

Pursuant to OTC Pink Basic Disclosure Guidelines (v1.0 January 3, 2013)

Dig-It Underground, Inc.

18208 Preston Rd Suite D9365

Dallas, Texas 75252

972-232-9489

Fax: 972-293-1171

Email: Info@digitunder.com

A Nevada Corporation

March 18, 2016

Issuer's Information & Disclosure Statement

To make adequate current information available

Pursuant to Rules 10b-5 and 15c2-11 of the Securities Exchange Act of 1934 ("Exchange Act"), as well as Rule 144 of the Securities Act of 1933 ("Securities Act"), and State Blue Sky Laws.

1) Name of the issuer and its predecessors (if any)

Dig-It Underground, Inc. was originally incorporated in the State of Nevada on March 5, 2001. Other than listed above, the corporation has used no other names in the past 5 years.

2) Address of the issuer's principal executive offices

The principal offices of the Company are located in Dallas, TX at:
18208 Preston Rd Suite D9365 Dallas, Texas 75252
The telephone number is: 972-232-9489
The facsimile number is: 972-293-1171
The Email address is: Info@digitunder.com
The investor relations contact is: Leonid Chernyakhovsky

3) Security Information

Trading Symbol: DIGX

Exact title and class of securities outstanding: Common Stock, Preferred Stock

CUSIP: 253750 10 3

Par Value: \$0.001

Total Common Shares Authorized: 2,200,000,000 as of: December 31, 2015

Total Common Shares Outstanding: 1,851,612,000 as of: December 31, 2015

Total Preferred Shares Authorized: 50,000,000 as of: December 31, 2015

Total Preferred Shares Outstanding: 30,000,000 as of: December 31, 2015

Transfer Agent:

Nevada Agency & Transfer Company
50 West Liberty
Ste. 880
Reno, Nevada 89501
Telephone: 775-322-0626
Facsimile: 775-322-5623

This Transfer Agent is registered under the Exchange Act. The Regulatory authority of this Transfer Agent is the Securities and Exchange Commission.

Issuance History.

On September 4, 2015, the Company issued 125,000,000 shares of Preferred Stock, restricted in accordance with Rule 144, valued at \$125,000, to Leonid Chernyakhovsky for Executive Services.

The issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and the shareholder was either accredited or sophisticated and familiar with Company operations. As of September 4, 2016, all 125,000,000 shares will be eligible for resale at the rate of 1% of our outstanding Preferred Stock per quarter (the 1% requirement of Rule 144). As of September 4, 2016, all 125,000,000 shares will be eligible for resale pursuant to Rule 144(k). However, the 125,000,000 shares, held by Leonid Chernyakhovsky will continue to be subject to the 1% requirement because he is an affiliate.

On September 4, 2015, the Company issued 125,000,000 shares of Preferred Stock, restricted in accordance with Rule 144, valued at \$125,000, to Joseph Kalk for Executive Services. The issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and the shareholder was either accredited or sophisticated and familiar with Company operations. As of September 4, 2016, all 125,000,000 shares will be eligible for resale at the rate of 1% of our outstanding Preferred Stock per quarter (the 1% requirement of Rule 144). As of September 4, 2016, all 125,000,000 shares will be eligible for resale pursuant to Rule 144(k). However, the 125,000,000 shares, held by Joseph Kalk will continue to be subject to the 1% requirement because he is an affiliate.

On August 6, 2015, the Company issued 30,000,000 shares of Preferred Stock, restricted in accordance with Rule 144, valued at \$30,000, to Leonid Chernyakhovsky for Executive Services. The issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and the shareholder was either accredited or sophisticated and familiar with Company operations. As of August 6, 2016, all 30,000,000 shares will be eligible for resale at the rate of 1% of our outstanding Preferred Stock per quarter (the 1% requirement of Rule 144). As of August 6, 2016, all 30,000,000 shares will be eligible for resale pursuant to Rule 144(k). However, the 30,000,000 shares, held by Leonid Chernyakhovsky will continue to be subject to the 1% requirement because he is an affiliate.

