

MEDIATECHNICS CORPORATION

ANNUAL FINANCIAL STATEMENTS

(UNAUDITED)

For the Years Ended

June 30, 2015 and 2014

MEDIATECHNICS CORPORATION
CONSOLIDATED BALANCE SHEET
UNAUDITED
At JUNE 30, 2015

ASSETS

CURRENT ASSETS:		
Cash	$	77,129
Inventory		175
Marketable securities held for sale		300,756
Unrealized (loss) on marketable securities		-126,646
Total current assets		251,414
Note receivable		438,810
Accrued interest on note receivable		252,524
Furniture & equipment-net		14,739
Accumulated depreciation		
Intellectual property - net		682,350
Lease purchase option		
Total assets	$	1,639,837

LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES		
Accounts payable	$	321,754
Loans from officers		6,416
Loans from others		200,353
Total current liabilities		528,523
Notes payable		156,000
Contingencies		200,000
Convertible debenture		78,000
Total liabilities		962,523
STOCKHOLDERS' EQUITY		
Preferred stock		1,422
Common stock		1,244,704
Paid in capital		2,495,438
Unrealized (loss) on marketable securities		-126,646
Accumulated (deficit)		-2,937,604
Total stockholders' equity		677,314
Total liabilities and stockholders' equity	$	1,639,837

See accompanying notes to these unaudited consolidated financial statements.

MEDIATECHNICS CORPORATION
CONSOLIDATED INCOME STATEMENT
UNAUDITED

	For the years ended June 30, 2015	2014
REVENUES		
Sales income	$ 59,183	$ 0
Total Revenue	59,183	0
Cost of Sales	45,212	1,824
Gross Profit	13,971	-1,824
Interest income	54,911	50,291
Net Revenue	68,882	48,467
OPERATING EXPENSES		
General and administrative	62,131	2,519
Officer compensation	156,000	85,500
Marketing expenses	28,886	737
Travel & entertainment	11,091	4,430
Professional fees	68,938	17,186
Rent & utilities	2,291	597
Interest expense	21,616	29,972
Amortization and depreciation	39,967	9,992
Total Operating Expenses	390,920	150,933
(Loss) from operations	-322,038	-102,466
Gain on settlement	23,425	712,212
Loss on sale of marketable securities	-46,290	
Reserve for settlements	-46,974	0
Net income (loss)	$ -391,877	$ 609,746

See accompanying notes to these unaudited consolidated financial statements.

MEDIATECHNICS CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
UNAUDITED
Part 1 of 2

	Preferred Shares	Preferred Amount	Common Shares	Amount
Balance at June 30, 2013	1,383,782	1,384	1,094,703,469	1,094,704
Preferred Class Z for interest	2,071	2		
Issuance of Preferred Class Z for debt	7,329	7		
Cancellation of Preferred Class Y	(10,000)	-10		
Cancellation of Preferred Class H	(25,000)	-25		
Preferred Class M for ESI Acquisition	69,071	69		
Preferred Class G for services	32,500	33		
Unrealized holding gain on marketable securities				
Net income for the year ended June 30, 2014				
Balance at June 30, 2014	1,459,753	$1,460	1,094,703,469	$1,094,704
Conversion of Preferred Class M	(5,000)	(5)	50,000,000	50,000
Conversion of Preferred Class G	(50,000)	(50)	100,000,000	100,000
Issuance of Preferred Class M for debt	6,689	7		
Issuance of Preferred Class Z for interest	2,403	2		
Issuance of Preferred Class Y for securities	800	8		
Unrealized holding (loss) on marketable securities				
Net (loss) for the year ended June 30, 2015				
	1,414,645	$1,422	1,244,703,469	$1,244,704

See accompanying notes to these unaudited consolidated financial statements.

MEDIATECHNICS CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
UNAUDITED
Part 2 of 2

	Paid-In Capital	Unrealized Gains	Accumulated (Deficit)	Total
Balance at June 30, 2013	2,275,073	0	(3,160,373)	210,788
Preferred Class Z for interest	12,412			12,414
Issuance of Preferred Class Z for debt	43,960			43,968
Cancellation of Preferred Class Y	(9,990)			(10,000)
Cancellation of Preferred Class H	(500,000)			(500,025)
Preferred Class M for ESI Acquisition	386,729			386,798
Preferred Class G for services	64,968			65,000
Unrealized holding gain on marketable securities		24,000		24,000
Net income for the year ended June 30, 2014			614,646	614,646
Balance at June 30, 2014	$2,273,151	$24,000	($2,545,727)	$847,588
Conversion of Preferred Class M	(49,995)			-
Conversion of Preferred Class G	(99,950)			-
Issuance of Preferred Class M for debt	39,993			40,000
Issuance of Preferred Class Z for interest	14,407			14,409
Issuance of Preferred Class Y for securities	317,832			317,840
Unrealized holding (loss) on marketable securities		(150,646)		(150,646)
Net (loss) for the year ended June 30, 2015			(391,877)	(391,877)
	$2,495,438	($126,646)	($2,937,604)	$677,314

See accompanying notes to these unaudited consolidated financial statements.

