

REVIEWED FINANCIAL STATEMENTS

As of and for the three months ended
June 30, 2015 and 2014

THE MARKETING ALLIANCE, INC.

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UHY LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Board of Directors and Shareholders
The Marketing Alliance, Inc.

Report on the Financial Statements

We have reviewed the accompanying consolidated balance sheets of The Marketing Alliance, Inc. and subsidiaries (the Company) as of June 30, 2015 and 2014, and the related consolidated statements of operations, shareholders' equity and cash flows for the three months then ended.

Management's Responsibility

The Company's management is responsible for the preparation and fair presentation of the interim financial information in accordance with accounting principles generally accepted in the United States of America; this responsibility includes the design, implementation, and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of interim financial information in accordance with accounting principles generally accepted in the United States of America.

Auditor's Responsibility

Our responsibility is to conduct our review in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim consolidated financial information. A review of interim consolidated financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the consolidated financial information. Accordingly, we do not express such an opinion.

Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim consolidated financial information for it to be in accordance with accounting principles generally accepted in the United States of America.

UHY LLP

Albany, New York
September 30, 2015

THE MARKETING ALLIANCE, INC.
CONSOLIDATED BALANCE SHEETS
As of June 30, 2015 and 2014
Unaudited – See Independent Auditor's Review Report

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 5,690,621**	$ 5,621,349
Investments	**5,705,269**	5,362,311
Accounts receivable	**8,260,918**	7,897,253
Inventory	**27,994**	22,547
Current portion of notes receivable	**603,337**	418,902
Prepaid income taxes	**1,374,502**	1,456,575
Prepaid expenses	**340,868**	253,160
Total current assets	**22,003,509**	21,032,097
PROPERTY AND EQUIPMENT, net	**1,711,891**	1,433,653
OTHER ASSETS		
Notes receivable, net of current portion	**553,488**	707,600
Deposits and other assets	**208,895**	180,233
Goodwill	**613,200**	554,100
Intangible assets, net	**343,649**	250,238
Total other assets	**1,719,232**	1,692,171
	$25,434,632	$24,157,921
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	**$ 7,344,792**	$ 5,972,895
Lines of credit payable	**3,800,000**	2,250,000
Deferred taxes	**159,100**	293,400
Current portion of notes payable	**600,000**	600,000
Total current liabilities	**11,903,892**	9,116,295
LONG-TERM LIABILITIES		
Notes payable	**750,000**	1,350,000
Deferred taxes	**256,000**	344,200
Interest rate swap liability	**6,786**	13,449
Total long-term liabilities	**1,012,786**	1,707,649
Total liabilities	**12,916,678**	10,823,944
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Preferred stock, no par value, 10,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, no par value; 50,000,000 shares authorized, 7,028,233 shares issued and outstanding	**903,023**	903,023
Retained earnings	**11,614,931**	12,430,954
Total shareholders' equity	**12,517,954**	13,333,977
	$25,434,632	$24,157,921

See notes to consolidated financial statements.

THE MARKETING ALLIANCE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
Three Months Ended June 30, 2015 and 2014
Unaudited–See Independent Auditor's Review Report

	Three Months Ended June 30	
	2015	2014
Commission revenue	$ 5,724,543	$ 5,669,881
Construction revenue	299,210	555,395
Family entertainment revenue	716,501	324,262
Total revenues	6,740,254	6,549,538
Distributor related expenses:		
Distributor bonuses and commissions	4,219,782	3,627,732
Business processing and distributor costs	438,043	476,595
Depreciation	2,740	2,667
	4,660,565	4,106,994
Costs of construction:		
Direct and indirect costs of construction	194,917	253,504
Depreciation	87,404	86,479
	282,321	339,983
Family entertainment costs of sales:	142,802	77,347
Total costs of revenues	5,085,688	4,524,324
Net operating revenue	1,654,566	2,025,214
General and administrative expenses:		
Compensation	664,215	437,437
Administrative and other	196,000	207,879
Rent and occupancy	217,882	123,501
Professional fees	129,064	125,783
Office	134,003	70,957
Insurance	100,005	75,451
Depreciation and amortization	103,129	75,966
Technology	67,359	79,569
Payroll related	41,627	24,926
Travel and meetings	59,999	12,993
Telephone	12,429	14,813
Postage	11,062	12,879
Licenses and dues	2,004	9,727
Bad debt recoveries	(12,500)	-
Telemarketing, advertising and promotional	4,548	5,707
Total general and administrative expenses	1,730,826	1,277,588
Operating income	(76,260)	747,626
Other income (expense):		
Investment gain, net	5,484	113,177
Interest expense	(34,661)	(29,519)
Loss on disposal of assets	-	(197)
Interest rate swap, fair value adjustment	1,980	307
(Loss) income before provision for income taxes (benefit)	(103,457)	831,394
Provision for income taxes (benefit)	(43,038)	303,643
Net (loss) income	$ (60,419)	$ 527,751

See notes to consolidated financial statements.