On August 6, 2015, the Company issued 5,000,000 shares of Common stock, restricted in accordance with Rule 144, valued at \$5,000, to Leonid Chernyakhovsky for Executive Services. The issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and the shareholder was either accredited or sophisticated and familiar with Company operations. As of August 6, 2016, all 5,000,000 shares will be eligible for resale at the rate of 1% of our outstanding common stock per quarter (the 1% requirement of Rule 144). As of August 6, 2016, all 5,000,000 shares will be eligible for resale pursuant to Rule 144(k). However, the 5,000,000 shares, held by Leonid Chernyakhovsky will continue to be subject to the 1% requirement because he is an affiliate.

On August 6, 2015, the Company issued 5,000,000 shares of Common stock, restricted in accordance with Rule 144, valued at \$5,000, to Joseph Kalk for Executive Services. The issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and the shareholder was either accredited or sophisticated and familiar with Company operations. As of August 6, 2016, all 5,000,000 shares will be eligible for resale at the rate of 1% of our outstanding common stock per quarter (the 1% requirement of Rule 144). As of August 6, 2016, all 5,000,000 shares will be eligible for resale pursuant to Rule 144(k). However, the

5,000,000 shares, held by Joseph Kalk will continue to be subject to the 1% requirement because he is an affiliate.

On June 9, 2015 the Company issued 2,400,000 shares of Common Stock, Restricted in accordance with Rule 144 valued at \$2,400 to a shareholder for consulting services provided to the Company. The Issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and the Shareholder was either accredited or sophisticated and familiar with Company operations.

As of June 9, 2016 all 2,400,000 shares will be eligible for resale pursuant to Rule 144(k).

On November 5, 2014, the Company issued 150,000,000 shares of Common stock, restricted in accordance with Rule 144, valued at \$150,000, to Kristen Morado for Executive Services. The issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and the shareholder was either accredited or sophisticated and familiar with Company operations. As of November 5, 2015, all 150,000,000 shares will be eligible for resale at the rate of 1% of our outstanding common stock per quarter (the 1% requirement of Rule 144). As of November 5, 2015, all 150,000,000 shares will be eligible for resale pursuant to Rule 144(k). However, the 150,000,000 shares, held by Kristen Morado will continue to be subject to the 1% requirement because she is an affiliate.

On September 29, 2014 the Company issued 2,400,000 shares of Common Stock, Restricted in accordance with Rule 144 valued at \$2,400 to a shareholder for consulting services provided to the Company. The Issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and the Shareholder was either accredited or sophisticated and familiar with Company operations.

As of September 29, 2015 all 2,400,000 shares will be eligible for resale pursuant to Rule 144(k).

On July 1, 2014, pursuant to a Share Exchange Agreement, the Company issued 30,000,000 shares of Common stock, restricted in accordance with Rule 144, valued at \$30,000, to Robert Wodarczyk. The issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and the shareholder was either accredited or sophisticated and familiar with Company operations. As of July 1, 2015, all 30,000,000 shares will be eligible for resale at the rate of 1% of our outstanding common stock per quarter (the 1% requirement of Rule 144). As of July 1, 2015, all 30,000,000 shares will be eligible for resale pursuant to Rule 144(k). However, the 30,000,000 shares, held by Robert Wodarczyk will continue to be subject to the 1% requirement because he is an affiliate.

On June 24, 2014, the Company issued 350,000,000 shares of Common stock, restricted in accordance with Rule 144, valued at \$350,000, to Robert Wodarczyk for Executive Services. The issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and the shareholder was either accredited or sophisticated and familiar with Company operations. As of June 24, 2015, all 350,000,000 shares will be eligible for resale at the rate of 1% of our outstanding common stock per quarter (the 1% requirement of Rule 144). As of June 24, 2015, all 350,000,000 shares will be eligible for resale pursuant to Rule 144(k). However, the

350,000,000 shares, held by Robert Wodarczyk will continue to be subject to the 1% requirement because he is an affiliate.

