**Here To Serve Holding Corp.**

# Consolidated Financial Statements
# (Unaudited)

Year Ended
September 30, 2014 and 2015

**TABLE OF CONTENTS**


| | |
|---|---|
| Balance Sheets (Unaudited) | 1 |
| Statements of Operations (Unaudited) | 2 |
| Statements of Shareholders' Deficit (Unaudited) | 3 |
| Statements of Cash Flows (Unaudited) | 4 |
| Notes to the financial statements (Undaudited) | 5-16 |

Here To Serve Holding Corp.
Consolidated Balance Sheets
UNAUDITED

| | September 30, 2015 | September 30, 2014 |
|---|---|---|
| **ASSETS** | | |
| Current Assets | | |
| Cash | $ 1,370 | $ 384,167 |
| Accounts receivable, trade | - | - |
| Note receivable | 360,891 | - |
| Net assets of discontinued operations | | 6,906,311 |
| Total Current Assets | 362,261 | 7,290,478 |
| Other Assets | | |
| Investment | 1,489,501 | - |
| Total Other Assets | 1,489,501 | - |
| **TOTAL ASSETS** | $ 1,851,762 | $ 7,290,478 |
| **LIABILITIES & SHAREHOLDERS' EQUITY (DEFICIT)** | | |
| Liabilities | | |
| Current Liabilities | | |
| Accounts payable | $ - | $ 29,411 |
| Accrued expenses | 88,723 | 55,541 |
| Convertible notes payable | 365,993 | 568,146 |
| Total Current Liabilities | 454,716 | 653,098 |
| Long-term notes payable | | |
| Less: current portion - long term debt | - | - |
| Total Liabilities | 454,716 | 653,098 |
| Shareholders' Equity (Deficit) | | |
| Preferred stock, par value $.001, 2,071,210 shares authorized, 1,000,000 and 2,071,210 issued and outstanding, respectively | 1,000 | 2,071 |
| Common stock, par value $.001, 400,000,000 shares authorized, 118,680,934 and 59,177,334 issued and outstanding, respectively | 118,681 | 59,177 |
| Additional paid in capital | 4,665,843 | 14,208,041 |
| Accumulated earnings (deficit) | (3,388,478) | (7,631,909) |
| Total Shareholders' Equity (Deficit) | 1,397,046 | 6,637,380 |
| **TOTAL LIABILITIES & SHAREHOLDERS' EQUITY (DEFICIT)** | $ 1,851,762 | $ 7,290,478 |

See accompanying notes to unaudited consolidated financial statements.

Here To Serve Holding Corp.
Statement of Operations
UNAUDITED

| | Year Ended September 30, 2015 | 2014 |
|---|---|---|
| Income | | |
| Revenue | | |
| Software sales | $ - | $ - |
| Services | - | - |
| Total Revenue | - | - |
| Cost of Sales/Services | - | - |
| Gross Profit | - | - |
| Expenses | | |
| Bad debt expense | - | - |
| Bank, brokerage & credit card expense | 30 | - |
| Communication expense | - | - |
| Compensation and related expense | 3,048,500 | - |
| Depreciation and amortization | - | - |
| Dues & subscriptions | - | - |
| Information processing expense | - | - |
| Insurance/bond expense | - | - |
| Marketing expense | - | - |
| Office expense | - | - |
| Product development expense | - | - |
| Professional services | 301,794 | - |
| Rent | - | - |
| Repairs & maintenance | - | - |
| State & local taxes, licenses, permits | - | - |
| Travel & entertainment | - | - |
| Total Expenses | 3,350,324 | - |
| Income (loss) from operations | (3,350,324) | - |
| Other Expenses | | |
| Loss on note conversion | - | 23,913 |
| Interest expense | 68,154 | 252,590 |
| Total Other Expenses | 68,154 | 276,503 |
| Net Income (Loss) before income taxes and discontinued operations | (3,418,478) | (276,503) |
| Loss from discontinued operations | - | 3,582,257 |
| Income tax expense | - | - |
| Net Income (Loss) | $ (3,418,478) | $ (3,858,760) |
| Basic Net Income (Loss) Per Share | $ (0.04) | $ (0.09) |
| Weighted Average Number of Shares Outstanding | 78,057,966 | 41,563,674 |

See accompanying notes to unaudited consolidated financials statements.