THE MARKETING ALLIANCE, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
Three Months Ended June 30, 2015 and 2014
Unaudited – See Independent Auditor's Review Report

	Common Stock		Retained	
	Shares (a)	Amount	Earnings	Total
Balances at April 1, 2014	7,028,233	$903,023	$11,903,203	$12,806,226
Net income	-	-	527,751	527,751
Balance at June 30, 2014	7,028,233	$903,023	$12,430,954	$13,333,977
Balances at April 1, 2015	**7,028,233**	**$903,023**	**$11,675,350**	**$12,578,373**
Net (Loss)	-	-	**(60,419)**	**(60,419)**
Balance at June 30, 2015	**7,028,233**	**$903,023**	**$11,614,931**	**$12,517,954**

(a) Amounts have been retrospectively adjusted for the 2 for 1 stock split that was effective February 28, 2014, and the 7 for 6 stock split effective August 21, 2015.

See notes to consolidated financial statements.

THE MARKETING ALLIANCE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Nine Months Ended June 30, 2015 and 2014
Unaudited – See Independent Auditor's Review Report

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ (60,419)**	$ 527,751
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**193,273**	165,112
Loss on disposal of assets	**-**	197
Realized and unrealized investment (gains) losses	**13,354**	(97,466)
Deferred taxes	**(60,500)**	43,600
Interest rate swap adjustment	**(1,980)**	(307)
Changes in operating assets and liabilities:		
Accounts receivable	**(10,829)**	(290,189)
Inventory	**(9,880)**	21,110
Prepaid expenses and other assets	**(806,815)**	(95,520)
Deposits and other assets	**(41,936)**	(48,008)
Accounts payable and accrued expenses	**950,804**	307,065
Net cash provided by operating activities	**165,072**	533,345
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	**(33,090)**	(82,780)
Disposal of property and equipment	**-**	5,151
Proceeds from sale of investments	**148,748**	235,190
Purchases of investments	**(460,972)**	(254,530)
Principal payments received on promissory notes	**52,418**	108,846
Advances under promissory notes	**(10,000)**	(204,933)
Net cash used in investing activities	**(302,896)**	(193,056)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings (repayments) under lines of credit	**300,000**	(100,000)
Repayments on long-term debt	**(150,000)**	(150,000)
Net cash (used in) provided by financing activities	**150,000**	(250,000)
Change in cash and cash equivalents	**12,176**	90,289
Cash and cash equivalents, beginning of period	**5,678,445**	5,531,060
Cash and cash equivalents, end of period	**$ 5,690,621**	$ 5,621,349
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION		
Cash paid during the period for:		
Interest	**$ 31,072**	$ 30,356

See notes to consolidated financial statements.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies

Organization

The Marketing Alliance, Inc. (the Company) is a consortium of independent life insurance general agents located throughout the United States. Headquartered in St. Louis, Missouri, the Company provides the benefits of pooled production and resources, including access to carriers and services, that otherwise may not be available to the agencies.

In September 2012, the Company, through two subsidiaries, began providing family entertainment in Illinois and Missouri. In January of 2015, the Company, through two additional subsidiaries began providing family entertainment in Florida.

In July 2011, the Company, through a subsidiary, began providing construction, heavy equipment and trenching services in Iowa.

Significant Accounting Policies

Basis of accounting and principles of consolidation:

The Company's policy is to prepare its financial statements on the accrual basis. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries:

TMA Marketing, Inc. ("Marketing")
Empire Construction and Trenching, Inc. ("Empire")
TMA Technologies, Inc. ("Technologies")
Felton McCrary Brokerage, Inc. ("Felton")
TMA Play MO, Inc., TMA Play IL, Inc., TMA Play Sunrise, Inc., and
TMA Play Pines, Inc. ("Monkey Joes")
TMA Realty, Inc. ("Realty")

Marketing began operations during 2004. Empire began operations in July of 2011. TMA Play Sunrise, Inc. and TMA Play Pines, Inc. began operations in January 2015. TMA Play MO, Inc. and TMA Play IL, Inc. began operations in September 2012. Technologies and Felton are inactive. Realty began operations in September 2014 and owns the building housing Empire's operations. All significant intercompany accounts and transactions have been eliminated.

Revenue recognition:

Commission income from insurance companies, including production bonuses, is recorded when earned. Deferred first year commissions (commissions associated with policy dates prior to June 30, 2015) are recorded in the period earned or in the period received when such amounts cannot reasonably be estimated. Distributor commissions and bonuses are governed by individual distribution agreements and revenue is recorded in the period that the related commission income is earned.

