum of 12 months.

During 2008, we issued 4,330,690 shares at par value in an attempt to raise funds for current operations. These shares are restricted from trading for a minimum of 12 months.

During 2009, we issued 6,047,700 shares at an average price of $0.31 per share. These shares also included the conversion of 1,500,000 Preferred A shares form the purchase of subsidiary. These shares are restricted from trading for a minimum of 12 months.

During 2010, we issued 5,135,525 shares at an average price of $0.04 per share. These shares are restricted from trading for a minimum of 12 months.

During 2011, we issued 5,743,252 shares at an average price of $0.28 per share. These shares are restricted from trading for a minimum of 12 months.

During 2012, we issued 4,629,300 shares at an average price of $0.07 per share. These shares are restricted from trading for a minimum of 12 months.

During 2013, we issued 6,018,600 shares at an average price of $0.09 per share. These shares are restricted from trading for a minimum of 12 months.

During 2014, we issued 167,500 shares at an average price of $0.10 per share. These shares are restricted from trading for a minimum of 12 months.

During 2015, we issued 468,753 shares at an average price of $0.10 per share. These shares are restricted from trading for a minimum of 12 months.

NOTE 14 – Warrants:

We have warrants outstanding for the exercise of common stock as follows:

- There are warrants exercisable into 100,000 shares of common at an average price of $0.10 per share that expire in 2015.
- There are warrants exercisable into 250,000 shares of common at an average price of $0.10 per share that expire in 2016.

Any exercised shares issued will be restricted from trading for a minimum of 12 months.

These financial statements were not subjected to an audit, review, or compilation engagement, and, accordingly, no opinion or conclusion is expressed, nor any assurance provided on them.

COMPLETE FINANCIAL SOLUTIONS INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 15 – Consolidated Statements

Following are the subsidiary statements:

Complete Financial Solutions, Inc.
Consolidated Statement of Condition
Six Months Ended June 30, 2015