MEDIATECHNICS CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
UNAUDITED

	For the years ended June 30, 2015	2014
OPERATING ACTIVITIES		
Net income (loss) for the period	$ -391,877	$ 616,646
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization expense	39,967	9,992
Settlements and loss on securities	50,385	0
Preferred Shares issued for interest & debt	54,409	56,382
Preferred Shares issued for services	0	65,000
Changes in assets and liabilities		
(Increase)/decrease in accrued interest receivable	54,910	-50,292
(Increase)/decrease in accounts receivable	1,500	5,700
(Increase)/decrease in inventory	1,075	-1,250
Increase/(decrease) in accounts payable	221,184	-137,949
Increase/(decrease) in loans from officers	6,416	-79,445
Increase/(decrease) in loans payable	356,353	0
Increase/(decrease) in convertible debentures	-40,000	-118,000
Increase/(decrease) in contingencies	50,000	0
Net cash (used in) provided by operating activities	404,322	366,784
INVESTING ACTIVITIES		
Purchase of furniture & equipment	-2,920	0
Capitalized services for intellectual property	-333,552	128,000
Net cash (used in) provided by investing activities	-333,552	128,000
FINANCING ACTIVITIES		
Settlement retiring 25,000 Preferred H shares	0	-500,025
Settlement retiring 10,000 Preferred Y shares	0	-10,000
Net cash (used in) provided by financing activities	0	-510,025
INCREASE IN CASH	70,770	-15,241
CASH, BEGINNING OF PERIOD	6,359	21,600
CASH, END OF PERIOD	$ 77,129	$ 6,359
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
800 Class Y Preferred shares for marketable securities	$ 317,840	0
69,071 Preferred Class M for ESI Acquisition	0	386,798

See accompanying notes to these unaudited consolidated financial statements.

MediaTechnics Corporation
Notes to Consolidated Financial Statements
For the Fiscal Years ended June 30, 2015 and 2014
(unaudited)

1) THE COMPANY AND ITS SIGNIFICANT ACCOUNTING POLICIES

The Company was originally incorporated in the state of Nevada on February 26, 1987 and has had different names and operations during its history. The Company is currently operating as a developer of advertising websites and applications for the marijuana industry, developing the BlazeNow website and mobile applications.

On June 13, 2011, the Board of Directors and persons having a majority of the voting power entitled to vote, voted to file Amended and Restated Articles of Incorporation reaffirming the actions of June 18, 2009, and reaffirming existing designations and removing obsolete designations of preferred.

The unaudited financial statements included herein were prepared from the records of the Company in accordance with Generally Accepted Accounting Principles. These financial statements reflect all adjustments, which are, in the opinion of management, necessary to provide a fair statement of the results of operations and financial position for the quarter ended June 30, 2015. Significant adjustments may be required to conform the financial statements to Generally Accepted Accounting Principles (GAAP) should management choose to seek to have the statements audited.

Acquisitions

On September 19, 2013, the Company acquired all of the outstanding Common Stock shares of Evergreen Systems Incorporated, “ESI” from its shareholders resulting in ESI becoming a wholly owned subsidiary of the Company.

As consideration for the acquisition of ESI, ESI’s shareholders were issued 69,071 shares of Class M Convertible Preferred Stock (“Class M Stock”) valued at $386,798 as consideration for 4,000,000 common shares of Praxsyn Corporation fka PAWS Pet Company, Inc. trading under the symbol “PXYN” on the OTC Markets valued at $196,000 and intellectual property in the form of a business and marketing plan valued at $190,798.

Principles of Consolidation

The Company’s consolidated financial statements include the assets, liabilities and operating results of its wholly owned subsidiary since formation of these entities. All significant inter-company accounts and transactions have been eliminated in consolidation.

Use of Estimates

The unaudited financial statements included herein were prepared from the records of the Company in accordance with Generally Accepted Accounting Principles. These financial statements reflect all adjustments, which are, in the opinion of management, necessary to provide a fair statement of the results of operations and financial position.

