SMA ALLIANCE, INC.

NOTES TO FINANCIAL STATEMENTS

12/31/2014

(1) NATURE OF OPERATIONS:

A. SMA Alliance, Inc. is a corporation formed under the laws of the State of Delaware and was originally incorporated on June 23, 1969. SMA Alliance, Inc. is an operating business and is not a shell and has never been a shell company. We do not believe that any federal, state or local regulations will have a material effect upon our business. SMA Alliance is an emarketing, internet focused lead generator, and in 2014 the Company started a new video game segment line

B. Andrea Smith is the CEO and Chairman of the Board

C. Steven Mills is the current Legal Counsel for SMA Alliance, Inc.

D. Pacific Stock Transfer is the Transfer Agent

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

Method of Accounting

This summary of significant accounting policies of SMA ALLIANCE, Inc. (the Company) is presented to assist in understanding the company's financial statements. The financial statements and notes are the representations of the Company's management, who is responsible for their integrity and objectivity. These accounting polices conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Revenue Recognition

Revenue is recognized when the Company provides services. The Company will be paid directly by the client. The payment will be made within 30 days to 60 days upon the Company completing its services. Some payments are made in installments upon an executed service agreement.

Cash and Cash Equivalents

The Company considers all short-debt securities with maturity of three months or less to be cash equivalents.

Fair Value of Financial Instruments

Pursuant to SFAS No. 107, "Disclosures about Fair Value of Financial Instruments", the Company is required to estimate the fair value of all financial instruments included on its balance sheet. At 12/31/2014 financial instruments consisted of cash and cash equivalents, accounts receivable, and accounts payable. The company considers its items in the financial statements to approximate their value due to the relatively short period of time between organization of instruments and their expected realization.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

(3) DEBT

The Company has outstanding shareholder loans/notes payable. Interest on the notes varies from 10% to 12% per annum. All notes are prior to 06/30/2013.

(4) RELATED PARTY TRANSACTIONS

Not Applicable.

(5) Legal Proceedings

SMA is currently involved in a legal proceeding with cars.net, d/b/a Phil Ferreira, regarding the acquisition of cars.net. Mr. Ferreira filed a breach of contract claim against SMA. SMA has filed a counterclaim and the dispute is currently pending in Tarrant County, Texas. Mr. Ferreira proceeded to sell his ownership of cars.net without permission from his partner, Nelson Cicchitto and failed to provide SMA the necessary purchase agreements as stated in the contract pursuantly. SMA attempted to file a claim against Mr. Ferreira for the return of its 6,000,000 stock shares in relation to the agreement; however, the address provided by Mr. Ferreira to SMA was fraudulent. SMA is currently seeking over $600,000 in damages and plans to be fully compensated for this frivolous lawsuit.

In New Mexico, A to Z Smart Products and Consulting v. SMA Alliance.
It was a default judgment granted in NM but sent to TN to collect. The original judgment was for $140,000 but the balance was reduced to $111,073.96 after a garnishment on the SMA bank account. This is accruing interest at a rate of 10% per year. This was a breach of contract case involving an employment/consulting contract.

SMA is in a pending case, ChromaCar LLC v. SMA Alliance. They are seeking $105,628.98 plus attorney fees and expenses. This is a breach of contract case involving the lease of a computer software package.

SMA ALLIANCE, INC.
Consolidated Balance Sheet
Year Ending December 31, 2014

	YEAR ENDING 12/31/2014
Assets	
Cash	1,450
Accounts Receivable	809,395
Other Assets	154,785
Fixed Assets	125,000
Total Assets	1,090,630
Liabilities	
Accounts Payable	369,116
Other Current Liabilities	1,068,497
Long Term Liabilities	
Baker Myers & Assc.	100,875
Bake Myers--SMA Acquistion	7,000,000
Total Liabilities	8,538,488
Total Shareholders' Equity	
C/S--429,055,910 Shares Issued and Outstanding	109,791
Retained Earnings	(7,557,649)
Total Equity	(7,447,858)
Liabilities and Equity	1,090,630

SMA ALLIANCE, INC.
Consolidated Income Statement
Year Ending December 31, 2014

	YEAR ENDING 12/31/2014
Revenues	**14,250**
Operating Expenses	
Salary	**92,805**
Lease Expense	**22,501**
Legal and Consulting Expense	**70,250**
Product Development Expenses	**154,785**
Misc. Expenses	**1,147**
Total Expenses	**341,488**
Net Profit(Loss)	**(327,238)**

SMA ALLIANCE, INC.
CASH FLOW STATEMENT
Year Ending December 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	(5,825)
(INCREASE)/DECREASE IN ACCT RECEIVABLE	
INCREASE/(DECREASE) IN ACCT PAYABLE	5,825
NET CASH FLOW FROM INVESTING ACTIVITIES	
NET CASH FLOW FROM FINANCING ACTIVITIES	
INCREASE (DECREASE) IN CASH	0
CASH-BEGINNING PERIOD	1,450
CASH--ENDING PERIOD	1,450