On March 11, 2014 the Company issued 300,000,000 shares of Common Stock, Restricted in accordance with Rule 144 valued at \$300,000 to Tailwind Consulting Services for consulting services provided to the Company. The Issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and the Shareholder was either accredited or sophisticated and familiar with Company operations.

As of March 11, 2015 all 300,000,000 shares will be eligible for resale pursuant to Rule 144(k).

On February 26, 2014 the Company issued 300,000,000 shares of Common Stock, Restricted in accordance with Rule 144 valued at \$300,000 to Cannabeez Media, LLC. for consulting services provided to the Company. The Issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and the Shareholder was either accredited or sophisticated and familiar with Company operations.

As of February 26, 2015 all 300,000,000 shares will be eligible for resale pursuant to Rule 144(k).

On February 12, 2014, the Company issued 350,000,000 shares of Common stock, restricted in accordance with Rule 144, valued at \$350,000, to Tahir Chaudhry, President and Director for Executive Services.

The issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and the shareholder was either accredited or sophisticated and familiar with Company operations. As of February 12, 2015, all 350,000,000 shares will be eligible for resale at the rate of 1% of our outstanding common stock per quarter (the 1% requirement of Rule 144). As of February 12, 2015, all 350,000,000 shares will be eligible for resale pursuant to Rule 144(k). However, the 350,000,000 shares, held by Tahir Chaudhry will continue to be subject to the 1% requirement because he is an affiliate.

On February 12, 2014, the Company issued 350,000,000 shares of Common stock, restricted in accordance with Rule 144, valued at \$350,000, to Juan Morado, Secretary, Treasurer and Director for Executive Services.

The issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and the shareholder was either accredited or sophisticated and familiar with Company operations. As of February 12, 2015, all 350,000,000 shares will be eligible for resale at the rate of 1% of our outstanding common stock per quarter (the 1% requirement of Rule 144). As of February 12, 2015, all 350,000,000 shares will be eligible for resale pursuant to Rule 144(k). However, the 350,000,000 shares, held by Juan Morado will continue to be subject to the 1% requirement because he is an affiliate.

4) Financial Statements

Attached as Exhibit A is the most recent period ended; 4Q Ended December 31, 2015.

Incorporated by Reference;

*3Q ended September 30, 2015; Published on the OTC Disclosure & News Service on October 23, 2015

*2Q ended June 30, 2015; Published on the OTC Disclosure & News Service on October 12, 2015

*1Q ended March 31, 2015; Published on the OTC Disclosure & News Service on May 16, 2015

*Year ended December 31, 2014; Published on the OTC Disclosure & News Service on April 28, 2015

*3Q ended Sept 30, 2014; Published on the OTC Disclosure & News Service on November 14, 2014

*2Q ended June 30, 2014; Published on the OTC Disclosure & News Service on August 14, 2014

*1Q ended March 31, 2014; Published on the OTC Disclosure & News Service on May 15, 2014

*Year ended December 31, 2013; Published on the OTC Disclosure & News Service on March 4, 2014

*3Q ended Sept 30, 2013; Published on the OTC Disclosure & News Service on February 4, 2014

*2Q ended June 30, 2013; Published on the OTC Disclosure & News Service on October 28, 2013

*1Q ended March 31, 2013; Published on the OTC Disclosure & News Service on September 27, 2013

*Year end December 31, 2012; Published on the OTC Disclosure & News Service on August 28, 2013

*1Q ended March 31, 2012; Published on the OTC Disclosure & News Service on May 14, 2012

*Year end December 31, 2011; Published on the OTC Disclosure & News Service on March 26, 2012

5) Describe the Issuer's Business, Products and Services

A. A description of the issuer's business operations:

The Company Dig-It Underground, Inc. (NV), was originally incorporated March 5, 2001 as a Nevada corporation that operated as an underground cable contractor, On September 1, 2012 the company entered into a share exchange agreement with Haydin Group Enterprises whereby the company acquired all of the outstanding business assets of Haydin Group Enterprises.