Cash & Cash Equivalents

The Company’s policy is to consider cash and cash equivalents to consist of checking accounts, money market accounts or certificates of deposit having maturity dates of 180 days or less.

Financial Instruments

Financial instruments consist primarily of cash, security deposits and obligations under accounts payable and accrued expenses. The carrying amounts of cash, accounts receivable, security deposits, accounts payable and accrued expenses approximate fair value because of the short-term maturity of those instruments.

Income Taxes

The Company records its federal and statement income tax liability as it is incurred.

2) INVESTMENT IN MARKETABLE SECURITIES AVAILABLE-FOR-SALE

Marketable Securities

In accordance with FASB 115, the Company is required to report the equity securities held as investments as marketable securities available-for-sale because they can be sold. The Company intends to utilize any proceeds realized from any future sale of equity securities held as investments for payment of expenses related to its operations. Marketable securities available-for-sale are reported at cost and adjusted on the Company's balance sheet for unrealized gains or losses in those securities during reporting periods. Marketable securities held for sale at June 30, 2015 were 7,570,000 Common shares of Praxsyn Corporation (formerly The PAWS Pet Company, Inc., ("PXYN")) with a cost basis of $300,529 and an Unrealized Available-For-Sale Holding Loss of $126,646.

3) NOTES RECEIVABLE

On November 30, 2009, the Company sold all of it interest in MTS/MMC, and issued 100,000 shares of Class M Convertible Preferred Stock (Class M Stock"), to its former president, Richard Wilson and cancelled all shares of all other classes and series of stock held by Mr. Wilson. As part of this transaction the Company received a $388,800 personal note from Mr. Wilson accruing interest at 9% per annum due December 1, 2012 and subsequently extended until December 31, 2015. The Company also retains an additional receivable from Mr. Wilson in the amount of $50,010. During the fiscal year ended June 30, 2015 the Company earned interest on the note in the amount of $54,911. At June 30, 2015 notes receivable were $438,810 and accrued interest on the notes was $252,524

4) INTELLECTUAL PROPERTY – NET

The Company has three types of intellectual property described as follows:

Business & Marketing Plans

Acquired in the Evergreen Systems Inc. acquisition on September 19, 2013 as part of the allocated purchase price. The Company began generating revenue from these plans during the quarter ended June 30, 2014. The Plans are being amortized over five years staring April 1, 2014 in the amount of $9,840 per quarter.

Lighting Development

Research and Development costs incurred to develop and bring proprietary growing lights to market that emit a spectrum of light customized for optimal photosynthesis without generating high levels of heat.

Website/Mobile Application Development

Research and Development costs to develop the BlazeNow website and mobile applications which are intended to provide product and location specific advertising as well as a mutually beneficial consumer review system for dispensaries and other Cannabis related businesses.

Net Intellectual Property is comprised of the following:

	Cost	Accumulated Amortization	Net
ESI Business & Marketing Plans	190,798	49,200	141,598
Lighting Development	123,000	**0**	123,000
Website development	417,752	**0**	417,752
	731,550	**49,200**	**682,350**

5) CONTINGENT LIABILITIES AND LITIGATION

Amounts set aside for contingent liabilities as a result of pending litigation, if any, or disputed judgments are not held in cash but rather, have been charged as liabilities against profit and loss, in advance, in the event that the Company is actually obligated to pay that amount as a result of losses in such pending litigation or undomesticated judgments that are finally domesticated in Nevada. If, ultimately, the Company is successful in defending itself against pending litigation or parties holding undomesticated judgments, the contingent liabilities will be removed and the amounts previously charged to profit and loss will be credited to income.

Management has set aside $200,000 as a Contingency for legal fees or other expenses that may become necessary in order to defend against any claims related to the Company's defunct mortgage operations.

There is a default judgment on file against the Company in Alameda County, California of approximately $182,436. The Company is not domiciled in California, has made no appearance in California regarding this matter and intends to vigorously fight any attempt to domesticate the default judgment in Nevada. The Company believes that it is not a proper party to the action and that the courts of the State of California do not have personal jurisdiction over the Company and intends to aggressively fight any attempt to subject it to the jurisdiction of the California court system and intends to file any motions that may become necessary to quash service for lack of personal jurisdiction. As of the date of these Notes to Consolidated Financial Statements, the Company has engaged an attorney to pursue settlement of this matter and to defend in Nevada if necessary.