**Here To Serve Holding Corp.**
**Statements of Shareholders' Equity (Deficit)**
**September 30, 2015**
**UNAUDITED**

| | Common Shares | Common Stock, Par | Preferred Shares | Preferred Stock, Par | Additonal Paid in Capital | Accumulated Deficit | Total |
|---|---|---|---|---|---|---|---|
| Balance September 30, 2013 | 25,020,704 | $ 25,022 | 2,000,000 | $ 2,000 | $ 2,733,040 | $ (3,773,149) | $ (1,013,087) |
| Common stock issued in connection with debt conversions | 6,436,117 | 6,436 | - | - | 237,920 | - | 244,356 |
| Premium expense for note converted in prior period | - | - | - | - | 5,385 | - | 5,385 |
| Common stock issued to employees and officers | 5,000,000 | 5,000 | - | - | 1,245,000 | - | 1,250,000 |
| Net loss | - | - | - | - | - | (1,616,623) | (1,616,623) |
| Balance December 31, 2013 | 36,456,821 | 36,458 | 2,000,000 | 2,000 | 4,221,345 | (5,389,772) | (1,129,969) |
| Common stock issued in connection with debt conversions | 5,913,347 | 5,913 | | | 525,088 | | 531,001 |
| Common stock issued for services | 2,960,500 | 2,960 | | | 329,925 | | 332,885 |
| Common stock issued to acquire software products | 655,000 | 655 | | | 45,195 | | 45,850 |
| Common stock issued in connection with acquisition of subsidiary | 13,191,666 | 13,191 | | | 1,965,559 | | 1,978,750 |
| Preferred stock issued in connection with acquisition of subsidiary | | | 71,210 | 71 | 7,120,929 | | 7,121,000 |
| Net loss | | | | | | (2,242,137) | (2,242,137) |
| Balance September 30, 2014 | 59,177,334 | 59,177 | 2,071,210 | 2,071 | 14,208,041 | (7,631,909) | 6,637,380 |
| Common stock cancelled in connection with disposition of subsidiaries | (34,191,666) | (34,191) | | | (1,965,559) | | (1,999,750) |
| Preferred shares cancelled in connection with disposition of subsidiaries | | | (1,071,210) | (1,071) | (7,120,929) | | (7,122,000) |
| Retained deficit disposed of in connection with disposition of subsidiaries | | | | | | 7,661,909 | 7,661,909 |
| Paid in capital transferred in connection with dispostion of subsidiaries | | | | | (6,625,498) | | (6,625,498) |
| Common stock issued in connection with debt conversions | 4,195,266 | 4,195 | | | 217,955 | | 222,150 |
| Common stock issued to employees and officers | 80,000,000 | 80,000 | | | 5,303,833 | | 5,383,833 |
| Common stock issued for services | 9,500,000 | 9,500 | | | 648,000 | | 657,500 |
| Net loss | | | | | | (3,418,478) | (3,418,478) |
| Balance September 30, 2015 | 118,680,934 | $ 118,681 | 1,000,000 | $ 1,000 | $ 4,665,843 | $ (3,388,478) | $ 1,397,046 |