STATEMENT OF CONDITION

	CFSI	ACMC	AlliancePro	Accounting Solutions	Insurance Solutions	Total	Eliminations	Consolidated
ASSETS:								
Current Assets:								
Cash	$ (34,130)	$ 58,661	$ 9,884	$ (6,184)	$ 10	$ 28,240	$ -	$ 28,240
Accounts Receivable	-	313,305	-	34,695	-	347,999		347,999
Notes Receivable	-	8,327,234	-	-	-	8,327,234		8,327,234
Available for Sale Securities	-	1,015,000	-	-	-	1,015,000	(1,015,000)	-
Investment in ACMC	3,670,745	-	-	-	-	3,670,745	(3,670,745)	0
Investment in AlliancePro/Insurance Solut.	(4,205)	-	-	-	-	(4,205)	4,205	0
Investment in American Patriot Financial Group	770,000					770,000		770,000
Investment in Northern Star Bank	45,000					45,000		45,000
Investment in Accounting Solutions	137,828	-	-	-	-	137,828	(137,828)	(0)
Other Current Assets	127,098	82,104	-	1,308	-	210,510		210,510
Total Current Assets	4,712,336	9,796,304	9,884	29,818	10	14,548,352	(4,819,368)	9,728,984
Fixed Assets, net of Accumulated Depreciation	-	156,022	-	11,708	-	167,730		167,730
Other Assets:								
Receivables - Intercompany	(597,882)	597,882	-	-	-	-	-	-
Deferred tax asset		98,321				98,321		98,321
Goodwill	2,500,000			141,844		2,641,843.55		2,641,843.55
Total Other Asssets	1,902,118	696,203	-	141,844	-	2,740,165	-	2,740,165
TOTAL ASSETS	$ 6,614,454	$ 10,648,530	$ 9,884	$ 183,370	$ 10	$ 17,456,247	$ (4,819,368)	$ 12,636,879
LIABILITIES AND OWNERS EQUITY								
Current Liabiliites:								
Accounts Payable	$ 26,682	$ 150,443	$ -	$ 35,395	$ -	$ 212,519		$ 212,519
Warehouse Line of Credit	-	8,017,991	-	-	-	8,017,991		8,017,991
Accrued Payroll	-	80,535	-	-	-	80,535		80,535
Payroll Liabilities	-	459,088	14,089	6,147	-	479,324		479,324
Accrued Stock Based Compensation	87,717	85,460	-	-	-	173,177		173,177
Loans/Lines of Credit	-	38,896	-	4,000	-	42,896		42,896
Current Portion of Long-Term Debt	126,000	-	-	-	-	126,000		126,000
Total Current Liabilities	240,399	8,832,412	14,089	45,542	-	9,132,443	-	9,132,443
Long-Term Liabilities								
Intercompany	-	-	-	-	-	-	-	-
Payable to branches	-	168,922	-	-	-	168,922		168,922
Long-Term Debt	1,143,411	9,750	-	-	-	1,153,161	-	1,153,161
Total Long-Term Debt	1,143,411	178,672	-	-	-	1,322,083	-	1,322,083
	1,383,809	9,011,084	14,089	45,542	-	10,454,525		10,454,525
OWNERS EQUITY:								
Common Stock	34,502	9,950	950	800	-	46,202	(11,700)	34,502
Series A preferred stock	-	-				-	-	-
Series B preferred stock	2,000	-				2,000	-	2,000
Series C preferred stock	1,320	-				1,320	-	1,320
Stock Subscription	152,000	-	-	-	-	152,000	-	152,000
Stock subscription Receivable	(2,000)	-				(2,000)	-	(2,000)
Paid in Suplus	8,738,813	3,562,220	-	151,200	-	12,452,233	(4,233,411)	8,218,822
Other Comprehensive Income	0	(2,033,300)	-	-	-	(2,033,300)	(495,000)	(2,528,300)
Retained Earnings	(3,695,990)	98,575	(5,155)	(14,172)	10	(3,616,733)	(79,257)	(3,695,990)
Total Owners Equity	5,230,644	1,637,445	(4,205)	137,828	10		(4,819,368)	2,182,353
TOTAL LIABILITIES AND OWNERS EQUITY	$ 6,614,454	$ 10,648,530	$ 9,884	$ 183,370	$ 10		$ (4,819,368)	$ 12,636,878

These financial statements were not subjected to an audit, review, or compilation engagement, and, accordingly, no opinion or conclusion is expressed, nor any assurance provided on them.

COMPLETE FINANCIAL SOLUTIONS INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Complete Financial Solutions, Inc.
Consolidated Statement of Income/(Loss)
Six Months Ended June 30, 2015

STATEMENT OF INCOME/(LOSS)