The current business of the Issuer is that of an Upscale Beauty Salon, located in Cedar Hill, Texas.

Management has developed a business plan, which includes growth through the acquisition of privately owned salons and spas in the Dallas/Fort Worth, TX. Metroplex area.

Management believes that they will be able to obtain the capital necessary to acquire multiple privately owned salons and spas in the Dallas/Fort Worth, TX. Metroplex area, in effect “Branding” the Split Endings name and specific operational characteristics of the company.

Our wholly owned subsidiary High Life Media, Inc. specializes in application development, business consultation, and design. High Life Media creates state of the art web and mobile applications for all major platforms: iOS, Android & Windows.

Additionally, we are currently seeking out viable Joint Ventures, Acquisitions and Mergers to enhance the value of our company.

B. Date and State (or Jurisdiction) of incorporation:

Dig-It Underground, Inc. is a Nevada corporation and was incorporated on March 5, 2001.

C. The issuer’s primary and secondary SIC Codes;

Primary SIC Code; 7231 NAICS Code; 812112

D. The issuer’s fiscal year end date;

The issuer’s fiscal year end date is December 31

E. Principal products or services, and their markets;

The Issuer currently operates an upscale full-service beauty salon in Cedar Hill, TX called SplitEndings Salon. We offer a wide range of services that include:

***Hair:** cuts, relaxers, perms, colors, shampoo, conditioning, curling, reconstructing, weaving, waving, and hair and lash extensions.

***Nails:** manicures, pedicures, polish, sculptured nails.

***Skin Care:** European facials, body waxing, massage and makeup.

The Issuer uses only the best quality suppliers and beauty products available in the Dallas/Ft. Worth Metroplex area and throughout the United States. Our principle product suppliers include:

ABCO Beauty Supply- Dallas, TX

Armstrong-McCall- Dallas, TX

Salon Source- Dallas, TX

The product lines they provide include:

Nexus, Graham Webb, Fudge, Back to Basics, Redkin, Bonicure, ISO As well as hundreds of other product lines.

Our principle services are provided within the beauty salon industry. Our company is superior to other beauty service providers in the Dallas/Ft. Worth Metroplex area because of a solid

reputation built on a 15 year track record of high quality services and products. Our highly trained and experienced cosmetologists provide high quality services that consistently exceed client expectations. The primary competitive advantage that we have in our service area is that our cosmetologists are highly trained and experienced and our cosmetologists have worked with us long-term, even for up to 15 years. The advantage to having a stable cosmetology staff is that the salons clientele base can rely on the salon to provide consistent services at any time, by their cosmetologists of their choice. We do not suffer with a revolving door of new staff members as most beauty salons do, allowing stability for not only our clientele but also for the salon.

6) Describe the Issuer's Facilities

The company currently maintains its principle office at 18208 Preston Rd Suite D9365, Dallas, TX, 75252. At this location 2,200 square feet is rented for the exclusive use of the company. A \$3,500 monthly rental fee is being charged to the Company for the use of this office space.

7) Officers, Directors and Control Persons

A. Names of officers, directors and control persons:

Leonid Chernyakhovsky 18208 Preston Rd. Suite D9365 Dallas, TX 75252	30,000,000 (Preferred)	100%
Leonid Chernyakhovsky 18208 Preston Rd. Suite D9365 Dallas, TX 75252	130,000,000	6.04%
Joseph Kalk 18208 Preston Rd. Suite D9365 Dallas, TX 75252	130,000,000	6.04%
Riva Chernyakhovsky 18208 Preston Rd. Suite D9365 Dallas, TX 75252	0	0.00%

B. Legal/disciplinary history:

1. None of the foregoing persons have been the subject of a conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

2. None of the foregoing persons have been the subject of any order, judgment, or decree, that permanently or temporarily enjoined, barred, suspended or otherwise limited in such a person's involvement in any type of business, securities, commodities, or banking activities;
3. None of the foregoing persons have been the subject of any finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodities Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
4. None of the foregoing persons have been the subject of any order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

C. Beneficial shareholders:

None

8) Third Party Providers

Legal Council;

John M. Perkins III
201 E. Main St.
Suite # 203
Waxahachie, TX. 75165
Ph.- (469) 765-6516
Fax- (469) 533-1582
Eml-jmp2law@live.com

Accountant or Auditor;

None

Investor Relations Consultant

None

Other Advisor

None

9) Issuer Certification

Issuer's certification is attached to this disclosure statement.