See accompanying notes to unaudited consolidated financial statements

Here To Serve Holding Corp.
Statement of Cash Flows
UNAUDITED

| | Year Ending September 30, 2015 | 2014 |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| Net loss from operations | $ (3,418,478) | $ (3,858,760) |
| Adjustment to reconcile net loss to net cash used in operating activities: | | |
| Depreciation & Amortization | - | - |
| Stock issued to vendors for service | 301,794 | 332,885 |
| Adjustments to accrued interest for note conversions | - | 4,656 |
| Stock based compensation | 3,048,500 | 1,250,000 |
| Deferred compensation | - | - |
| (Gain) Loss on note conversions | - | 23,913 |
| Note for services | - | 30,000 |
| Premium expense | - | 58,750 |
| Deposits | (8,303) | - |
| Changes in working capital items: | | |
| Accounts receivable | - | - |
| Note receivable | | - |
| Prepaid expenses | - | - |
| Assets of discontinued operations | - | 4,437,500 |
| Accounts payable & accrued expenses | 587,668 | (94,389) |
| Deferred revenue | - | - |
| Other current liabilities | - | (359,042) |
| Cash flow from operating activities | 511,181 | 1,825,513 |
| **INVESTING ACTIVITIES** | | |
| Investment obtained through disposition of subsidiaries | (1,489,501) | - |
| Acquisition of subsidiary | | (11,000,000) |
| Purchased capitalized software | - | (109,074) |
| Disposition of subsidiaries | 595,524 | - |
| Purchased equipment | - | (530,064) |
| Cash flow from investing activities | (893,977) | (11,639,138) |
| **FINANCING ACTIVITIES** | | |
| Proceed from long-term notes payable | - | 10,197,296 |
| Cost of debt and note conversions | - | - |
| Cash flow from financing activities | - | 10,197,296 |
| Net change in cash | (382,796) | 383,671 |
| Beginning cash | 384,166 | 495 |
| Ending Cash | $ 1,370 | $ 384,166 |
| **Supplemental disclosure of cash flow information:** | | |
| Cash paid for interest | $ - | $ 98,272 |
| **Supplemental Non-Cash Investing and Financing Information:** | | |
| Common stock issued in connection with debt conversions | $ 222,150 | $ 780,742 |
| Common stock issued to employees and officers | $ 5,383,833 | $ 1,250,000 |
| Common stock issued for services | $ 657,500 | $ 332,885 |
| Common stockc issued for capitalized assets | $ - | $ 45,850 |
| Common stock issued in connection with acquisition of subsidiary | $ - | $ 1,978,750 |
| Preferred stock issued in connection with acquisition of subsidiary | $ - | $ 7,121,000 |

See accompanying notes to unaudited consolidated financial statements

## NOTE 1 – NATURE OF OPERATIONS AND ORGANIZATION

History of Organization

Here To Serve Holding Corp. f/k/a F3 Technologies, Inc. (the "Company" or "Here To Serve") was incorporated in the State of Delaware as New Ithaca Corporation on September 22, 1983. In 2006, under the direction of Mr. Frank Connor, the Company operating as F3 Technologies began trading on the OTC Market Exchange under the symbol FTCH. Over the next several years, the Company consulted in the software development industry.

In September of 2013, the Company's board resolved to make a change in management and Mr. Jeffrey Cosman was appointed CEO and Director of the Company.

Under Mr. Cosman's direction, the Company began operating as Here To Serve Holding Corp. and repositioned itself into two growth potential industries, waste management and software development. This was done by creating three separate Limited Liability Companies; Here to Serve Missouri Waste Division, LLC ("HTSMWD"), a Missouri Limited Liability Company, Here To Serve Technology Division, LLC ("HTST), a Georgia Limited Liability Company and Here To Serve Georgia Waste Division, LLC ("HTSGWD"), a Georgia Limited Liability Company.

Through acquisitions and restructuring, HTST repositioned the Company's presence in the software development industry

In 2014, HTSMWD purchased the assets of a large solid waste disposal company in the St. Louis, MO market. This acquisition was intended to create the platform company for future acquisitions in the solid waste disposal industry. HTSGWD was created to facilitate expansion in this industry throughout the Southeast.

The merger of the Company and Meridian Waste Services, LLC became effective May 15, 2014. The merger was accounted for by the Company using business combination accounting. Under this method, the purchase price paid by the acquirer is allocated to the assets acquired and liabilities assumed as of the acquisition date based on the fair value. By the application of "push-down" accounting, our assets, liabilities and equity were accordingly adjusted to fair value on May 15, 2014. Determining the fair value of certain assets and liabilities assumed is judgmental in nature and often involves the use of significant estimates and assumptions.

For further discussion of this merger, see Note 4 - ACQUISITION below.

*Explanation of Membership Interest Purchase Agreement*

On October 17, 2014, (the "Execution Date"), Meridian Waste Solutions, Inc. (MWSI) entered into that certain Membership Interest Purchase Agreement (the "Purchase Agreement") by and among Here to Serve Holding Corp., a Delaware corporation, as seller ("Here to Serve"), MWSI, as parent, Brooklyn Cheesecake & Dessert Acquisition Corp., a wholly-owned subsidiary of MWSI, as buyer (the "Acquisition Corp."), the Chief Executive Officer of