The Company previously was defending a lawsuit in the Superior Court for the County of Alameda arising from the claim of the aforementioned default judgment. On January 23, 2015 the plaintiff filed a request for dismissal with prejudice of the entire complaint, against all parties and for all causes of action. On February 5, 2015 the clerk of the court filed the dismissal and mailed a copy to the Plaintiff's counsel on February 10, 2015. Management received copies of the dismissal request, the entry of the dismissal and the mailing on February 19, 2015.

In light of the dismissal, the Company's motion to quash based on lack of jurisdiction is moot and Management intends to investigate its options regarding the advisability of any future settlement or further legal action regarding the underlying default judgment.

The Company is currently defending a lawsuit in the Superior Court for the City and County of San Francisco arising from the claim of the estate of a former investment advisor to the Company and former customer of our previously held subsidiary, Silverado Mortgage. The estate claims that the Company is responsible for the alleged promises of its former president, John E Hartman and one of that subsidiaries employees, Dawn Stafford to wit, that they would guarantee, in a verbal agreement, to which the only witness asserting the existence of any such verbal agreement is dead, that the deceased had homeowners' insurance (though our subsidiary was not in the insurance business), that our subsidiary, and consequently the Company, would guarantee that he had homeowners' insurance, forever, regardless of payment. The case has been dismissed as to Dawn Stafford and the plaintiff has filed notice that it intends to appeal that judgment. The Company is awaiting the filing of an appeal at this time, as we believe that the severing of the chain that begins with Dawn Stafford severs the chain and destroys the plaintiff's case.

6) CONVERTIBLE DEBENTURES

On June 1, 2014, the Company converted $40,000 in Short Term Notes for Accrued Officer Compensation into a convertible debenture. This debenture bears no interest and is convertible into Common Stock at a 5% discount to the average closing price of the five trading days preceding a conversion demand. On July 1, 2015 this debenture was cancelled in exchange for 6,689 shares of Class M Convertible Preferred Stock of the Company.

Also on June 1, 2014, the Company converted $78,000 in Accounts Payable for intellectual property development costs associated with the development of LED lighting systems currently in testing into a convertible debenture. This debenture bears no interest and is convertible into Common Stock at a 5% discount to the average closing price of the five trading days preceding a conversion demand. This debenture has a maturity date of May 31, 2015.

7) COMMON AND PREFERRED STOCK

Common Stock

On April 16, 2008 the Company amended its Articles of Incorporation with the state of Nevada, changing its name to MediaTechnics Corporation, and increasing its authorized Common Stock shares from 200,000,000 to 470,000,000 and its authorized Preferred Stock from 5,000,000 to 20,000,000 shares.

On June 18, 2009, the Board of Directors, and persons having a majority of the voting power entitled to vote, voted to amend the Articles of Incorporation increasing the number of authorized Common Stock shares from 470,000,000 to 980,000,000.

On May 20, 2013, the Board of Directors, and persons having a majority of the voting power entitled to vote, voted to amend the Articles of Incorporation increasing the number of authorized Common Stock shares from 980,000,000 to 1,479,000,000.

The Company has an authorized capitalization of 1,479,000,000 shares of Common Stock with a par value of $.001. There were 1,244,703,469 Common Stock shares issued and outstanding on June 30, 2015.

During the quarter ended June 30, 2015 the Company issued 50,000,000 shares of Common Stock in conversion of 5,000 shares of Class M Convertible Preferred Stock and 100,000,000 shares of Common Stock in conversion of 50,000 shares of Class G Convertible Preferred Stock.

During the year ended June 30, 2015 the Company issued 150,000,000 shares of Common Stock.

Preferred Stock

The Company has an authorized capitalization of 20,000,000 shares of Preferred Stock with a par value of $.001.

Class D Convertible Preferred Stock

At June 30, 2015 there were 1,000,000 shares of Class D Convertible Preferred Stock (“Class D Stock”) authorized and none issued and outstanding.

On September 1, 2011 the Company cancelled all 1,000,000 shares of Class D Convertible Preferred Stock in exchange for 50,000 shares of Class G Convertible Preferred Stock. No further shares of Class D Stock may be issued without the express written consent of a majority of the holders of Class I Convertible Preferred Stock (“Class I Stock”) and the amendment of the Certificate of Designation of Class I Stock, specifically allowing for the issuance of additional shares of Class D Stock.

Holders of Class D Preferred Stock are prohibited from converting into any number of Common Stock shares that would result in the Holder owning an aggregate number of shares of the Common Stock of the Company such that the holder would own more than 4.9% of the total outstanding Common Stock shares of the Company at the time of conversion.