	CFSI	ACMC	AlliancePro	Accounting Solutions	Allpro AMC	Insurance Solutions	Eliminations	Consolidated
Revenue	$ -	$ 6,460,246	$ 24,000	$ 129,110	$ -	$ -		$ 6,613,356
General and Administrative Expenses:								
Salaries and wages	60	3,662,599	22,684	117,385	-	97		3,802,826
Payroll taxes	-	310,015	-	-	-	-		310,015
Loan costs/CGS	-	1,180,132	-	-	-	-		1,180,132
Advertising costs	7,006	140,139	-	918	-	-		148,063
Insurance expense	-	59,465	-	1,907	-	-		61,372
Office expenses	1,228	97,654	1,377	3,770	-	-		104,028
Website expenses	1,069	109,680	-	898	-	-		111,647
Postage and delivery	-	20,658	-	747	-	-		21,405
Rent expense	-	164,792	-	4,740	-	-		169,532
Dues and subscriptions	-	690	-	103	-	-		793
Professional fees	159,996	27,000	-	6	-	-		187,003
Utilities	-	8,404	-	601	-	-		9,004
Taxes and licenses	5,071	20,239	71	10	-	-		25,391
Equipment	-	7,979	-	-	-	-		7,979
Telephone expenses	-	70,536	-	2,227	-	-		72,763
Meals and entertainment	-	10,003	-	-	-	-		10,003
Travel expense	21,329	7,669	-	565	-	-		29,564
Depreciation expense	-	50,370	-	79	-	-		50,449
Miscellaneous Expenses	10,088	61,918	132	1,376	-	1,128		74,642
Total General and Administrative Expenses	205,848	6,009,942	24,264	135,332	-	1,225	-	6,376,612
Other Income/(Expenses)								
Other Income	431,353	6	-	0	-	-	(431,353)	6
Other Expense	-	-		-	-	-		-
Interest Expense	(46,441)	(3,296)	-	(485)	-	-		(50,222)
Amortization Expense	-	-	-	(7,465)	-	-		(7,465)
Loss on sale of securities	-	-	-	-	-	-		-
Net Other Income/(Expense)	384,912	(3,289)	-	(7,950)	-	-	(431,353)	(57,681)
Net Income/(Loss) before Income Taxes	179,064	447,014	(264)	(14,172)	-	(1,225)	(431,353)	179,064
Corporate Income Tax	-	-	-	-	-	-		-
Net Income/(Loss)	$ 179,064	$ 447,014	$ (264)	$ (14,172)	$ -	$ (1,225)	$ (431,353)	$ 179,064

These financial statements were not subjected to an audit, review, or compilation engagement, and, accordingly, no opinion or conclusion is expressed, nor any assurance provided on them.

COMPLETE FINANCIAL SOLUTIONS INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Complete Financial Solutions, Inc.
Consolidated Statement of Condition
December 31, 2014
(Restated)

STATEMENT OF CONDITION

	CFSI	ACMC	AlliancePro	Insurance Solutions	Total	Eliminations	Consolidated
ASSETS:							
Current Assets:							
Cash	$ 5,430	$ 517,529	$ 9,617	$ 1,305	$ 533,881	$ -	$ 533,881
Accounts Receivable	-	255,459	-	-	255,459		255,459
Notes Receivable	-	7,927,708	-	-	7,927,708		7,927,708
Available for Sale Securities	-	1,393,690	-	-	1,393,690	(1,330,000)	63,690
Investment in ACMC	3,223,731	-	-	-	3,223,731	(3,223,731)	-
Investment in AlliancePro/Insurance Solut.	(2,756)	-	-	-	(2,756)	2,756	(0)
Investment in American Patriot Financial Group	595,000				595,000		595,000
Investment in Northern Star Bank	45,000				45,000		45,000
Other Current Assets	106,098	94,919	-	-	201,018		201,018
Total Current Assets	3,972,503	10,189,306	9,617	1,305	14,172,730	(4,550,975)	9,621,755
Fixed Assets, net of Accumulated Depreciation	-	194,420	-	-	194,420		194,420
Other Assets:							
Receivables - Intercompany	(19,311)	19,311	-	-	-	-	-
Deferred tax asset		98,321			98,321		98,321
Goodwill	2,500,000				2,500,000		2,500,000
Total Other Assets	2,480,689	117,632	-	-	2,598,321	-	2,598,321
TOTAL ASSETS	$ 6,453,192	$ 10,501,357	$ 9,617	$ 1,305	$ 16,965,471	$ (4,550,975)	$ 12,414,496
	-	-	-	-		-	-
LIABILITIES AND OWNERS EQUITY							
Current Liabilites:							
Accounts Payable	$ 33,925	$ 80,761	$ -	$ -	$ 114,686		$ 114,686
Warehouse Line of Credit	-	7,577,212	-	-	7,577,212		7,577,212
Accrued Payroll	-	493,222	-	-	493,222		493,222
Payroll Liabilities	-	485,014	13,558	120	498,693		498,693
Stock based compensation	87,717	85,460	-	-	173,177		173,177
Loans/Lines of Credit	-	34,869	-	-	34,869		34,869
Loan holdback payable	-	55,526	-	-	55,526		55,526
Current Portion of Long-Term Debt	126,000	-	-	-	126,000		126,000
Total Current Liabilities	247,642	8,812,064	13,558	120	9,073,385	-	9,073,385
Long-Term Liabilities							
Payable to branches	-	110,422	-	-	110,422		110,422
Long-Term Debt	1,352,845	9,750	-	-	1,362,595	-	1,362,595
Total Long-Term Debt	1,352,845	120,172	-	-	1,473,017	-	1,473,017
	1,600,486	8,932,236	13,558	120	10,546,401		10,546,401
OWNERS EQUITY:							
Common Stock	34,033	9,950	950	-	44,933	(10,900)	34,033
Series B preferred stock	2,000	-			2,000	-	2,000
Series C preferred stock	1,320	-			1,320	-	1,320
Stock subscription Receivable	(2,000)	-			(2,000)	-	(2,000)
Paid in Suplus	8,692,406	3,562,220	-	-	12,254,626	(4,082,220)	8,172,406
Other Comprehensive Income	0	(1,654,610)	-	-	(1,654,610)	(810,000)	(2,464,610)
Retained Earnings	(3,875,054)	(348,439)	(4,891)	1,185	(4,227,200)	352,146	(3,875,054)
							-
Total Owners Equity	4,852,705	1,569,121	(3,941)	1,185	6,419,070	(4,550,974)	1,868,095
TOTAL LIABILITIES AND OWNERS EQUITY	$ 6,453,192	$ 10,501,357	$ 9,617	$ 1,305	$ 16,965,471	$ (4,550,974)	$ 12,414,497