**NOTE 1 – NATURE OF OPERATIONS AND ORGANIZATION (CONTINUED)**

MWSI (the "Company Executive"), the majority shareholder of the MWSI (the "Company Majority Shareholder") and certain shareholders of Seller (the "Seller Shareholders"), pursuant to which the Acquisition Corp shall acquire from Here to Serve all of Here to Serve's rights, title and interest in and to (i) 100% of the membership interests of Here to Serve – Missouri Waste Division, LLC d/b/a Meridian Waste, a Missouri limited liability company ("HTS Waste"); (ii) 100% of the membership interests of Here to Serve Technology, LLC, a Georgia limited liability company ("HTS Tech"); and (iii) 100% of the membership interests of Here to Serve – Georgia Waste Division, LLC, a Georgia limited liability company ("HTS Waste Georgia", and together with HTS Waste and HTS Tech, collectively, the "Membership Interests"). As consideration for the Membership Interests, (i) MWSI shall issue to Here to Serve 9,054,134 shares of the MWSI's common stock, (the "Common Stock"); (ii) MWSI shall issue to the holder of Class A Preferred Stock of Here to Serve ("Here to Serve's Class A Preferred Stock") 51 shares of the MWSI's to-be-designated Class A Preferred Stock (the "Class A Preferred Stock"), which Class A Preferred Stock shall have the rights and preferences as described in the Purchase Agreement. See Note 6 below; (iii) MWSI shall issue to the holder of Class B Preferred Stock of Here to Serve (Here to Serve's Class B Preferred Stock") an aggregate of 71,210 shares of the MWSI's to-be-designated Class B Preferred Stock (the "Class B Preferred Stock"), (the Common Stock, the Class A Preferred Stock and the Class B Preferred Stock are referred to as the "Purchase Price Shares;"), and (iv) MWSI shall assume certain assumed liabilities (the "Initial Consideration").

As further consideration, at the closing of the transaction contemplated under the Purchase Agreement, (i) in satisfaction of all accounts payable and shareholder loans, Here to Serve will pay to MWSI Majority Shareholder $70,000 and (ii) MWSI purchased from the then Company Majority Shareholder 230,000 shares of the MWSI's common stock for a purchase price of $230,000. Pursuant to the Purchase Agreement, to the extent Purchase Price Shares are issued to individual shareholders of Here to Serve at or upon closing of the Purchase Agreement: (i) shares of common stock of Here to Serve held by the individuals will be cancelled (ii) 1,000,000 shares of Here to Serve's Class A Preferred Stock will be cancelled; and (iii) 71,120 shares of Here to Serve's Class B Preferred Stock will be cancelled (the "Additional Consideration").

On October 17, 2014, the directors and majority shareholders of MWSI approved the Purchase Agreement and the transactions contemplated under the Purchase Agreement. The directors of Here to Serve and the Here to Serve Shareholders approved the Purchase Agreement and the transactions contemplated thereunder. This closing of the Purchase Agreement results in a change of control of the MWSI and the MWSI changed its business plan to that of HTSMWD.

Current Operations

Currently, the Company remains a holding company controlled by its CEO and Chairman. Since disposing of the three operating LLC's, Mr. Cosman has reviewed several business opportunities and will be making announcements to the direction of the Company in 2015.

## NOTE 1 – NATURE OF OPERATIONS AND ORGANIZATION (CONTINUED)

The Company anticipates having significant announcements before the end of the 2015 calendar year.

Financial Statement Presentation

The financial statements include balance sheets as of September 30, 2015 and September 30, 2014. As September 30, 2014 was prior to the effective date of the Membership Interest Purchase Agreement referred to above, this balance sheet includes the consolidated balance sheets of the Company and its threes wholly owned subsidiaries as of September 30, 2014. The subsidiaries disposed of as a result of the Membership Interest Purchase Agreement are presented as discontinued operations, see Note 3 below. The statement of operations and statement of cash flows are for the one year periods ending September 30, 2015 and September 30, 2014. Likewise, the results of operations of the subsidiaries disposed of as a result of the Membership Interest Purchase Agreement are presented as discontinued operations, see Note 3 below. The statement of shareholders' equity (deficit) presents the changes subsequent to September 30, 2013 and the reflects the results of changes in equity resulting from the merger with Meridian Waste Services, LLC in May of 2014 and the Membership Interest Purchase Agreement of October, 2014.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Basis

The Company uses the accrual basis of accounting and accounting principles generally accepted in the United States of America ("GAAP" accounting). The Company has adopted a September 30 fiscal year end.

Basis of Consolidation

The financial statements for the period ending September 30, 2015 include only the operations of the Company and there is no consolidation. All consolidating subsidiaries were disposed of in the transaction with Brooklyn Cheesecake and Dessert Company, Inc. discussed in Note 1 above.