I, Leonid Chernyakhovsky, President of Dig-It Underground, Inc., certify that:

1. I have reviewed this Annual Information and Disclosure Statement of Dig-It Underground, Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 18, 2016 _____ Date
"/s/ [Leonid Chernyakhovsky]" _____ Signature
President _____ Title

I, Riva Chernyakhovsky, Secretary/Treasurer of Dig-It Underground, Inc., certify that:

1. I have reviewed this Annual Information and Disclosure Statement of Dig-It Underground, Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 18, 2016 Date

“/s/ [Riva Chernyakhovsky]” Signature

Secretary/Treasurer Title

EXHIBIT A

FINANCIALS

Dig-it Underground, Inc.

Consolidated Financial Statements

For the 4th Quarter Ended December 31, 2015 (Unaudited)

Dig-it Underground, Inc.

For the 4th Quarter Ended December 31, 2015

The financial statements and accompanying notes present fairly, in all material aspects, the financial position of the company and the results of its operations, cash flows, profit and loss, balance sheet and changes in stockholders' equity/deficit for the period presented, in conformity with accounting principles generally accepted in the United States, consistently applied and hereby certified by Leonid Chernyakhovsky, President of Dig-it Underground, Inc.

Dated this 18th day of March 2016.

Certified by: /s/ Leonid Chernyakhovsky
Leonid Chernyakhovsky,
President

DIG-IT UNDERGROUND, INC.
CONSOLIDATED BALANCE SHEET
FOR THE 4TH QUARTER OCT - DEC 31, 2015

ASSETS

CURRENT ASSETS

CASH IN BANK/SAVINGS	\$ 3,277.74
OTHER CURRENT ASSETS	\$ 254.00

TOTAL CURRENT ASSETS **\$ 3,531.74**

TOTAL ASSETS **\$3,531.74**

LIABILITIES

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$ (4,764.44)
PAYROLL LIABILITIES	\$ 1,804.66
FEDERAL TAXES	\$ 685.76

TOTAL CURRENT LIABILITIES **\$ (2,274.02)**

TOTAL LIABILITIES **\$ (2,274.02)**

SHAREHOLDER EQUITY

OPENING BALANCE EQUITY	\$ 511.12
OWNERS CONTRIBUTION	\$ 4,680.20
PAID-IN CAPITAL	\$ 1,000.00
RETAINED EARNINGS	\$ (6,647.00)
SHAREHOLDER DRAWS	\$ (30,627.37)
OWNERS EQUITY	\$ (1,636.34)
NET INCOME	\$ 38,525.15

TOTAL SHAREHOLDER EQUITY **\$ 5,805.76**

TOTAL SHAREHOLDER EQUITY & LIABILITIES **\$ 3,531.74**

DIG-IT UNDERGROUND, INC
CONSOLIDATED PROFIT & LOSS STATEMENT
FOR THE 4TH QUARTER OCT - DEC 31, 2015

GROSS REVENUES	\$	80,551.82	
LESS COST OF GOODS SOLD	\$	1,556.66	
GROSS PROFITS			\$ 78,995.16
OPERATIONAL EXPENSES			
ADVERTISING	\$	3,057.59	
EMPLOYER PAYROLL TAXES	\$	4,114.30	
INSURANCE	\$	3,393.35	
LEGAL/ACCOUNTING	\$	500.05	
LICENSES/TAXES/FEES	\$	1,407.45	
MEALS/ENTERTAINMENT	\$	288.61	
MISC	\$	185.00	
OFFICE	\$	2,127.43	
COMMISSIONS	\$	11,043.87	
RENTS	\$	10,319.80	
REPAIRS/MAINTENANCE	\$	445.14	
TRAVEL	\$	1,614.54	
UTILITIES	\$	707.64	
PHONE/INTERNET	\$	1,214.62	
WAGES	\$	26,330.78	
BANK CHARGES	\$	156.00	
TOTAL OPERATIONAL EXPENSES			\$ 66,906.17
OPERATING INCOME	\$		12,088.99
NET PROFIT	\$		12,088.99