These financial statements were not subjected to an audit, review, or compilation engagement, and, accordingly, no opinion or conclusion is expressed, nor any assurance provided on them.

Complete Financial Solutions, Inc.
Consolidated Statement of Income/(Loss)
For Year Ended December 31, 2014
Restated

STATEMENT OF INCOME/(LOSS)

	CFSI	ACMC	AlliancePro	Insurance Solutions	Eliminations	Consolidated
Revenue	$ -	$ 10,671,111	$ 32,755	$ -		$ 10,703,866
General and Administrative Expenses:						
Salaries and wages	10	6,373,628	45,750	-		6,419,388
Payroll taxes	-	414,579	-	-		414,579
Loan costs/CGS	-	1,719,194	-	-		1,719,194
Advertising costs	7,360	310,366	-	-		317,726
Insurance expense	-	40,203	-	-		40,203
Office expenses	1,408	232,384	1,858	-		235,650
Website expenses	1,320	230,731	429	-		232,481
Postage and delivery	-	42,303	-	-		42,303
Rent expense	-	342,126	-	-		342,126
Dues and subscriptions	2,941	5,608	-	-		8,549
Professional fees	239,496	107,010	-	-		346,507
Utilities	-	29,470	-	-		29,470
Taxes and licenses	967	162,252	71	-		163,290
Equipment	433	14,460	-	-		14,892
Telephone expenses	-	140,896	-	-		140,896
Meals and entertainment	41,704	6,425	-	-		48,129
Travel expense	-	8,760	-	-		8,760
Depreciation expense	-	87,150	-	-		87,150
Miscellaneous Expenses	129,085	59,836	500	-		189,421
Total General and Administrative Expenses	424,724	10,327,381	48,607	-	-	10,800,712
Other Income/(Expenses)						
Other Income	321,025	163,730	-	-	(321,024)	163,731
Other Expense	-	-				-
Interest Expense	(72,241)	(9,829)	-	-		(82,070)
Amortization Expense	-	-	-	-		-
Loss on sale of securities	-	-	-	-		-
Net Other Income/(Expense)	248,784	153,901	-	-	(321,024)	81,661
Net Income/(Loss) before Income Taxes	(175,939)	497,631	(15,852)	-	(321,024)	(15,185)
Corporate Income Tax	-	(160,754)	-	-		(160,754)
Net Income/(Loss)	$ (175,939)	$ 336,877	$ (15,852)	$ -	$ (321,024)	$ (175,939)