The consolidated financial statements for the year ended September 30, 2014 include the operations of the Company and its wholly-owned subsidiaries, Here To Serve Missouri Waste Division, LLC and Here To Serve Technology, LLC. The third subsidiary of the Company, Here To Serve Georgia Waste Division, LLC had no operations during the period ended September 30, 2014. All significant intercompany accounts and transactions have been eliminated in consolidation. The operations of the subsidiaries disposed of as discussed in Note 1 are presented as Loss for discontinued operations.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Reclassifications

Certain accounts and financial statement captions in the prior periods have been reclassified to conform to the current period consolidated financial statements.

### Cash and Cash Equivalents

Here To Serve Holding Corp considers all highly liquid investments with maturities of three months or less to be cash equivalents.

### Deferred Revenue

The Company's previously owned Missouri Waste Division bills one month in advance for the following three months. The balance in deferred revenue at September 30, 2014 represents amounts billed in July, August and September for services that will be provided by the disposed subsidiary during October, November and December.

### Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts payable, other liabilities, accrued interest, notes payable, and an amount due to a related party. The carrying amount of these financial instruments approximates fair value due either to length of maturity or interest rates that approximate prevailing market rates unless otherwise disclosed in these consolidated financial statements.

### Impairment of long-lived assets

The Company periodically reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less that the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and its book value. During the year ending September 30, 2014, the Company experienced no losses due to impairment.

### Income Taxes

Income taxes are computed using the asset and liability method. Under the asset and liability method, deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and are measured using the currently enacted tax rates and laws. A valuation allowance is provided

for the amount of deferred tax assets that based on available evidence, which are not expected to be realized.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Accounts Receivable

At September 30, 2014 the Company had $689,716 of trade receivables. Here to Serve – Missouri Waste Division, LLC, primarily owns these trade receivables and they are included in Net assets of discontinued operations.

### Allowance for Doubtful Accounts

The Company provides an allowance for doubtful accounts equal to the estimated collection losses that will be incurred in collection of receivable related to commercial project invoices. The estimated losses are based on managements' evaluation of outstanding accounts receivable at the end of the accounting period. At September 30, 2015 and September 30, 2014, no such allowance was recorded.

### Intangible Assets

Intangible assets consist of assets acquired and costs incurred in connection with the development of the Company's capitalized software. See note below. The Company also has intangible assets related to the purchase of Meridian Waste Services, LLC. See Note 4 below.

### Capitalized Software

The company acquired a software product that is under further development. This asset will be amortized over a three to five year period using the straight-line method of depreciation for book purposes beginning when the software is completed.

### Revenue Recognition

The Company recognizes revenue when there is persuasive evidence of that an arrangement exists, the revenue is fixed or determinable, the products are fully delivered or services have been provided and collection is reasonably assured.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Concentration of Credit Risks

The Company maintains its cash and cash equivalents in bank deposit accounts, which could, at times, exceed federally insured limits. The Company has not experienced any losses in such accounts; however, amounts in excess of the federally insured limit may be at risk if the bank experiences financial difficulties.

### Basic Income (Loss) Per Share

Basic income (loss) per share is calculated by dividing the Company's net loss applicable to common shareholders by the weighted average number of common shares during the period. A diluted earnings per share is calculated by dividing the Company's net income available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive debt or equity. At June 30, 2015 and September 30, 2014 the Company had a series of convertible notes outstanding that could be converted into approximately 9,626,158 and 14,488,784 common shares, respectively. These are not presented in the statement of operations since the company incurred a loss and the effect of these shares is anti- dilutive.

### Stock-Based Compensation

Stock-based compensation is accounted for at fair value in accordance with ASC Topic 718. To date, the Company has not adopted a stock option plan and has not granted any stock options.

### Recent Accounting Pronouncements

Here To Serve Holding Corp. , does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position or cash flow.