DIG-IT UNDERGROUND, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 4TH QUARTER OCT - DEC 31, 2015

OPERATING ACTIVITIES	
NET INCOME	\$ 12,088.99
NET CASH FOR THE PERIOD	\$ 12,088.99
CASH AT END OF PERIOD	\$ 12,088.99

Dig-it Underground, Inc.
Notes to Financial Statement
For the 4th Quarter Ended December 31, 2015 (Unaudited)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

Accounting policies and procedures are listed below. The Company has adopted a December 31 year end.

Accounting Basis

We have prepared the consolidated financial statements according to generally accepted accounting principles (GAAP).

Cash and Cash Equivalents

The company considers all highly liquid investments with original maturities of three months or less as cash equivalents. As of December 31, 2015, the company had no cash or cash equivalent balances in excess of the federally insured amounts. The company's policy is to invest excess funds in only well capitalized financial institutions.

Earnings per share

The company adopted the provisions of SFAS No. 128, "Earnings per Share." SFAS No. 128 requires the presentation of basic and diluted earnings per share ("EPS"). Basic EPS is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted EPS includes the potential dilution that could occur if options or other contracts to issue common stock were exercised or converted.

The company has not issued any options or warrants or similar securities since inception.

Stock Based Compensation

As permitted by statement of Financial Accounting Standards ("SFAS") No. 148, "Accounting Based Compensation", the company has elected to continue to follow the intrinsic value method in accounting for its' stock-based compensation arrangements as defined by Accounting Principles Board Opinion (APB") No. 25, "Accounting for Stock Issued Employees", and related Interpretations including "Financial Accounting Standards Board Interpretations" No. 44, "Accounting for Certain Transactions Involving Stock Compensation", and interpretation of APB No. 25. At December 31, 2015 the company has not formed a Stock Option Plan and has not issued any options.

Fixed Assets

Fixed assets are carried at cost. Depreciation is computed using the straight-line method of depreciation over the assets' estimated useful lives. Maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When items of fixed assets are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Income Taxes

The provision for income taxes is the total of the current taxes payable and the net of the change in the deferred income taxes. Provision is made for the deferred income taxes where differences exist between the period in which transactions affect current taxable income and the period in which they enter into the determination of net income in the financial statements.

Advertising

Advertising is expensed when incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America 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 of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Goodwill

Goodwill is created when we acquire a business. It is calculated by deducted the fair value of the net assets acquired from the consideration given and represents the value of factors that contribute to greater earning power, such as a good reputation, customer loyalty or intellectual capital.

We assess goodwill of individual subsidiaries for impairment in the fourth quarter of every year, and when circumstances indicate that goodwill might be impaired.

NOTE 2. GOING CONCERN

The accompanying financial statements have been prepared assuming that the company will continue as a going concern.

NOTE 3. RECENTLY ISSUED ACCOUNTING STANDARDS

Management does not believe that any recently issued but not yet adopted accounting will have a material effect on the Company's results of operation or on the reported amount of its assets and liabilities upon adoption.

NOTE 4. PROVISION FOR INCOME TAXES

The company provides for income taxes under Statement of Financial Standards No. 109, Accounting for Income Taxes. SFAS No. 109 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect when these differences are expected to reverse.

SFAS No. 109 requires the reduction of deferred tax assets by a valuation if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The provision for income taxes is comprised of the changes in deferred taxes less the valuation account plus the current taxes payable.