Empire recognizes revenue from long-term contracts on the percentage-of-completion method of accounting for fixed price construction contracts or on the cost-plus fee contract method. Under the fixed price method, revenue is determined by applying the percentage-of-completion of contracts in each year to estimated final revenue on a ratio of costs incurred to date to total estimated costs. That method is used because management considers total cost to be the best available measure of

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

Revenue recognition: (Continued)

progress on the contracts. Because of inherent uncertainties in estimating costs, it is at least reasonably possible that the estimates used will change within the near term. Costs of construction include all direct material and labor costs and those indirect costs related to contract performance. Provisions for estimated losses on uncompleted contracts, if any, are made in the period in which such losses are determined. Revenues recognized in excess of amounts billed are included in accounts receivable and at June 30, 2015 and 2014 those amounts were not material. There were no billings in excess of revenues recognized.

Monkey Joes revenues are recognized on a cash basis, net of sales taxes.

Cash and cash equivalents:

The Company considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents. From time to time, the Company has on deposit with certain banks and brokerage firms, cash and cash equivalents which exceed the amount subject to Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC) limits. The Company attempts to mitigate this risk by depositing its cash and cash equivalents with high credit quality institutions.

Inventory:

Inventory is stated at the lower of cost or market using the first-in first-out method. Inventory consists primarily of drainage tile raw materials used by Empire.

Investments:

Investments consist principally of common stocks, preferred stocks, mutual funds, fixed income securities, limited partnership interests, and notes receivable. Investments are classified as trading securities and are stated at fair value. Net realized gains and losses from the sales of investments, as well as unrealized gains and losses, are reflected in the statement of operations.

Fair value measurements:

The Company follows the accounting for fair value measurements and disclosures for financial assets and liabilities, which defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles, and requires disclosures about fair value measurements. Fair value is a market-based measurement, not an entity-specific measurement, and fair value measurements should be determined based on assumptions that market participants would use in pricing an asset or liability.

The accounting for fair value measurements and disclosures for financial assets and liabilities establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The hierarchy is broken down into three general levels: Level 1 inputs are quoted prices in active markets for identical assets or liabilities; Level 2 inputs include data points

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

Fair value measurements: (continued)

that are observable such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) such as interest rates and yield curves that are observable for the asset and liability, either directly or indirectly; Level 3 inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

Income taxes:

The Company follows guidance issued by the Financial Accounting Standards Board ("FASB") regarding accounting for uncertainty in income taxes. This guidance clarifies the accounting for income taxes by prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the financial statements and applies to all income tax positions. Each income tax position is assessed using a two-step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement.

None of the Company's federal or state income tax returns is currently under examination by the Internal Revenue Service ("IRS") or state authorities.

Deferred taxes are provided on the asset and liability method whereby deferred taxes are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. A tax valuation allowance is established as needed, to reduce net deferred tax assets to the amount expected to be realized.

Swap agreement:

The Company entered into interest rate swap agreements to reduce the impact of changes in interest rates on its variable rate term loans (Note 11). The swap agreements are contracts to exchange the debt obligations' variable rate interest payments for fixed rate interest payments on certain notional amounts expiring at various dates. The notional amounts of the interest rate swap agreements are used to measure amounts to be paid or received and does not represent the amount of exposure or credit loss. The differential paid or received under the interest rate swap agreements is recognized as an adjustment to interest expense. The actual market or credit exposure of this type of financial instrument is significantly less than the notional amount. The primary risk associated with the swap is the inability of the counterparty to meet the terms of the contract. The Company does not expect the counterparty to fail to meet its respective obligations. The agreements mature in March 2017 and March 2018.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

Swap agreement: (continued)

FASB ASC 815, *Derivatives and Hedging*, requires the Company to recognize all derivatives as either assets or liabilities in the consolidated balance sheet and measure those instruments at fair value. It further provides criteria for derivative instruments to be designated as fair value, cash flow, or foreign currency hedges, and establishes accounting standards for reporting changes in the fair value in the consolidated balance sheet and recognizing the offsetting gains or losses as adjustments to be reported in net income or other comprehensive income as appropriate. The interest rate swap is considered a free standing derivative.

Property and equipment:

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is provided utilizing straight line and accelerated methods over estimated useful lives ranging from 5 to 40 years.

Notes receivable:

Notes receivable are stated at unpaid principal balances, less an allowance for uncollectable amounts. Interest is recognized over the term of the note, and is calculated using the simple interest method on principal amounts outstanding. Notes are considered impaired when based on current information or factors, it is probable that the Company will not collect the principal and interest payments according to the loan agreement. Notes are placed on nonaccrual status when management believes, after considering economic conditions, business conditions, and collection efforts, that the notes are impaired or collection of interest is doubtful. At June 30, 2015 and 2014, no allowance was deemed necessary.