NOTE 16 – Legal Proceedings and Litigation Contingencies:

From time to time we are subject to a variety of claims and litigation incurred in the ordinary course of business. In our opinion, the outcome of our pending legal proceedings, individually or in the aggregate, will not have a material adverse effect on our business operations, results of operations, cash flows or financial condition.

Management has regular litigation reviews, including updates from outside counsel, to assess the need for accounting recognition or disclosure of contingencies relating to pending lawsuits. The Company accrues an undiscounted liability for those contingencies where the incurrence of a loss is probable, and the amount can be reasonably estimated. The Company does not record liabilities when the likelihood that the liability has been incurred is probable but the amount cannot be reasonably estimated or when the liability is believed to be only reasonably possible or remote. For contingencies where an unfavorable outcome is reasonably possible and which are significant, the Company discloses the nature of the contingency and, where feasible, an estimate of the possible loss. For purposes of our litigation contingency disclosures, "significant" includes material matters as well as other items which management believes should be disclosed.

Management judgment is required related to contingent liabilities and the outcome of litigation because

both are difficult to predict. Litigation is subject to inherent uncertainties and unfavorable rulings could occur. Although management currently does not believe resolving any pending proceeding will have a material adverse impact on our financial statements, management's view of these matters may change in the future. A material adverse impact on our financial statements could occur for the period in which the effect of an unfavorable final outcome becomes probable and reasonably estimable.

NOTE 17 – Impairment Analysis:

The Company conducted an impairment analysis on the carrying value of its wholly-owned subsidiary Acceptance Capital Mortgage Corporation ("ACMC") as of December 31, 2013, December 31, 2014, March 31, 2015, and June 30, 2015. Management determined that an impairment was not necessary. Key indicators utilized to arrive at this decision were the past, present and future income trends of ACMC, as well as the value which ACMC has in its licenses to conduct mortgage operations in twenty six states.

NOTE 18 – Subsequent Event:

Management has reviewed events between June 30, 2015, and the date the financials were issued, August 21, 2015, and the significant events are listed below:

On January 20, 2015, Hipcricket, Inc. (OTC Marketplace: HIPP) filed for bankruptcy protection (See Note 9). The Company will continue to price the HIPP shares owned based on the OTC Marketplace pricing for the specific measurement date.

Supplemental Information

Management's Discussion and Analysis or Plan of Operation

Overview

The following summarizes our operational and financial highlights for the quarter and our outlook:

- ***Comparative Results***. For the three-months ended June 30, 2015, as compared to the three-months ended June 30, 2014, our revenue increased 48%, from $2,556,148 to $3,787,328. For the six-months ended June 30, 2015, compared to the 2014 six-month period, our revenue increased 78%, from $3,713,781 to $6,613,356. We reported a net income for three-month period ended June 30, 2015, of $169,581, compared to a net income of $43,505 for the three-months ended June 30, 2014. For the six-month period net income was $179,064, compared to $24,538 in 2014.

- ***Revenue Sources.*** Revenues from ACMC mortgage services represented nearly 100% of our total consolidated revenues for the three- and six-months ended June 30, 2015. Our loan origination revenues include processing revenue, which is a function of ACMC mortgage services. Other services consisting of accounting, appraisal and insurance products were not a material portion of our total revenues, though in future periods we expect additional revenues from accounting services.

- ***Branch Offices***. We currently have approximately 55 branch offices located in 27 states. We depend on the ability of the employees in our branch offices to locate new customers, grow our transactional volume, manage customer relationships, provide customers with information about our products and services, and assure the payment of our fees. Many employees operate out of home-based offices. We maintain leases on approximately 40% of our branch offices.