## NOTE 3 – DISCONTINUED OPERATIONS

As a result of the Membership Interest Purchase Agreement discussed in Note 1 above, the Company has disposed of the referred to operating entities. The financial position of the subsidiaries disposed of is presented as assets of discontinued operations on the balance sheet as of September 30, 2014. The financial position of the discontinued operations was as follows:

**NOTE 3 – DISCONTINUED OPERATIONS (CONTINUED)**

| | June 30, 2015 | | September 30, 2014 |
|---|---|---|---|
| | | | |
| Accounts receivable | $ - | | $ 689,716 |
| Other note receivable | - | | 143,803 |
| Employee advance | - | | 580 |
| Prepaid expenses | - | | 198,715 |
| Current assets of discontined operations | - | | 1,032,814 |
| | | | |
| Fixed assets, net of accumulated deprecaiton | - | | 7,583,214 |
| | | | |
| Other assets: | | | |
| Capitalized software | - | | 388,682 |
| Deposits | - | | 8,303 |
| Intangible assets, net of accumulated amortization | - | | 13,021,247 |
| | | | |
| Total assets of discontinued operations | $ - | | $ 22,034,260 |
| | | | |
| Accounts payable | $ - | | $ 277,555 |
| Accrued expenses | - | | 250,177 |
| Convertible notes payable | - | | |
| Deferred compensation | - | | 729,000 |
| Deferred revenue | - | | 1,993,062 |
| Notes due affiliates | - | | 143,803 |
| Notes due related parties | - | | 276,250 |
| Other current liabilities | - | | 910,557 |
| Current portion - long term debt | - | | 1,195,333 |
| Current liabilities of discontinued operations | - | | 5,775,737 |
| | | | |
| Long term notes payable, less current portion | - | | 9,352,212 |
| Total liabilities of discontinued operations | - | | 15,127,949 |
| | | | |
| Net assets of discontinued operations | $ - | | $ 6,906,311 |

**NOTE 3 – DISCONTINUED OPERATIONS (CONTINUED)**

The results of operations of discontinued operations were as follows:

| | For the Nine Months Ended June 30, | |
|---|---|---|
| | 2015 | 2014 |
| Revenue: | | |
| Software sales | $ - | $ 4,539 |
| Services | - | 1,660,377 |
| Total revenue of discontinued operations | - | 1,664,916 |
| | | |
| Cost of sales/services | | 1,275,248 |
| | | |
| Gross profit of discontinued operations | - | 389,668 |
| | | |
| Operating expenses: | | |
| Compensation and related expense | | 2,145,828 |
| Depreciation and amortization | | 482,265 |
| Other general and administrative | | 719,786 |
| Total operating expenses of discontinued operations | - | 3,347,879 |
| | | |
| Net loss of discontinued operations | $ - | $ (2,958,211) |

## NOTE 4 – ACQUISITION

On May 15, 2014, the Company entered into an asset purchase agreement by and among the Company, HTSWD, Meridian Waste Services, LLC ("MWS") and the members of MWS, pursuant to which HTSWD acquired certain assets and liabilities of MWS, in exchange for $11,500,000 cash, 13,191,667 shares of Class A Common Stock of HTSHC and 71,210 shares of Series B Cumulative Convertible Preferred Stock of HTSHC.

## NOTE 4 – ACQUISITION (CONTINUED)

The purchase of MWS included the acquisition of assets of $22,290,706 and liabilities of $2,075,956. The aggregate purchase price consisted of the following:

| | |
|---|---|
| Cash | $ 11,000,000 |
| Estimated value of common stock issued to sellers | 1,978,750 |
| Estimated value of preferred stock issued to sellers | 7,121,000 |
| | $ 20,099,750 |

The following table summarizes the estimated fair value of MWS assets acquired and liabilities assumed at the date of acquisition:

| | |
|---|---|
| Accounts receivable | $ 632,322 |
| Prepaid expenses | 123,544 |
| Deposits | 8,303 |
| Containers | 2,710,671 |
| Furniture and equipment | 414,450 |
| Trucks | 4,128,964 |
| Customer lists | 14,007,452 |
| Non-compete agreement | 150,000 |
| Accounts payable and accrued expenses | (54,387) |
| Notes payable | 143,464 |
| Deferred revenue | (1,878,105) |
| | $ 20,099,750 |

## NOTE 5 – NOTES PAYABLE

The Company issued two promissory notes during the year ended September 30, 2014. These notes totaled $200,000 and are generally convertible into common stock of the Company at discounts of 10 % to 20% of the lowest average trading prices for the stock during periods five to one day prior to the conversion date. These notes bears interest at 6% to 8%, are unsecured, and matures within one year of the date issued. The notes were issued to provide working capital for the Company.