Estimates:

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Reclassifications:

Certain items have been reclassified in the 2014 financials to conform to the current period's presentation.

Subsequent events:

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through September 30, 2015, the date the financial statements were available for issuance.

NOTE 2 – INVESTMENTS

The cost, fair value and gross unrealized gains and losses of investments by major security type are as follows:

	June 30, 2015			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Common stocks	$ 3,105,710	$ 787,894	$ 329,233	$ 3,564,371
Preferred stocks	477,353	18,459	1,669	494,143
Fixed income securities	225,145	29,354	-	254,499
Mutual funds	65,669	-	15,682	49,987
Limited partnerships	650,000	692,269	-	1,342,269
	$ 4,523,877	$ 1,527,976	$ 346,584	$ 5,705,269

	June 30, 2014			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Common stocks	$ 2,522,260	$ 844,636	$ 99,546	$ 3,267,350
Preferred stocks	322,352	28,683	-	351,035
Fixed income securities	325,168	19,340	100,000	244,508
Mutual funds	60,195	7,106	-	67,301
Limited partnership	650,000	782,117	-	1,432,117
	$ 3,879,975	$ 1,681,882	$ 199,546	$ 5,362,311

Proceeds from the sale of investments were $148,748 for the three months ended June 30, 2015, resulting in gross realized gains of $28,503 and gross realized losses of $17,023 for the three months ended June 30, 2015, respectively.

Proceeds from the sale of investments were $235,190 for the three months ended June 30, 2014, resulting in gross realized gains of $45,595 and gross realized losses of $11,256 for the three months ended June 30, 2014, respectively.

Investments are pledged as collateral pursuant to margin agreements entered into by the Company. No amounts were outstanding at June 30, 2015 and 2014 under the margin agreements.

Net investment income for the three months ended June 30, 2015 and 2014 is as follows:

	2015	2014
Interest and dividend income	$ 45,398	$ 41,420
Realized gains on investments, net	11,480	34,339
Unrealized gains (losses) on investments, net	(24,834)	63,127
Investment management fees	(26,560)	(25,709)
Net investment income	$ 5,484	$ 113,177

NOTE 2 – INVESTMENTS (Continued)

In connection with the notes receivable due from a private company, the Company received warrants to purchase 300,000 shares of stock in the private company at rates ranging from $1.20 to $5.00 per share or current share price, whichever is lower, depending on when the warrants are exercised. The warrants, 150,000 each, can be exercised at any time through June 18, 2016 and May 31, 2017. The fair value of the warrants was determined to be zero at both the date of receipt and June 30, 2015.

NOTE 3 – FAIR VALUE MEASUREMENTS

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at June 30, 2015 and 2014:

Common and preferred stocks, and fixed income securities: Valued at the closing price reported on the active market on which the individual securities are traded. Securities traded on inactive markets are valued by reference to similar instruments are categorized in Level 2. Securities which are not traded on active or inactive markets and no comparable assets exist are categorized in Level 3 and are valued using internal models.

Mutual funds: Valued at the net asset value (NAV) of shares held at year end.

Limited partnership investments: There are four limited partnership investments. Three investments are valued using data as provided by the general partner of the limited partnership. These limited partnerships actively trade and invest (by establishing both "long" and "short" positions) in domestic and foreign equity securities and options, equity futures contracts and options, other private placement investments, and securities issued or guaranteed by the United States government and related instruments. The fourth investment is valued using market data for public securities as provided by the general partner of the limited partnership. The partnership actively trades and invests (by establishing "long" positions only) in domestic and foreign equity securities.

(A) Securities that are listed on a national securities exchange or NASDAQ or over-the-counter market are valued at the last reported sales price on the last day of the year, or the last reported bid and asked price. Securities for which market quotations are not readily available are valued at their fair value as determined in good faith under consistently applied procedures established by the General Partner, such as pricing models, discounted cash flow methodologies or similar techniques.

Warrants: Warrants are valued using a Black-Scholes model employing estimated share values, interest rates, volatility and term and are categorized in Level 2 of the fair value hierarchy.

Interest Rate Swap: Valued at fair value derived from mid-market values. A single value for each derivative transaction is used, even if compromised by multiple legs. Value has been measured based on estimates of the amount needed to settle the agreement. Such calculations were based on changes in market conditions and/or assumptions underlying valuation models.