- ***Revenue Trends and Growth*** We attribute our increase in revenue in 2015 to improving conditions in the residential mortgage market coupled with a continued low interest rate environment; as well as new revenues from originations, underwriting and secondary market activity as a result of the assimilation and integration in 2014 of a new Indiana-based underwriting and loan approval office. We funded $52,447,984 in mortgage loans in the first quarter of 2015, compared to $29,505,878 in the comparable quarter in 2014. We believe that we have weathered the storm in the industry which began in 2007, but we cannot assure you that this is the case. While home prices have recently increased in many parts of the country, the housing market has not fully recovered from the economic crisis. The U.S. mortgage loan origination market, which was approximately $1.75 trillion in each of 2012 and 2013, contracted to approximately $1.12 trillion in 2014. It is projected to expand slightly to $1.23 trillion in 2015 according to industry forecasts.[1] According to MBA data, refinancing activity declined from approximately 71% of the origination market in 2012, to 63% in 2013 and 43% in 2014,[2] and is expected to decline to approximately 41% of the origination market in 2015. The lower levels in residential mortgage loan volume in 2014 and 2015, as compared to 2013 levels, and in particular the lower volume of mortgage refinancings, will require us to increase our relative percentage of purchase mortgage originations or our revenues per loan processed by our customers in order to achieve revenue growth. We seek to increase our revenue by:
    - increasing our purchase mortgage origination volumes;

[1] Mortgage Bankers Association, MBA Mortgage Finance Forecast, March 20, 2015, Copyright 2015.
[2] Mortgage Bankers Association, MBA Mortgage Finance Forecast, March 22, 2013, Copyright 2013.

- adding new branches and hiring additional qualified loan officers;
- increase our revenues per loan by adding underwriting services;
- adding ancillary financial product and service offerings;
- affiliating with a federal or state charter commercial bank

- ***Geographical expansion.*** We currently operate in 27 states through our branch offices. We seek to expand our national presence with qualified employees as financially and administratively feasible and since late in 2012 we have added 15 new branches, an increase of 31%. As an originator of mortgage loans, we must acquire and maintain a license from each state in which we operate. In addition, in most states our individual agent must also acquire a separate agent's license. The qualification process involves the purchase of bonds for each state, an annual audit at each state's discretion, and the cost of annual maintenance. On average these annual licensing costs can run from $7,000 to $10,000 per state. We continue to evaluate and consider other potential strategic opportunities for expansion, if and when they arise.

- ***Financial Position.*** On June 30, 2015, we had $28,240 in cash, compared to $533,881 at December 31, 2014. Our operating activities used $94,371 in net cash during the six-months ended June 30, 2015, compared to $199,816 used during the corresponding period for the previous year. Proceeds from financing activities funded our operating requirements. We have limited working capital and currently lack the funds to execute our business plan as fast as we would like or take advantage of strategic opportunities. We are required to meet certain net worth requirements to maintain our FHA approved lender status and maintain our secured warehouse line of credit facilities. Significant additional funding is required to complete our bank affiliation strategy.

Results of Operations

- ***Three Months and Six Months ended June 30, 2015 and 2014***. Revenue for the three-months ended June 30, 2015 increased 48%, from $2,556,148 to $3,787,328. For the six-month period, our revenue increased 78%, from $3,713,781 to $6,613,356. We reported a net income for three-month period ended June 30, 2015, of $169,581, compared to net income of $43,505 for the three-months ended June 30, 2014. For the six-month period net income was $179,064, compared to $24,538 in 2014.