There were no issuances of Class D Stock during the fiscal year ended June 30, 2015.

Class G Convertible Preferred Stock

At June 30, 2015 there were 100,000 shares of Class G Convertible Preferred Stock (“Class G Stock”) authorized and 32,500 shares issued and outstanding.

Holders of Class G Stock have no dividend rights or any right to vote on matters put forward for the approval of Common Stock shareholders. Holders of Class G Stock may only vote on matters concerning the alteration of the specific rights of Class G Stock itself.

Holders of Class G Stock have the right to convert to Common Stock at a ratio of two thousand (2,000) shares of Common Stock per every one (1) share of Class G Stock irrespective of the trading price of the Common Stock.

Holders of Class G Preferred Stock are prohibited from converting into any number of Common Stock shares that would result in the Holder owning an aggregate number of shares of the Common Stock of the Company such that the holder would own more than 4.9% of the total outstanding Common Stock shares of the Company at the time of conversion.

On June 10, 2015 the Company converted and cancelled 50,000 shares of Class G Stock in exchange for 100,000,000 shares of Common Stock.

There were no issuances of Class G Stock during the fiscal year ended June 30, 2015.

Class H Convertible Preferred Stock

At June 30, 2015 there were 100,000 shares of Class H Convertible Preferred Stock ("Class H Stock") authorized and 57,500 issued and outstanding.

Holders of Class H Stock have no dividend rights or any right to vote on matters put forward for the approval of Common Stock shareholders.

On September 19, 2013 and again on April 29, 2014, the Board of Directors voted to increase the Class H Stock conversion ratio to two thousand (2,000) shares of Common Stock per every one (1) share of Class H Stock irrespective of the trading price of the Common Stock.

Holders of Class H Preferred Stock are prohibited from converting into any number of Common Stock shares that would result in the Holder owning an aggregate number of shares of the Common Stock of the Company such that the holder would own more than 4.9% of the total outstanding Common Stock shares of the Company at the time of conversion.

There were no issuances of Class H Stock during the fiscal year ended June 30, 2015.

Class I Convertible Preferred Stock

At June 30, 2015 there were 1,000,000 shares of Class I Convertible Preferred Stock ("Class I Stock") authorized and 1,000,000 issued and outstanding.

On September 19, 2013 and again on April 29, 2014, the Board of Directors voted to amend the number of votes of each Class I Convertible Preferred Stock ("Class I Stock") from one thousand (1,000) to three thousand (3,000). There are currently 1,000,000 Class I Shares outstanding.

Holders of Class I Stock have no dividend rights. Holders of Class I Stock have three thousand (3000) votes relative to Common Stock on any matters put before the Common Stock holders.

Holders of Class I Stock have the right to convert to Common Stock at a ratio of fifty (50) shares of Common Stock per every one (1) share of Class I Stock irrespective of the trading price of the Common Stock.

Holders of Class I Preferred Stock are prohibited from converting into any number of Common Stock shares that would result in the Holder owning an aggregate number of shares of the Common Stock of the Company such that the holder would own more than 4.9% of the total outstanding Common Stock shares of the Company at the time of conversion.

There were no issuances of Class I Stock during the fiscal year ended June 30, 2015.

On February 17, 2014, Mr. Atamian and Evergreen Investment Firm LLC (a Nevada limited liability company controlled by Jeremy E. Carr) reached an agreement whereby Evergreen Investment Firm LLC exchanged 5,000 shares of Class M Stock for all 1,000,000 shares of Mr. Atamian's Class I Stock.

The following table summarizes Evergreen Investment Firm LLC's (and Mr. Carr's, through his control of Evergreen Investment Firm LLC) relative voting rights pursuant to his Class I Shares at the dates listed therein.

Date	Voting Percentage
12/31/2013	00.0%
6/30/2014	73.3%
6/30/2015	70.7%

Class J Convertible Preferred Stock

At June 30, 2015 there were 500,000 shares of Class J Convertible Preferred Stock ("Class J Stock") authorized and 112,095 shares issued and outstanding.

Holders of Class J Stock have no dividend rights or any right to vote on matters put forward for the approval of Common Stock shareholders.

Prior to June 1, 2013, holders of Class J Stock had the right to convert to Common Stock at a ratio of one thousand (1,000) shares of Common Stock per every one (1) share of Class J Stock irrespective of the trading price of the Common Stock.