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The following table presents the fair value hierarchy for the Company's financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2015:

Investments	**Assets at Fair Value**			
	Level 1	**Level 2**	**Level 3**	**Total**
Common stocks	$ 3,226,729	$ 297,000	$ 40,642	$ 3,564,371
Preferred stock	494,143	-	-	494,143
Fixed income	154,499	-	100,000	254,499
Mutual funds	49,987	-	-	49,987
Limited partnerships	-	-	1,342,269	1,342,269
Total assets at fair value	$ 3,925,358	$ 297,000	$1,482,911	$ 5,705,269

Interest Rate Swap Liability	**Liabilities at Fair Value**			
	Level 1	**Level 2**	**Level 3**	**Total**
Interest Rate Swap	$ -	$ 6,786	$ -	$ 6,786
Total interest rate swap	$ -	$ 6,786	$ -	$ 6,786

The following table presents the fair value hierarchy for the Company's financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2014

Investments	**Assets at Fair Value**			
	Level 1	**Level 2**	**Level 3**	**Total**
Common stocks	$ 2,947,705	$ 297,000	$ 22,645	$ 3,267,350
Preferred stock	351,035	-	-	351,035
Fixed income	144,508	-	100,000	244,508
Mutual funds	67,301	-	-	67,301
Limited partnership	-	-	1,432,117	1,432,117
Total assets at fair value	$ 3,510,549	$ 297,000	$1,554,762	$ 5,362,311

Interest Rate Swap Liability	**Liabilities at Fair Value**			
	Level 1	**Level 2**	**Level 3**	**Total**
Interest Rate Swap	$ -	$ 13,449	$ -	$ 13,449
Total interest rate swap	$ -	$ 13,449	$ -	$ 13,449

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The following is a roll-forward of Level 3 fair value instruments for the three months ended June 30, 2015 and 2014:

	Limited Partnership Interests	Common Stocks	Fixed Income
Balance, April 1, 2015	$ 1,407,933	$ 40,642	$100,000
Unrealized losses relating to instruments still held at the reporting date	(65,664)	-	-
Purchases	-	-	-
Balance, June 30, 2015	$ 1,342,269	$ 40,642	$100,000
Balance, April 1, 2014	$ 1,369,687	$ 22,645	$100,000
Unrealized gains relating to instruments still held at the reporting date	62,430	-	-
Purchases	-	-	-
Balance, June 30, 2014	$ 1,432,117	$ 22,645	$100,000

Quantitative information about Level 3 Fair Value Investments:

	Fair Value at June 30, 2015	Valuation Techniques	Unobservable Input
Fixed income securities	$100,000	Discounted expected cash flows	Probability of default (50%) Discount rate 4.5%
Private equity investments	$40,642	Conversion rate of recent private transactions	Recent private transaction rate
Limited partnership investments	$1,342,269	See (A) above	See (A) above

The nature and risk of certain investments by major category at June 30, 2015 are presented as follows:

	Fair Value	Unfunded Commitments	Redemption Provisions
Limited Partnerships	$ 1,342,269	$50,000	Quarterly with 30 days notice

The Company has various processes and controls in place to ensure that fair value is reasonably estimated. The Company's investment committee, which reports to the Board of Directors, sets the valuation policies for investments and is responsible for the determination of fair value.

The investment committee, together with independent investment advisors, (1) compares price changes between periods to current market conditions, (2) compares trade prices of securities to fair value estimates, (3) compares prices from multiple pricing sources, and (4) performs ongoing due diligence to confirm that independent pricing services use market-based parameters for valuation. Valuation approaches are reviewed on an ongoing basis and revised as necessary based on changing market conditions to ensure values represent a reasonable exit price.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2015 and 2014 are as follows:

	2015	2014
Commissions receivable	$ 1,549,380	$ 1,624,058
Deferred first year commissions	5,899,340	5,267,878
Construction receivables	208,203	129,571
Other	603,995	875,746
	$ 8,260,918	$ 7,897,253

NOTE 5 – NOTES RECEIVABLE

Notes receivable at June 30, 2015 and 2014 are as follows:

	2015	2014
Distributor notes receivable, receivable in aggregate monthly installments of approximately $30,600 including interest at rates ranging from 2.25% to 5.50% per annum, final maturity in May 2021. The notes are generally collateralized by amounts payable pursuant to individual distribution agreements and security interests in certain assets of the distributors. Certain of the notes are personally guaranteed by principals of the distributors.	$1,156,825	$1,126,502
Less current portion	603,337	418,902
Long-term portion	$ 553,488	$ 707,600

Estimated future principal payments to be received as of June 30, 2015 are as follows:

2016	$ 603,337
2017	138,299
2018	123,682
2019	102,650
2020	84,474
Thereafter	104,383
	$1,156,825

NOTE 6 – INTANGIBLE ASSETS AND GOODWILL

Intangible assets consist of a covenant not to compete acquired in July 2011 related to the Empire acquisition, and two covenants not to compete, two franchise agreements, and goodwill acquired in September 2012 and January 2015 related to the Monkey Joe's acquisitions.