The Company has issued a series of one year convertible promissory notes to finance operations. The notes were sold to Machiavelli Ltd. LLC and generally earned interest at 8%, and could be convertible into common stock of the Company at a discount 35% of the lowest average trading prices for the stock during periods five to three days prior to the conversion date. A number of these notes were converted into stock. The notes included a default interest rate of 12% if not paid at maturity or converted to common stock. All but four of the notes went to default. Total outstanding on these notes was $ 259,900 as of September 30, 2014. Due to the conversion feature included in the notes, the Company has recorded a premium expense on the notes totaling $67,253 and $197,021 as of September

## NOTE 5 – NOTES PAYABLE (CONTINUED)

30, 2014 and September 30, 2013, respectively. These amounts have been deducted as interest expense by the Company.

The Company also issued additional notes to other related parties prior to September 30, 2014. Two of these notes were issued to employees for services. James Canouse received note for $200,000 and J. N. Carter received a note for $20,000. The Canouse note had a premium expense of $107,692 and the Carter note had a premium expense of $10,769. In March 2011 Mr. Canouse converted $53,237 of his note to common stock.

At September 30, 2015 and September 30, 2014 the Company had $365,993 and $568,146, respectively outstanding in convertible notes.

At September 30, 2014, Here To Serve – Missouri Waste Division, LLC, a subsidiary of the Company, had $10,547,544 in Debt, of which $1,195,333 is current and $9,352,211 is long term. $1,475,000 were notes Payable to the Sellers of Meridian as sub-debt and $9,072,544 in Long Term Debt payable to Comerica Bank, the Company's Senior Lender. At close, the notes payable to the sellers were five-year term sub-debt loans paying interest at 8%. The Company's Senior Secured Loan was a 4.75% two-year term based on a seven-year amortization schedule. In addition, the Company had a working capital line of credit of $1,250,000 at 4.75%. Finally, there is CAPEX line of credit of $750,000, of which the Company has drawn down $115,000 at close; again at 4.75% interest. This debt was assumed by Meridian Waste Solutions, Inc. in the Membership Interest Purchase Agreement discussed in Note 1 above.

## NOTE 6 – STOCK HOLDERS' EQUITY

The Company has 400,000,000 shares of common stock authorized with a par value of $0.001 and 2,071,210 shares of Preferred stock with a par value of $0.001. There were 118,680,934 and 59,177,334 common shares outstanding as of September 31, 2015 and September 30, 2014, respectively. There were 1,000.000 and 2,071,210 preferred shares outstanding as of September 31, 2015 and September 30, 2014, respectively. During the year ended September 30, 2014, the company cancelled 34,191,666 shares of common stock and 1,072,210 shares of preferred stock in connection with disposition of subsidiaries effected by the Membership Interest Purchase Agreement discussed in Note 1, above. The Company issued 80,000,000 and 5,000,000 shares of common stock to employees and officers as incentive compensation and issued 9,500,000 and 2,960,000 shares of common stock in exchange for services during the years ended September 30, 2015 and September 30, 2014, respectively.. Also, in connection with the disposition of subsidiaries the Company disposed of $7,661,909 in retained deficit and transferred $6,625,498 of additional paid in capital.

## NOTE 7 – COMMITMENTS AND CONTINGENCIES

The Company has leased office space at 12540 Broadwell Rd., Suite 1203 Milton, GA 30004. As this lease is on a month to month basis, there are no associated long term commitments.

## NOTE 8 – INCOME TAXES

As of September 30, 2015 and September 30, 2014, the Company had net operating loss carry forwards of approximately $3,400,000 and $7,630,000, respectively that may be available to reduce our tax liability in future years. We estimate the benefits of this loss carry forward at $1,190,000 as of September 30, 2015 if the Company produces sufficient taxable income. No adjustments to the financial statements have been recorded for this potential tax benefit.

## NOTE 9 – LEASES

The Company's subsidiary Here to Serve Missouri Waste Division, LLC leases its office and warehouse facilities. The lease agreement commenced September 1, 2010 and expires August 30, 2017. This lease was assigned to the Company when the subsidiary purchased Meridian Waste Services, LLC on May 16, 2014. As this lease was transferred as part of the Membership Interest Purchase Agreement discussed in Note 1, there are no future commitments related to this lease

Rent expense amounted to $88,973 for the year ended September 30, 2014.

## NOTE 10 – SUBSEQUENT EVENTS

In accordance with ASC 855-10, the Company has analyzed its operations subsequent to September 30th, 2015 through the date these financial statements were issued and has determined that there are no reportable subsequent events.