On June 1, 2013 the Board and holders of all of the outstanding shares of Class J stock voted to allow nine thousand (9,000) shares of Class J Stock to be converted at a ratio of five thousand (5,000) shares of Common Stock in settlement of certain claims against the Company and to increase the conversion ratio for the remaining outstanding shares to two thousand five hundred (2,500) shares of Common Stock per every one (1) share of Class J Stock irrespective of the trading price of the Common Stock thereafter.

Holders of Class J Preferred Stock are prohibited from converting into any number of Common Stock shares that would result in the Holder owning an aggregate number of shares of the Common Stock of the Company such that the holder would own more than 4.9% of the total outstanding Common Stock shares of the Company at the time of conversion.

In the event that the Company should subdivide the outstanding shares of Common Stock, the ratio under which holders of Class J Stock may convert their Class J Stock into Common Stock shall be increased by an amount equal to that which the Common Stock is so subdivided. In the event that the Company should combine the outstanding shares of Common Stock, the ratio under which holders of Class J Stock may convert their Class J Stock into Common Stock shall be decreased by an amount equal eighty-five percent (85%) of the amount by that which the Common Stock is so combined.

There were no issuances of Class J Stock during the fiscal year ended June 30, 2015.

Class M Convertible Preferred Stock

At June 30, 2015, there were 100,000 shares of Class M Convertible Preferred Stock (“Class M Stock”) authorized and 70,760 issued and outstanding.

Holders of Class M Stock have no dividend rights or any right to vote on matters put forward for the approval of Common Stock shareholders. Holders of Class M Stock may only vote on matters concerning the alteration of the specific rights of Class M Stock itself.

On September 19, 2013 and again on April 29, 2014, the Board of Directors voted to increase the Class M Stock conversion ratio to ten thousand (10,000) shares of Common Stock per every one (1) share of Class M Stock irrespective of the trading price of the Common Stock. As of June 30, 2015 Holders of Class M Stock have the right to convert to Common Stock at a ratio of ten thousand (10,000) shares of Common Stock per every one (1) share of Class M Stock irrespective of the trading price of the Common Stock.

Holders of Class M Preferred Stock are prohibited from converting into any number of Common Stock shares that would result in the Holder owning an aggregate number of shares of the Common Stock of the Company such that the holder would own more than 4.9% of the total outstanding Common Stock shares of the Company at the time of conversion.

In the event that the Company should subdivide the outstanding shares of Common Stock, the ratio under which holders of Class M Stock may convert their Class M Stock into Common Stock shall be increased by an amount equal to that which the Common Stock is so subdivided. In the event that the Company should combine the outstanding shares of Common Stock, the ratio under which holders of Class M Stock may convert their Class M Stock into Common Stock shall be decreased by an amount equal fifty percent (50%) of the amount by that which the Common Stock is so combined.

On June 2, 2015 the Company converted and cancelled 5,000 shares of Class M Stock in exchange for 50,000,000 shares of Common Stock.

On June 30, 2015 the Company issued 6,689 shares of Class M Stock in exchange the return and cancellation of a 0% convertible debenture in the amount of $40,000.

Class X Convertible Preferred Stock

At June 30, 2015 there were 100,000 shares of Class X Convertible Preferred Stock (“Class X Stock”) authorized and 100,000 shares issued and outstanding.

On July 16, 2010, the Company authorized 100,000 shares of Class X Stock and the Company issued 100,000 shares of Class X Stock in conjunction with a transaction involving Class Z Stock (see below).

Each share of Class X Stock has a face value of $0.50 (the “Face Value”) and pays a 9% cash dividend. In the event that the Company fails to pay dividends owed in a timely manner after June 30, 2011, the cash dividend

rate will increase to 12%. Class X Stock has a liquidation preference over all other classes of stock other than Class Z.

Holders of Class X Stock have no right to vote on any matters put forward for the approval of Common Stock shareholders. Holders of Class X Stock may only vote on matters concerning the alteration of the specific rights of Class X Stock itself. No other class, classes or series of stock may be granted any rights or security interests preferential in nature to Class X Stock without the express written consent of a majority of all Class X Stock outstanding.

Holders of Class X Stock may convert their Class X Stock into shares of Common Stock on demand, which may not be denied for any reason. The conversion right is based upon as variable ratio based upon the following calculation: Total Outstanding Common Shares at Conversion Date x 0.00000125 x Class X shares being converted. In no event may the conversion ratio be less than 500 Common shares per Class X Share converted. In the event of a reverse stock split, the minimum conversion ratio will be increased by a similar amount.