	Beginning Balance, April 1, 2015	Additions	Deletions	Ending Balance, June 30, 2015
Covenants Not To Compete	$451,808	$ -	$ -	$ 451,808
Franchise Agreements	272,300	-	-	272,300
Amortization	(346,302)	(34,157)	-	(380,459)
	$377,806	$ (34,157)	$ -	$ 343,649
Goodwill	$613,200	$ -	$ -	$ 613,200

	Beginning Balance, April 1, 2014	Additions	Deletions	Ending Balance, June 30, 2014
Covenant Not To Compete	$339,708	$ -	$ -	$ 339,708
Franchise Agreements	181,000	-	-	181,000
Amortization	(239,518)	(30,952)	-	(270,470)
	$281,190	$ (30,952)	$ -	$ 250,238
Goodwill	$554,100	$ -	$ -	$ 554,100

Amortization expense for the three months ended June 30, 2015 was $34,157. Amortization expense for the three months ended June 30, 2014, was $30,952.

Estimated amortization for the next five years for the covenants not to compete and the franchise agreements is as follows:

2016	$135,468
2017	112,481
2018	56,488
2019	18,818
2020	8,393
Thereafter	12,001
	$343,649

NOTE 7 – PROPERTY AND EQUIPMENT

Net property and equipment is comprised of the following at June 30, 2015 and 2014:

	2015	2014
Land and building	$ 245,604	$ -
Office equipment	2,270,636	1,740,575
Construction equipment	1,711,100	1,677,782
	4,227,340	3,418,357
Less accumulated depreciation	2,515,449	1,984,704
	$ 1,711,891	$ 1,433,653

Depreciation expense was $159,116 for the three months ended June 30, 2015. Depreciation expense was $134,159 for the three months ended June 30, 2014, respectively.

NOTE 8 – LINES OF CREDIT

The Company has five lines of credit available:

The first line of credit borrowing is under a $3,500,000 short-term bank line of credit facility. Borrowings under the line of credit bear interest at the British Banker Association LIBOR rate ('BBA LIBOR') plus 2% (2.18660% at June 30, 2015), and is collateralized by all accounts receivable, inventory and property and equipment. The credit facility contains both financial and non-financial covenants. The credit facility matures September 30, 2015. At June 30, 2015, $2,500,000 was outstanding. At June 30, 2014, $2,150,000 was outstanding.

Under a second line of credit, the Company has available a $750,000 ($400,000 at June 30, 2014) revolving line of credit bearing interest based on changes in an Independent index which is the Highest Wall Street Journal Prime Base Lending Rate. Interest on the unpaid balance of the note will be calculated using a rate of .25 percentage points over the Index. The credit facility requires an annual 30 day clean-up period. The index at June 30, 2015 is 3.25%, resulting in a rate of 3.5%. The note is due on demand. At June 30, 2015, $400,000 was outstanding. At June 30, 2014, no amount was outstanding.

Under the third line of credit, the Company has available a $1,000,000 ($500,000 at June 30, 2014) demand grid note credit facility. Borrowings under the note bear interest at prime plus one quarter percent (.25%) and are due on demand. The credit facility is subject to an annual review by the lender. At June 30, 2015, $900,000 was outstanding. At June 30, 2014, no amount was outstanding.

Under the fourth line of credit, the Company has available a $250,000 revolving line of credit facility. Borrowings under the note bear interest at prime plus 1% (with a floor of 4.75%) and is due on demand. The credit facility requires an annual 30 day clean-up period, is subject to an annual review by the lender and requires that the Company maintain a minimum deposit account balance of $250,000 with the lender. At June 30, 2015 no amount was outstanding. At June 30, 2014, $100,000 was outstanding.

The Company obtained a fifth line of credit in the amount of $250,000 bearing interest based on changes in an Independent index which is the Highest Wall Street Journal Prime Base Lending Rate, and is collateralized by accounts receivable, inventory and property and equipment, subject to

NOTE 8 – LINES OF CREDIT (Continued)

a first claim by the bank noted in the first paragraph. Interest on the unpaid balance of the note will be calculated using a rate of .25 percentage points over the Index. The credit facility requires an annual 30 day clean-up period. The index at June 30, 2015 is 3.25%, resulting in a rate of 3.5%. The note is due on demand. At June 30, 2015 and 2014, no amount was outstanding.

NOTE 9 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at June 30, 2015 and 2014 are summarized as follows:

	2015	2014
Accounts payable	$ 197,742	$ 210,828
Technology benefits	359,964	233,535
Distributor commissions	1,643,704	1,323,236
Deferred first year commissions	3,283,977	2,903,940
Accrued compensation	418,746	341,169
Accrued income taxes	915,422	540,865
Other	525,237	419,322
	$7,344,792	$5,972,895

Accrued technology benefits represents amounts payable pursuant to the Company's technology and marketing benefit program. The program is designed to encourage its member agencies to invest in technology and marketing by reimbursing the agencies for qualified expenditures. Agencies qualify for benefits based upon attaining annual production levels as defined in the program. Benefits payable under the program are based upon calendar year production and are payable in the calendar year subsequent to meeting production criteria.