Revenue, Costs and Expenses

The following table summarizes our selected consolidated financial information for the three-months ended June 30, 2015 and 2014 (in thousands):

	Three-months Ended June 30,	
	2015	2014
	Amount	Amount
Revenue:		
Mortgage service revenue and other revenue	$ 3,787	$ 2,556
Costs and expenses:		
Loan costs	631	270
Salaries, wages and employee benefits	2,421	1,431
Selling, general and administrative	516	830
Depreciation and amortization	25	22
	3,593	2,553
Income (loss) from operations	195	4
Other income, net	(25)	40
Income (loss) before income taxes	170	43
Income tax expense (benefit)	-	-
Net income (loss)	$ 170	$ 43

Revenue

Revenue for the three-months ended June 30, 2015, increased 48%, from $2,556,148 to $3,787,328. This increase was due to greater loan origination volume and our increased use of correspondent warehouse lines. Revenues are generated by mortgage origination activities and primarily consist of origination fees paid by borrower or Investor (broker), the yield spread premium offered by an investor, the service release premium paid by an investor and loan processing fees. Loan origination revenue includes processing revenue, which is a function of ACMC mortgage services. Revenue also includes a nominal amount of appraisal and insurance product revenue.

Costs and Expenses

Cost of revenue

Loan costs for the three-months ended June 30, 2015, as compared to the corresponding period ended June 30, 2014, increased by $361,023 or 134%. This increase is a by-product of originating more loan volume. As a percentage of total revenue, loan costs increased by 6% in the second quarter of 2015 over 2014. Loan costs represent third-party fees paid to service vendors and suppliers to complete a loan transaction as well as administration and loan processing fees.

Corporate Salaries, Wages and Employee Benefits

Corporate salaries, wages and employee benefits expenses, including payroll taxes, increased by $989,898 for three-months ended June 30, 2015, or 69% over the second quarter of 2014. As a percentage of total revenue, compensation-related costs increased by 8% in the second quarter of 2015 over the comparable 2014 quarter. Salaries are paid to branch employees based on compensation agreements with the Company. Licensed loan originators are compensated according to rules established by Regulation Z

and the Consumer Finance Protection Bureau. Loan processors receive a flat fee paid from each closed and funded loan. Corporate employees are paid a salary and may earn a bonus based on the pre-tax profitability of the company.

Selling, General and Administrative Expenses

Selling, general and administrative expenses (SG&A), include consulting, legal and professional services, as well as expenses for rent and utilities, marketing, insurance, licensing, bad debts, sales tax and other taxes, and other costs. Aggregate rent for the quarter ended June 30, 2015 was $74,496 and $63,075 for the quarter ended June 30, 2014. Advertising costs included in SG&A for the quarter ended June 30, 2015 and June 30, 2014 were $68,711 and $84,426, respectively. SG&A expenses were reduced by approximately $314,000 or 38% for the quarter ended 2015 as compared to 2014.

Depreciation and Amortization

Depreciation and amortization expenses include depreciation on our fixed assets and amortization of our intangible assets. Depreciation and amortization increased by $2,885 for the three months ended June 30, 2015 as compared to the comparable 2014 period, and remained consistent as a percentage of revenue to just under 1% of total revenue.

Other Income (expense)

Other income (expense) is primarily interest paid on promissory notes and gains and losses on sale of assets. There was an expense of $25,156 for the three months ended June 30, 2015, compared to other income of $39,990 in the comparable 2014 period.

Interest expense is paid primarily on our notes payable. Our long-term debt totaled $1,153,161 at June 30, 2015 compared to $1,362,595 at December 31, 2014.

Financial Condition

Our total assets were $12,636,878 and $12,414,497 at June 30, 2015 and December 31, 2014 respectively. The increase in asset base is primarily due to the increase in the amount of loans held for sale as a result of warehouse lines of credit. At June 30, 2015 and December 31, 2014 there was $8,327,234 and $7,927,708 outstanding under these warehouse lines. Working capital (net of offsetting entries of loans held for sale and warehouse lines of credit) decreased from ($91,629) on December 31, 2014 to ($218,458) on June 30, 2015.