Holders of Class X Preferred Stock are prohibited from converting into any number of Common Stock shares that would result in the Holder owning an aggregate number of shares of the Common Stock of the Company such that the holder would own more than 4.9% of the total outstanding Common Stock shares of the Company at the time of conversion.

The following table lists the Class X dividend amounts owed for respective period listed therein during the fiscal year 2015. These dividend amounts are accruing.

Fiscal Year	Quarter	Class X Dividend Amount
2015	Q1	$1,581.79
2015	Q2	$1,630.36
2015	Q3	$1,642.80
2015	Q4	$1,711.21

Class Y Convertible Preferred Stock

At June 30, 2015 there were 3,000 Preferred Shares Class Y Convertible Preferred Stock (“Class Y Stock”) authorized and 800 issued and outstanding.

Holders of Class Y Stock have no dividend rights or any right to vote on matters put forward for the approval of Common Stock shareholders. Holders of Class Y Stock may only vote on matters concerning the alteration of the specific rights of Class Y Stock itself.

On February 20, 2015 and again on April 20th, 2015, the Board of Directors voted to authorize 3,000 shares of Class Y Stock convertible at a ratio of six hundred and twenty five thousand (625,000) shares of Common Stock per every one (1) share of Class Y Stock irrespective of the trading price of the Common Stock. As of June 30, 2015 Holders of Class Y Stock have the right to convert to Common Stock at a ratio of six hundred and twenty five thousand (625,000) shares of Common Stock per every one (1) share of Class Y Stock irrespective of the trading price of the Common Stock.

Holders of Class Y Preferred Stock are prohibited from converting into any number of Common Stock shares that would result in the Holder owning an aggregate number of shares of the Common Stock of the Company such that the holder would own more than 4.9% of the total outstanding Common Stock shares of the Company at the time of conversion.

In the event that the Company should subdivide the outstanding shares of Common Stock, the ratio under which holders of Class Y Stock may convert their Class Y Stock into Common Stock shall be increased by an amount equal to that which the Common Stock is so subdivided. In the event that the Company should combine the outstanding shares of Common Stock, the ratio under which holders of Class M Stock may convert their Class M Stock into Common Stock shall be decreased by an amount equal fifty percent (50%) of the amount by that which the Common Stock is so combined.

On April 20, 2015 the Company issued 800 shares of Class Y Stock in exchange for Preferred Shares of PXYN convertible to 8,000,000 shares of PXYN Common Stock.

Fiscal Year	Quarter	Class Y Shares Issued	Face Value
2015	Q4	800	$320,000.00

Class Z Convertible Preferred Stock

At June 30, 2015 there were 200,000 Preferred Shares Class Z Convertible Preferred Stock ("Class Z Stock") authorized and 40,990 issued and outstanding.

On December 28, 2009, the Board of Directors voted to increase the number of authorized shares of Class Z Stock to 200,000. Each share of Class Z Stock has a face value of $6.00 (the "Face Value") and carries a 6% cumulative dividend. Class Z Stock has a liquidation preference over all other classes of stock.

Holders of Class Z Stock have no right to vote on any matters put forward for the approval of Common Stock shareholders. Holders of Class Z Stock may only vote on matters concerning the alteration of the specific rights of Class Z Stock itself. No other class, classes or series of stock may be granted any rights or security interests preferential in nature to Class Z Stock without the express written consent of a majority of all Class Z Stock outstanding.

Holders of Class Z Stock may convert their Class Z Stock into shares of Common Stock on demand. The conversion right is based upon a variable ratio wherein the Face Value is divided by the greater of, fifty percent (50%) of the low bid price of the Common Stock during the one (1) year period preceding any demand for conversion, or $0.0005, however, in no event shall the number by which the Face Value is divided be greater than $0.004

In the event that the Company should subdivide the outstanding shares of Common Stock, the ratio under which holders of Class Z Stock may convert their Class Z Stock into Common Stock shall be increased by an amount equal to that which the Common Stock is so subdivided. In the event that the Company should combine the outstanding shares of Common Stock, the ratio under which holders of Class Z Stock may convert their Class Z Stock into Common Stock shall remain unchanged.

Holders of Class Z Preferred Stock are prohibited from converting into any number of Common Stock shares that would result in the Holder owning an aggregate number of shares of the Common Stock of the Company such that the holder would own more than 4.9% of the total outstanding Common Stock shares of the Company at the time of conversion.

The following table lists all of the shares of Class Z Stock that were issued as a dividend and the respective dividend amount during the respective period listed therein during the fiscal year 2015.