NOTE 10 – INCOME TAXES

Income tax expense (benefit) for the three months ended June 30, 2015 and 2014 is summarized as follows:

	2015	2014
Current	$ 17,462	$ 260,043
Deferred	(60,500)	43,600
	$ (43,038)	$ 303,643

NOTE 10 – INCOME TAXES (Continued)

Deferred tax assets and liabilities at June 30, 2015 and 2014 were attributable to the following:

	2015	2014
Deferred Tax Assets:		
Stock appreciation compensation	$ 142,000	$ 114,000
Intangible assets	65,800	54,300
Other	13,000	16,500
Impairment on investment other than temporary	36,000	36,000
Total gross deferred tax assets	256,800	220,800
Deferred Tax Liabilities:		
Unrealized gains on investments	(253,000)	(460,000)
Other	-	(1,600)
Property and equipment	(418,900)	(396,800)
Total gross deferred tax liabilities	(671,900)	(858,400)
Total deferred taxes	$ (415,100)	$ (637,600)
Deferred Tax Liabilities, Current	$ (159,100)	$ (293,400)
Deferred Tax Liabilities, Long-Term	(256,000)	(344,200)
	$ (415,100)	$ (637,600)

The reconciliation of income taxes calculated at the Federal tax statutory rate to the Company's effective rate is set forth below for the nine months ended June 30, 2015 and 2013:

	2015		2014	
	$	%	$	%
Tax at federal statutory rate	$ (35,175)	34%	$282,674	34%
State income taxes	(3,233)	3%	25,773	3%
Other	(4,630)	4%	(4,804)	-1%
	$ (43,038)	42%	$303,643	36%

NOTE 11 – LONG-TERM DEBT

Long-term debt as of June 30, 2015 and 2013 is as follows:

	2015	2014
Note payable to a bank, payable in fixed monthly principal payments of $25,000 a month plus interest, payments commenced on April 30, 2012. The interest rate on the note is 2% plus BBA LIBOR (2.18660% at June 30, 2015). The note matures on March 31, 2017. The note is collateralized by all accounts receivable, inventory and property and equipment and contains both financial and non-financial covenants.	$ 500,000	$ 825,000
Note payable to a bank, payable in fixed monthly principal payments of $25,000 a month plus interest, payments commenced on April 30, 2013. The interest rate on the note is 2% plus BBA LIBOR (2.18660% at June 30, 2015). The note matures on March 29, 2018. The note is collateralized by all accounts receivable, inventory and property and equipment and contains both financial and non-financial covenants.	850,000	1,125,000
Total	1,350,000	1,950,000
Less current portion	600,000	600,000
Long-term portion	$ 750,000	$1,350,000

Future principal maturities at June 30, 2015 are as follows:

Period Ending June 30,	
2016	$ 600,000
2017	500,000
2018	250,000
	$1,350,000

NOTE 12 – SHAREHOLDERS' EQUITY

In February 2014, the Board of Directors declared a stock split of 2 shares for every 1 share held by shareholders of record on February 28, 2014, payable on March 28, 2014. As a result, each shareholder received one new share of common stock for every one share of common stock held as of the record date. All share amounts outstanding prior to February 28, 2014 have been retroactively adjusted for this split.

In February 2014, the Company amended its articles of incorporation to increase the number of authorized shares of stock from 10 million shares of common stock to 50 million shares of common stock and 10 million shares of preferred stock.

In November 2014, the Board of Directors authorized a $.21 per share cash dividend for shareholders of record on December 12, 2014. The dividend was paid on January 30, 2015.

NOTE 12 – SHAREHOLDERS' EQUITY (Continued)

In July 2015, the Board of Directors declared a stock split of 7 shares for every 6 shares held by the shareholders of record on August 21, 2015, payable on September 25, 2015. As a result, each shareholder received one new share of common stock for every one share of common stock held as of the record date. All share amounts outstanding prior to August 21, 2015 have been retroactively adjusted for this split.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Leases

The Company has noncancellable operating leases for office, administration, processing, and family entertainment space at its St. Louis, Omaha, Fairview Heights, Sunrise and Pembroke Pines locations. Additionally, the Company leases office equipment under operating leases for use in both its administrative offices and in offices of several of its brokers, pursuant to its technology and marketing benefit program.