Our cash totaled $28,240 on June 30, 2015 compared to $533,881 at December 31, 2014, representing a decrease of $505,641. Our cash flow activity is described in more detail below (see “Liquidity and Capital Resources”).

Accounts receivable balances were $347,999 and $255,459 as of June 30, 2015 and December 31, 2014 respectively, representing an increase of $92,540. Accounts receivable are primarily influenced by loans we have closed but that have not funded (not yet paid). There is a direct correlation between accounts receivables and loans held for sale. Our total current liabilities were $9,132,441 and $9,073,385 at June 30, 2015 and December 31, 2014 respectively, representing an increase of $59,056.

Our stockholders' equity increased by $314,259 to $2,182,354 at June 30, 2015 from $1,868,095 at December 31, 2014.

Liquidity and Capital Resources

Our operating activities used $94,371 in net cash during the six-months ended June 30, 2015 compared to $199,816 used during the comparable 2014 period. Our cash balance as of June 30, 2015 totaled $28,240.

The following table presents a summary of our cash flows for the six months ended June 30, 2013 and 2012 respectively (in thousands):

	Six-months ended June 30	
	2015	2014
Net cash used in operating activities	$ (94)	$ (200)
Net cash provided by (used in) investing activities	(196)	121
Net cash provided by (used in) financing activities	(216)	521
Increase (decrease) in cash and cash equivalents	$ (506)	$ 441

Our current assets are primarily used to fund our minimum net worth requirements for our HUD designation. We do not currently have a line of credit facility to provide additional reserve capacity for general corporate and working capital purposes, or to make expenditures related to the growth and expansion of our business model. Our warehouse lines of credit are reserved for our loan products. Significant additional funding would be required for our bank affiliation strategy. We are also required to meet enhanced net worth requirements to maintain our FHA-approved lender status.

As part of our future expansion activities and our evaluation of strategic alternatives and opportunities, we may seek to acquire certain competitors or other business enterprises, or consider partnering or other collaboration agreements, or a bank affiliation transaction or other strategic transaction. Such alliances, mergers or acquisitions or dispositions could result in potentially dilutive issuances of our equity securities, the expenditure of our cash or the incurrence of debt or contingent liabilities. We may seek to finance a portion of the acquisition cost.

Inflation has not had a material impact on our business during the last two fiscal years. Inflation affecting the U.S. dollar is not expected to have a material effect on our operations in the foreseeable future.

Operating Activities

For the six-month period ended June 30, 2015, net cash used by operating activities was $94,371 compared to $199,816 used during the comparable 2014 period.

The difference between our net income and our net cash used by operating activities was attributable to non-cash expenses included in net income, and changes in the operating assets and liabilities, as presented below (in thousands):

	2015	2014
Net Income (loss)	$ 179	$ (48)
Add: non-cash expenses	47	43
Add: changes in operating assets and liabilities	(320)	(195)
Net cash provided (used) by operating activities	$ (94)	$ (200)

Non-cash expenses are associated with the amortization of intangible assets, depreciation and amortization of property and equipment, and stock-based compensation expense.

Changes in operating assets and liabilities primarily reflect changes in working capital components of the balance sheet apart from cash and cash equivalents. Net cash provided by operating activities also reflects changes in some non-current components of the balance sheet, such as liabilities to branch offices.

Investing Activities

For the six months ending June 30, 2015, net cash used for investing activities was $195,590 as compared to $120,523 provided during the comparable 2014 period.

Financing Activities

For the six months ending June 30, 2015, net cash used for financing activities was $215,680, compared to $566,536 provided by financing activities during the comparable 2014 period. Our net cash generated by financing activities consists primarily of proceeds from the issuance of notes payable.

Legal Proceedings

See Note 15 — “Legal Proceedings and Litigation Contingencies” included in the “Notes to Unaudited Consolidated Financial Statements.”

Defaults upon Senior Securities

Not applicable.

Other Information

Not applicable.

Exhibits

Not applicable.