Fiscal Year	Quarter	Class Z Shares Issued	Interest Owed to Z Shareholders
2015	Q1	592	$3,550.00
2015	Q2	601	$3,604.47
2015	Q3	597	$3,580.20
2015	Q4	613	$3,674.31

The following table lists all of the shares of Class Z Stock that were issued as a dividend during the respective period listed therein for the fiscal year ended June 30, 2015.

Fiscal Year	Quarter	Class Z Shares Issued	Price	Exemption	Free Trading	Restrictive Legend

2015	Q1-Q4	2,403	$6.00	4(2)	No	Yes

8) OTHER INCOME AND EXPENSE

During the fiscal quarter ended September 30, 2014, the Company realized a gain of $11,000 from a settlement with the Company's transfer agent, Nevada Agency and Transfer Company, described as follows:

On September 30, 2014, the Company and Nevada Agency and Transfer Company agreed to remove all accrued interest owed to Nevada Agency and Transfer Company by the Company in exchange for a payment of $7,000 towards past due transfer agent bills.

9) SUBSEQUENT EVENT

On April 20, 2015 the Company agreed to issue 800 preferred shares from a newly formed Class of Preferred Shares named Preferred Class Y in consideration for 800 Series B Preferred Shares of Praxsyn Corporation valued at $320,000. The Preferred Class Y has a face value of $400 a share and each share can convert into 625,000 common shares of the Company.

On July 10, 2015 the Company converted $156,000 in Short Term Notes for Accrued Officer Compensation into 29,000 shares of Class M Convertible Preferred Stock.

On August 20, 2015, the Company, by a vote of a majority of the Class M shareholders, voted to increase the authorized shares of Class M Convertible Preferred Stock from 100,000 to 200,000.

On August 22, 2015, the Company issued 6,500 shares of Class M Convertible Preferred Stock in exchange for the return and cancellation of 32,500 shares of Class G Convertible Preferred Stock.

On August 3, 2015 the Company's subsidiary, Evergreen Systems Incorporated, by unanimous vote of the shareholders, voted to amend the Articles of Incorporation to increase the authorized shares from 50,000,000 to 60,000,000.

On July 6, 2015 the Company's subsidiary, Evergreen Systems Incorporated, executed a convertible debenture in the amount of $50,000 for a capital infusion on June 15 necessary to continue Development on BlazeNow. The principal amount of the debenture is convertible into Common Stock of ESI at $0.06 per share. The debenture carries with it warrants to purchase an additional $50,000 worth of Common Stock of ESI at $0.06.

On July 6, 2015 the Company's subsidiary, Evergreen Systems Incorporated, executed a convertible debenture in the amount of $20,000 for a capital infusion of that amount on June 10 necessary to continue Development on BlazeNow. The principal amount of the debenture is convertible into Common Stock of the Company at $0.06 per share. The debenture carries with it warrants to purchase an additional $20,000 worth of Common Stock of ESI at $0.06.

On July 6, 2015 the Company's subsidiary, Evergreen Systems Incorporated, executed a convertible debenture in the amount of $6,415.61 for capital infusions totaling that amount in the spring and summer of 2014. The principal amount of the debenture is convertible into Common Stock of the Company at $0.06 per share. The debenture carries with it warrants to purchase an additional $6,415.61 worth of Common Stock of ESI at $0.06.

On July 6, 2015 the Company's subsidiary, Evergreen Systems Incorporated, executed a convertible debenture in the amount of $10,000 for a capital infusion on June 15 necessary to continue Development on BlazeNow. The principal amount of the debenture is convertible into Common Stock

of the Company at $0.06 per share. The debenture carries with it warrants to purchase an additional $10,000 worth of Common Stock of ESI at $0.06.

On July 6, 2015 the Company's subsidiary, Evergreen Systems Incorporated, executed a convertible debenture in the amount of $40,975 for capital infusions totaling that amount in the spring and summer of 2014. The principal amount of the debenture is convertible into Common Stock of the Company at $0.06 per share. The debenture carries with it warrants to purchase an additional $40,975 worth of Common Stock of ESI at $0.06.

On July 6, 2015 the Company's subsidiary, Evergreen Systems Incorporated, executed a convertible debenture in the amount of $8,700 for capital infusions totaling that amount in the spring and summer of 2014. The principal amount of the debenture is convertible into Common Stock of the Company at $0.06 per share. The debenture carries with it warrants to purchase an additional $8,700 worth of Common Stock of ESI at $0.06.