Approximate future annual minimum lease payments required under these operating leases at June 30, 2015 are as follows:

	Office Space	Office Equipment	Total
2016	$ 840,844	$ 30,005	$ 870,849
2017	682,016	19,895	701,911
2018	604,306	11,250	615,556
2019	457,672	-	457,672
2020	214,720	-	214,720
Thereafter	375,760	-	375,760
	$3,175,318	$ 61,150	$3,236,468

Rent expense for office space approximated $208,200 for the three months ended June 30, 2015. Rent expense for office space approximated $112,600 for the three months ended June 30, 2014.

Rent expense for office equipment approximated $18,700 for the three months ended June 30, 2015. Rent expense for office equipment approximated $16,400 for the three months ended June 30, 2014. A substantial portion of the office equipment operating leases is classified as distributor related expenses in the accompanying consolidated statement of operations.

NOTE 14 – CONCENTRATIONS

During the three months ended June 30, 2015, the Company derived approximately 62% of its commission income from three insurance carriers. During the three months ended June 30, 2014, the Company derived approximately 63%, of its commission income from three insurance carriers.

NOTE 15 – BENEFIT PLANS

Profit Sharing Plan

The Company has a qualified profit sharing plan with 401(k) deferred compensation provisions. Substantially all employees are eligible to participate in the plan. The plan provides for both matching and discretionary contributions determined by the Board of Directors. Contributions under the plan were approximately $15,100 for the three months ended June 30, 2015. Contributions under the plan were approximately $5,600 for the three months ended June 30, 2014.

Stock Appreciation Plan

The Company maintains a stock appreciation plan (the "SAP") for a member of management. Units of stock are allocated under a compensation agreement at a specified price per unit. The Company recognizes the estimated compensation cost of these stock appreciation units over the vesting term.

The estimated compensation cost is based on the Black-Scholes option model and is re-measured at each financial reporting date. Stock units cliff vest at the end of a five year period. Upon vesting, the value is calculated as the difference between the current value of the stock and the specified price per unit multiplied by the number of shares and paid in cash. Under the agreement, stock appreciation units were granted on April 1, 2010, 2011, 2012, 2013 and 2014.

Additionally, the stock appreciation units, whether vested or not vested, are entitled to receive payment in an amount equal to the actual cash dividends paid on shares of common stock, as of and when such dividends are paid.

NOTE 16 – RELATED PARTY TRANSACTIONS

The Company has entered into a service agreement with an affiliate of one of its brokers/agents for bookkeeping and other administrative services provided for the benefit of the Company. Administrative service fees and rent paid to the affiliated entity approximated $118,600 for the three months ended June 30, 2015. Administrative service fees and rent paid to the affiliated entity approximated $121,300 for the three months ended June 30, 2014.

The Company compensates its Board of Directors for attendance at its meetings. In addition, the Company compensates its Directors for work performed on behalf of the Company outside of their duties as Board members. Such compensation, which is computed and paid at an hourly rate commensurate with experience and expertise as determined by the Board of Directors, is classified as a component of compensation and net investment income in the accompanying consolidated statement of operations.

The Company previously leased office and warehouse space in Iowa for $60,000 annually from the former owner of JDC Construction, Inc. The lease was terminated April 30, 2014. The Company purchased real property in Iowa for approximately $240,000 to be used as office and warehouse space.

NOTE 17 — BUSINESS COMBINATION

Monkey Joes

On January 6, 2015, the Company acquired the assets of two Monkey Joe's franchises through a series of agreements and transactions. The Company made the acquisitions in order to diversify its business. The total purchase price for the two locations combined was $462,500. One franchise is located in Sunrise, Florida and the other franchise is located in Pembroke Pines, Florida. The franchise for the Sunrise, Florida area was effective in December 2008. The franchise for the Pembroke Pines, Florida area was effective in March 2012. Both agreements are for initial terms of 10 years with the option to renew for 10 years each with the payment of the then current franchise fee.

The following table summarizes the fair value of identifiable assets acquired and liabilities assumed in the business combination, and related intangible asset as of the acquisition date:

	Amount
Equipment	$200,000
Franchise Agreements	91,300
Covenant Not To Compete	112,100
Goodwill	59,100
Value of Assets Acquired	$462,500

The covenant not to compete is being amortized over 36 months from the closing date (January 6, 2015). The franchise agreements are being amortized over their remaining lives. As of the date of acquisition the remaining life for the franchise agreements ranged from 48 to 86 months.

In connection with the asset acquisition the Company entered into two lease obligations for property that will result in total payments of approximately $2,225,000. One lease expires November, 2018. The second lease expires March, 2022.

NOTE 18 – SUBSEQUENT ACQUISITION

On September 2, 2015, pursuant to the terms of an asset purchase agreement, The Company acquired substantially all of the assets and operations of three Monkey Joe's franchise locations (all in North Carolina), which provide indoor children's entertainment. The purchase price was $975,000 which was paid in cash at closing.

As of the date of these financial statements, acquisition accounting has yet to be completed related to this transaction.